

SALESFORCE COM INC
Form S-4
April 02, 2018
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As filed with the Securities and Exchange Commission on April 2, 2018

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

SALESFORCE.COM, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of

7372
(Primary Standard Industrial

94-3320693
(I.R.S. Employer

incorporation or organization) **Classification Code Number)** **Identification Number)**
The Landmark @ One Market, Suite 300
San Francisco, California 94105
(415) 901-7000

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Amy E. Weaver, Esq.
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		(415) 947-2000

Approximate date of commencement of proposed sale of the securities to the public: April 2, 2018, the date on which the preliminary prospectus and tender offer materials are filed and sent to securityholders. The offer cannot, however, be completed prior to the time this Registration Statement becomes effective. Accordingly, any actual sale or purchase of securities pursuant to the offer will occur only after this Registration Statement is effective, subject to the conditions to the transactions described herein.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company
Emerging growth company	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

If applicable, place an in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed	Proposed	Amount of registration fee
		maximum offering price per share	maximum aggregate offering price	
Common stock, par value \$0.001 per share	17,914,254 shares ⁽¹⁾	N/A	\$2,020,959,413 ⁽²⁾	\$251,609 ⁽³⁾

- (1) Represents the maximum number of shares of salesforce.com, inc. (Salesforce) common stock estimated to be issuable upon consummation of the offer and the subsequent merger described herein, calculated by totaling (A) 9,496,270, which is the product obtained by multiplying the exchange ratio of 0.0711 by 133,562,165, which is the sum of 94,416,981 shares of Class A common stock and 39,145,184 shares of Class B common stock of MuleSoft, Inc. (MuleSoft) outstanding as of March 28, 2018 and (B) 8,417,984, which is the maximum number of Salesforce shares issuable in respect of MuleSoft equity awards.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 under the Securities Act on the basis of the market value of the shares of MuleSoft, Inc. (MuleSoft) common stock to be cancelled in the offer and the subsequent merger described herein, computed in accordance with Rule 457(f)(1) and Rule 457(f)(3). The proposed maximum aggregate offering price of the securities being registered was calculated based on (a) the product of (i) \$43.74, the average of the high and low sales prices per share of MuleSoft Class A common stock on March 28, 2018, as reported by the New York Stock Exchange, and (ii) 156,955,144 (which represents the estimated maximum number of shares of MuleSoft Class A common stock and MuleSoft Class B common stock that may be exchanged in the offer and the subsequent merger described herein for the transaction consideration, including (x) shares underlying MuleSoft equity awards outstanding as of March 28, 2018, and (y) shares underlying MuleSoft equity awards that are expected to be granted between March 28, 2018 and the closing of the offer and the subsequent merger described herein in accordance with the merger agreement described herein, less (b) \$4,843,473,832 (which represents the estimated amount of cash that will be paid by salesforce.com, inc. to the holders of shares of MuleSoft Class A common stock and MuleSoft Class B common stock or MuleSoft equity awards in the offer and the subsequent merger described herein). In accordance with Rule 416, this Registration Statement also covers an indeterminate number of additional shares of MuleSoft securities as may be issuable as a result of stock splits, stock dividends or similar transactions. The MuleSoft Class B common stock is not publicly traded but converts, on a one-for-one basis, into MuleSoft Class A common stock at the election of the holder. Each share of MuleSoft Class B common stock validly tendered and not validly withdrawn pursuant to the offer described herein will automatically convert into one share of MuleSoft Class A common stock upon consummation of the offer.
- (3) The amount of the filing fee, calculated in accordance with Rule 457(c) and Rule 457(f) under the Securities Act, equals 0.0001245 multiplied by the proposed maximum offering price.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this document is not complete and may change. The registrant may not complete the offer and issue these securities until the registration statement filed with the U.S. Securities and Exchange Commission is effective. This document is not an offer to sell these securities, and the registrant is not soliciting an offer to buy these securities, in any state or jurisdiction in which such offer is not permitted.

PRELIMINARY AND SUBJECT TO CHANGE, DATED APRIL 2, 2018

Offer by

MALBEC ACQUISITION CORP.

a wholly owned subsidiary of

salesforce.com, inc.

to Exchange Each Outstanding Share of Class A Common Stock and Class B Common Stock of

MULESOFT, INC.

for

\$36.00 in cash

and

0.0711 of a share of common stock of salesforce.com, inc.

THE OFFER AND THE WITHDRAWAL RIGHTS WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, AT THE END OF MAY 1, 2018, UNLESS EXTENDED OR TERMINATED.

salesforce.com, inc. (which we refer to as "Salesforce"), a Delaware corporation, through its wholly owned subsidiary Malbec Acquisition Corp., a Delaware corporation (which we refer to as the "Offeror"), is offering, upon the terms and subject to the conditions set forth in this document and in the accompanying letter of transmittal, to exchange for each outstanding share of Class A common stock of MuleSoft, Inc., a Delaware corporation (which we refer to as "MuleSoft"), par value \$0.000025 per share (which we refer to as "MuleSoft Class A common stock"), and Class B common stock of MuleSoft, par value \$0.000025 per share (which we refer to as "MuleSoft Class B common stock, and together with "MuleSoft Class A common stock, "MuleSoft common stock" and such shares of MuleSoft common stock, "MuleSoft shares"), validly tendered and not validly withdrawn in the offer:

\$36.00 in cash; and

0.0711 of a share of Salesforce common stock, par value \$0.001 per share (which we refer to as Salesforce common stock and such shares of Salesforce common stock, Salesforce shares), together with cash in lieu of any fractional shares of Salesforce common stock; in each case, without interest and less any applicable withholding taxes.

We refer to the above as the transaction consideration.

The Offeror's obligation to accept for exchange MuleSoft shares validly tendered (and not validly withdrawn) pursuant to the offer is subject to the satisfaction or waiver by the Offeror of certain conditions, including the condition that, prior to the expiration of the offer, there have been validly tendered and not validly withdrawn a number of MuleSoft shares that, upon the consummation of the offer (assuming that shares of MuleSoft Class B common stock validly tendered (and not validly withdrawn) will convert, on a one-to-one basis, into shares of MuleSoft Class A common stock upon the consummation of the offer), together with MuleSoft shares then owned by Salesforce and the Offeror (if any), would represent at least a majority of the aggregate voting power of the MuleSoft shares outstanding immediately after the consummation of the offer (which we refer to as the minimum tender condition), as more fully described under The Offer Conditions of the Offer.

The offer is being made pursuant to an Agreement and Plan of Merger (which we refer to as the merger agreement), dated as of March 20, 2018, among Salesforce, the Offeror and MuleSoft. A copy of the merger agreement is attached to this document as Annex A.

The purpose of the offer is for Salesforce to acquire control of, and ultimately the entire equity interest in, MuleSoft. The offer is the first step in Salesforce's plan to acquire all of the outstanding MuleSoft shares. If the offer is completed and as a second step in such plan, Salesforce intends to promptly consummate a merger of the Offeror with and into MuleSoft, with MuleSoft surviving the merger (which we refer to as the merger). The

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purpose of the merger is for Salesforce to acquire all MuleSoft shares that it did not acquire in the offer. In the merger, each outstanding MuleSoft share that was not acquired by Salesforce or the Offeror (other than certain dissenting, converted or cancelled shares, as described further in this document) will be converted into the right to receive the transaction consideration. Upon the consummation of the merger, the MuleSoft business will be held in a wholly owned subsidiary of Salesforce, and the former MuleSoft stockholders will no longer have any direct ownership interest in the surviving corporation. If the offer is completed, such that Salesforce accordingly owns at least a majority of the aggregate voting power of MuleSoft's outstanding common stock, the merger will be governed by Section 251(h) of the General Corporation Law of the State of Delaware (which we refer to as the "DGCL"), and accordingly no stockholder vote will be required to complete the merger. The board of directors of MuleSoft unanimously determined that the terms of the merger agreement and the transactions contemplated by the merger agreement, including the offer, the merger and the issuance of Salesforce shares in connection therewith, are fair to, and in the best interests of, MuleSoft and its stockholders; determined that it is in the best interests of MuleSoft and its stockholders and declared it advisable to enter into the merger agreement; and approved the execution and delivery by MuleSoft of the merger agreement, the performance by MuleSoft of its covenants and agreements contained in the merger agreement and the consummation of the offer, the merger and the other transactions contemplated by the merger agreement upon the terms and subject to the conditions contained in the merger agreement. The board of directors of MuleSoft has also resolved to recommend that the stockholders of MuleSoft accept the offer and tender their shares of MuleSoft common stock to the Offeror pursuant to the offer.

The Salesforce board of directors also unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the offer and the merger and the issuance of Salesforce shares in the offer and merger, are advisable and fair to, and in the best interests of, Salesforce and its stockholders, and approved the execution and delivery by Salesforce of the merger agreement.

Salesforce common stock is listed on the New York Stock Exchange (which we refer to as the "NYSE") under the symbol "CRM," and MuleSoft Class A common stock is listed on the NYSE under the symbol "MULE." The MuleSoft Class B common stock is not publicly traded but converts, on a one-for-one basis, into MuleSoft Class A common stock at the election of the holder. Each share of MuleSoft Class B common stock validly tendered and not validly withdrawn pursuant to the exchange offer will automatically convert into one share of MuleSoft Class A common stock upon consummation of the exchange offer.

The exchange of MuleSoft shares for Salesforce shares and cash in the offer or the merger generally will be a taxable transaction for U.S. federal income tax purposes. Holders of MuleSoft shares should read the section entitled "Material U.S. Federal Income Tax Consequences" for a more detailed discussion of certain U.S. federal income tax consequences of the offer and the merger to holders of MuleSoft shares.

The merger will entitle MuleSoft stockholders to appraisal rights under the DGCL. To exercise appraisal rights, a MuleSoft stockholder must strictly comply with all of the procedures under the DGCL. These procedures are described more fully in the section entitled "The Offer Dissenters' Rights."

For a discussion of certain factors that MuleSoft stockholders should consider in connection with the offer, please read the section of this document entitled Risk Factors beginning on page 29.

You are encouraged to read this entire document and the related letter of transmittal carefully, including the annexes and information referred to or incorporated by reference in this document.

Neither Salesforce nor the Offeror has authorized any person to provide any information or to make any representation in connection with the offer other than the information contained or incorporated by reference in this document, and if any person provides any information or makes any representation of this kind, that information or representation must not be relied upon as having been authorized by Salesforce or the Offeror.

Neither the U.S. Securities and Exchange Commission (which we refer to as the SEC) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.

The date of this preliminary prospectus/offer to exchange is April 2, 2018.

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This document incorporates by reference important business and financial information about Salesforce, MuleSoft and their respective subsidiaries from documents filed with the SEC that have not been included in or delivered with this document. This information is available without charge at the SEC's website at www.sec.gov, as well as from other sources. See [Where to Obtain More Information](#).

You can obtain the documents incorporated by reference in this document by requesting them in writing or by telephone at the following address and telephone number:

salesforce.com, inc.

The Landmark @ One Market, Suite 300

San Francisco, California 94105

Attention: Investor Relations

(415) 536-6250

In addition, if you have questions about the offer or the merger, or if you need to obtain copies of this document and the letter of transmittal or other documents incorporated by reference in this document, you may contact the information agent for this transaction. You will not be charged for any of the documents you request.

The Information Agent for the Offer is:

509 Madison Ave

New York, NY 10022

Stockholders Call Toll Free: (800) 662-5200

E-mail: tenderinfo@morrowsodali.com

If you would like to request documents, please do so by April 25, 2018, in order to receive them before the expiration of the offer.

Information included in this document relating to MuleSoft, including but not limited to the descriptions of MuleSoft and its business and the information under the headings "The Offer," "MuleSoft's Reasons for the Offer and the Merger," "Recommendation of the MuleSoft Board of Directors," "The Offer," "Opinion of MuleSoft's Financial Advisor" and "The Offer," "Interests of Certain Persons in the Offer and the Merger," also appears in the Solicitation/Recommendation Statement on Schedule 14D-9 dated the date of this document and filed by MuleSoft with the SEC (which we refer to as the "Schedule 14D-9"). The Schedule 14D-9 is being mailed to holders of MuleSoft shares as of the date of this document.

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QUESTIONS AND ANSWERS ABOUT THE OFFER AND THE MERGER

Below are some of the questions that you as a holder of MuleSoft shares may have regarding the offer and the merger and answers to those questions. You are urged to carefully read the remainder of this document and the related letter of transmittal and the other documents to which we have referred because the information contained in this section and in the Summary is not complete. Additional important information is contained in the remainder of this document and the related letter of transmittal. See Where to Obtain More Information. As used in this document, unless otherwise indicated or the context requires, Salesforce or we refers to salesforce.com, inc. and its consolidated subsidiaries; the Offeror refers to Malbec Acquisition Corp., a wholly owned subsidiary of Salesforce; and MuleSoft refers to MuleSoft, Inc. and its consolidated subsidiaries.

Who is offering to buy my MuleSoft shares?

Salesforce, through the Offeror, its wholly owned subsidiary, is making this offer to exchange cash and Salesforce common stock for MuleSoft shares. Salesforce is a leading provider of customer relationship management, or CRM, software, and delivers its cloud-based software through the internet as a service. Salesforce introduced its first CRM solution in 2000, and it has since expanded its service offerings into new areas and industries, as well as introduced new features and platform capabilities. Salesforce's core mission is to empower its customers to connect with their customers in entirely new ways through cloud, mobile, social, Internet of Things and artificial intelligence technologies. Salesforce delivers a comprehensive portfolio of service offerings, including sales force automation, customer service and support, marketing automation, digital commerce, community management, collaboration, industry-specific solutions and the Salesforce Platform, also referred to as the Customer Success Platform, which includes Trailhead, Einstein AI, Lightning, Internet of Things, Heroku, Analytics and the AppExchange.

On March 20, 2018, Salesforce, the Offeror and MuleSoft entered into an Agreement and Plan of Merger, which we refer to as the merger agreement.

What are the classes and amounts of MuleSoft securities that Salesforce is offering to acquire?

Salesforce is seeking to acquire all issued and outstanding shares of MuleSoft Class A common stock, par value \$0.000025 per share, and MuleSoft Class B common stock, par value \$0.000025 per share.

What will I receive for my MuleSoft shares?

Salesforce, through the Offeror, is offering to exchange for each outstanding share of MuleSoft Class A common stock and MuleSoft Class B common stock validly tendered and not validly withdrawn in the offer:

\$36.00 in cash (which we refer to as the cash consideration); and

0.0711 of a share of Salesforce common stock, par value \$0.001 per share, together with cash in lieu of any fractional shares of Salesforce common stock (which we refer to as the stock consideration), in each case, without interest and less any applicable withholding taxes.

We refer to the cash consideration and the stock consideration above, collectively, as the transaction consideration.

If you do not tender your shares into the offer but the merger is completed (pursuant to Section 251(h) of the DGCL without a stockholder vote), you will also receive the transaction consideration in exchange for your shares of MuleSoft common stock.

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Under MuleSoft's amended and restated certificate of incorporation (which we refer to as the "MuleSoft charter"), each share of MuleSoft Class A common stock entitles the holder to one vote while each share of MuleSoft Class B common stock generally entitles the holder to 10 votes. Each share of MuleSoft Class B common stock is convertible at any time at the option of the holder into one share of MuleSoft Class A common stock. In addition, each share of MuleSoft Class B common stock will convert automatically into one share of MuleSoft Class A common stock upon any transfer, whether or not for value, subject to certain exceptions set forth in the MuleSoft charter (none of such exceptions being applicable to the consummation of the offer). Accordingly, shares of MuleSoft Class B common stock that are validly tendered (and not validly withdrawn) in the offer will automatically convert, on a one-to-one basis, into MuleSoft Class A common stock upon the consummation of the offer. In addition, all outstanding shares of MuleSoft Class B common stock will automatically convert into MuleSoft Class A common stock on the earlier of (i) March 22, 2022 or (ii) when the then-outstanding shares of MuleSoft Class B common stock represent less than 15% of the total outstanding shares of MuleSoft Class A common stock and MuleSoft Class B common stock.

Accordingly, if the shares of MuleSoft Class B common stock that are not tendered in the offer represent less than 15% of the aggregate number of shares of MuleSoft Class A common stock and MuleSoft Class B common stock outstanding upon the consummation of the offer (assuming that shares of MuleSoft Class B common stock validly tendered (and not validly withdrawn) in the offer are converted into shares of MuleSoft Class A common stock upon the consummation of the offer), then all of such non-tendered shares of MuleSoft Class B common stock will automatically convert, on a one-to-one basis, into shares of MuleSoft Class A common stock at the time specified in the MuleSoft charter.

If the offer is successfully completed, holders of shares of MuleSoft Class A common stock and MuleSoft Class B common stock that validly tender (and do not validly withdraw) their shares into the offer will both receive the same transaction consideration. In the merger, each outstanding share of MuleSoft Class A common stock and MuleSoft Class B common stock (other than certain dissenting, converted or cancelled shares, as described further in this document) that were not acquired by the Offeror in the offer will be converted into the right to receive the same transaction consideration.

See "The Offer - MuleSoft Class A Common Stock and MuleSoft Class B Common Stock."

What will happen to my MuleSoft stock options?

The offer is made only for shares of MuleSoft common stock and is not made for any options to purchase shares of MuleSoft common stock (each, a "MuleSoft option"). If you hold a MuleSoft option that is vested and exercisable you may, in accordance with the terms and conditions governing such MuleSoft option, and, subject to MuleSoft's insider trading policy and any applicable blackout period(s), exercise the MuleSoft option for shares of MuleSoft common stock and thereafter participate in the offer, subject to the terms and conditions governing the offer. Any MuleSoft options that remain outstanding as of the effective time of the merger will be treated in accordance with the merger agreement.

Pursuant to the merger agreement, at the effective time of the merger, each MuleSoft option that is outstanding and unexercised immediately prior to the effective time and held by an individual who is an employee or service provider of MuleSoft (other than a non-employee director) at the effective time will be assumed and converted into an option to purchase, on the same terms and conditions as were applicable to such MuleSoft option prior to the effective time, the number of shares of Salesforce common stock (rounded down to the nearest whole share) determined by multiplying

the number of shares of MuleSoft common stock subject to the MuleSoft option immediately prior to the effective time by the equity award exchange ratio (defined below), at an exercise price per share (rounded up to the nearest whole cent) determined by dividing the per share exercise price of the MuleSoft option by the equity award exchange ratio.

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Pursuant to the merger agreement, at the effective time, each MuleSoft option (whether vested or unvested) that is outstanding and held by an individual who is not employed by or providing services to MuleSoft (other than a former non-employee director) at the effective time will be cancelled and converted into the right to receive a cash payment equal to (1) the number of shares subject to the MuleSoft option immediately prior to the effective time multiplied by (2) the excess of the per share cash equivalent consideration (defined below) over the per share exercise price applicable to the MuleSoft option, less applicable tax withholdings.

Pursuant to the merger agreement, at the effective time of the merger, each MuleSoft option that is outstanding and held by a current or former non-employee director of MuleSoft will vest and be cancelled and converted into the right to receive the transaction consideration, with the cash consideration reduced by the aggregate per share price applicable to such MuleSoft option.

As used in these questions and answers, (1) the Salesforce trading price means the volume weighted average closing price of Salesforce common stock as reported on the NYSE for the ten consecutive trading day period ending one trading day prior to the acceptance time, (2) the per share cash equivalent consideration means the sum of (a) the cash consideration plus (b) the product obtained by multiplying (i) the stock consideration by (ii) the Salesforce trading price and (3) the equity award exchange ratio means the quotient (rounded to four decimal places) obtained by dividing the per share cash equivalent consideration by the Salesforce trading price.

See Merger Agreement Treatment of MuleSoft Equity Awards.

What will happen to my MuleSoft restricted stock units and performance share units?

The offer is made only for shares of MuleSoft common stock and is not made for any restricted stock units or performance share units relating to shares of MuleSoft common stock (which we refer to as MuleSoft RSU awards and MuleSoft PSU awards, respectively). Any MuleSoft RSU awards and MuleSoft PSU awards that remain outstanding as of the effective time of the merger will be treated in accordance with the merger agreement.

Pursuant to the merger agreement, at the effective time of the merger, each MuleSoft RSU award that is outstanding immediately prior to the effective time and each MuleSoft PSU award that is outstanding immediately prior to the effective time held by an individual who is a MuleSoft employee or service provider (other than a non-employee director) at the effective time will be assumed and converted into a restricted stock unit or performance share unit, as applicable, on the same terms and conditions as were applicable to such MuleSoft RSU award or MuleSoft PSU award prior to the effective time, relating to the number of shares of Salesforce common stock (rounded up to the nearest whole share) determined by multiplying the number of shares of MuleSoft common stock subject to the MuleSoft RSU award or MuleSoft PSU award by the equity award exchange ratio.

Pursuant to the merger agreement, at the effective time of the merger, each MuleSoft RSU that is outstanding and held by a current or former non-employee director of MuleSoft will vest and be cancelled and converted into the right to receive the transaction consideration.

See Merger Agreement Treatment of MuleSoft Equity Awards.

What will happen to the MuleSoft Employee Stock Purchase Plan?

Any MuleSoft employee who is not a participant in MuleSoft's 2017 Employee Stock Purchase Plan (the ESPP) as of the date of the merger agreement may not become a participant in any offering periods in effect under the ESPP as of the date of the merger agreement (the current ESPP offering periods). If the current ESPP offering periods terminate

prior to the effective time, then the ESPP will be suspended and no new offering period will commence under the ESPP prior to the termination of the merger agreement. If any current ESPP

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offering period is still in effect at the effective time, then the last day of such current ESPP offering period will be accelerated to a date before the closing date as specified by the MuleSoft board of directors or its designated committee. Subject to the consummation of the merger, the ESPP will terminate effective immediately prior to the effective time.

See Merger Agreement Treatment of MuleSoft Equity Awards.

Will I have to pay any fee or commission to exchange my shares of MuleSoft common stock?

If you are the record owner of your shares of MuleSoft common stock and you tender these shares in the offer, you will not have to pay any brokerage fees, commissions or similar expenses. If you own your shares of MuleSoft common stock through a broker, dealer, commercial bank, trust company or other nominee and your broker, dealer, commercial bank, trust company or other nominee tenders your MuleSoft shares on your behalf, your broker or such other nominee may charge a fee for doing so. You should consult your broker, dealer, commercial bank, trust company or other nominee to determine whether any charges will apply.

Why is Salesforce making this offer?

The purpose of the offer is for Salesforce to acquire control of, and ultimately the entire equity interest in, MuleSoft. The offer is the first step in Salesforce's plan to acquire all of the outstanding MuleSoft shares, and the merger is the second step in such plan.

In the offer, if a sufficient number of MuleSoft shares are tendered into the offer prior to the expiration time of the offer such that Salesforce and the Offeror will own at least a majority of the aggregate voting power of the MuleSoft shares outstanding immediately after the consummation of the offer, subject to the satisfaction or waiver of the other conditions to the offer, Salesforce and the Offeror will accept for exchange, and exchange, the shares tendered in the offer. Then, thereafter and as the second step in Salesforce's plan to acquire all of the outstanding MuleSoft shares, Salesforce intends to promptly consummate a merger of the Offeror with and into MuleSoft, with MuleSoft surviving the merger (which we refer to as the merger). The purpose of the merger is for Salesforce to acquire all remaining MuleSoft shares that it did not acquire in the offer. Upon consummation of the merger, the MuleSoft business will be held in a wholly owned subsidiary of Salesforce, and the former stockholders of MuleSoft will no longer have any direct ownership interest in the surviving corporation. If the offer is completed (such that Salesforce and the Offeror will own at least a majority of the aggregate voting power of the outstanding shares of MuleSoft common stock), the merger will be governed by Section 251(h) of the DGCL, and accordingly no stockholder vote will be required to consummate the merger.

What does the MuleSoft board of directors recommend?

The board of directors of MuleSoft unanimously determined that the terms of the merger agreement and the transactions contemplated by the merger agreement, including the offer, the merger and the issuance of Salesforce shares in connection therewith, are fair to, and in the best interests of, MuleSoft and its stockholders; determined that it is in the best interests of MuleSoft and its stockholders and declared it advisable to enter into the merger agreement; and approved the execution and delivery by MuleSoft of the merger agreement, the performance by MuleSoft of its covenants and agreements contained in the merger agreement and the consummation of the offer, the merger and the other transactions contemplated by the merger agreement upon the terms and subject to the conditions contained in the merger agreement. The board of directors of MuleSoft has also resolved to recommend that the stockholders of MuleSoft accept the offer and tender their shares of MuleSoft common stock to the Offeror pursuant to the offer.

See The Offer MuleSoft's Reasons for the Offer and the Merger; Recommendation of the MuleSoft Board of Directors, for more information. A description of the reasons for this recommendation is also set forth in

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MuleSoft's Solicitation/Recommendation Statement on Schedule 14D-9 (which we refer to as the Schedule 14D-9), which has been filed with the SEC and is being mailed to you and other stockholders of MuleSoft together with this document.

What are the most significant conditions of the offer?

The offer is conditioned upon, among other things, the following:

Minimum Tender Condition MuleSoft stockholders having validly tendered and not validly withdrawn in accordance with the terms of the offer and prior to the expiration of the offer a number of shares of MuleSoft common stock that, upon the consummation of the offer (assuming that shares of MuleSoft Class B common stock validly tendered (and not validly withdrawn), will convert, on a one-to-one basis, into shares of MuleSoft Class A common stock upon the consummation of the offer), together with any shares of MuleSoft common stock then owned by Salesforce and the Offeror, would represent at least a majority of the aggregate voting power of the MuleSoft shares outstanding immediately after the consummation of the offer (which we refer to as the minimum tender condition);

Regulatory Approvals Any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (which we refer to as the HSR Act) having expired or been terminated;

Effectiveness of Form S-4 The registration statement on Form S-4, of which this document is a part, having become effective under the U.S. Securities Act of 1933, as amended (which we refer to as the Securities Act), and not being the subject of any stop order or proceeding seeking a stop order;

No Legal Prohibition No governmental entity of competent jurisdiction having (i) enacted, issued or promulgated any law that is in effect as of immediately prior to the expiration of the offer or (ii) issued or granted any order or injunctions (whether temporary, preliminary or permanent) that is in effect as of immediately prior to the expiration of the offer, which, in each case, has the effect of restraining or enjoining or otherwise prohibiting the consummation of the offer or the merger;

Listing of Salesforce Shares The Salesforce shares to be issued in the offer and the merger having been approved for listing on the NYSE, subject to official notice of issuance;

No MuleSoft Material Adverse Effect There not having occurred any change, effect, development, circumstance, condition, fact, state of facts, event or occurrence since the date of the merger agreement that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on the financial condition, business, assets or operations of MuleSoft and its subsidiaries, taken as a whole (with such term as defined in the merger agreement and described under Merger Agreement Material Adverse Effect), and that is continuing as of immediately prior to the expiration of the offer;

Accuracy of MuleSoft's Representations and Warranties The representations and warranties of MuleSoft contained in the merger agreement being true and correct as of the expiration date of the offer, subject to specified materiality standards; and

MuleSoft's Compliance with Covenants MuleSoft having performed or complied in all material respects with the covenants and agreements required to be performed or complied with by it under the merger agreement prior to the expiration of the offer.

The offer is subject to certain other conditions set forth below in the section entitled "The Offer - Conditions of the Offer." The conditions to the offer are for the sole benefit of Salesforce and the Offeror and may be asserted by Salesforce or the Offeror regardless of the circumstances giving rise to any such condition or may be waived by Salesforce or the Offeror, by express and specific action to that effect, in whole or in part at any time and from time to time, in each case, prior to the expiration of the offer. However, certain specified conditions (including all

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the conditions noted above other than the conditions related to a material adverse effect of MuleSoft, accuracy of MuleSoft's representations and MuleSoft's compliance with covenants) may not be waived by Salesforce or the Offeror without the consent of MuleSoft (which may be granted or withheld in its sole discretion). There is no financing condition to the offer.

How long will it take to complete the proposed transaction?

The transaction is expected to be completed in the second quarter of Salesforce's fiscal year 2019, ending July 31, 2018, subject to the satisfaction or waiver of the conditions described in The Offer Conditions of the Offer and Merger Agreement Conditions of the Merger.

How long do I have to decide whether to tender my MuleSoft shares in the offer?

The offer is scheduled to expire at 11:59 p.m., New York City time, at the end of May 1, 2018, unless extended or terminated in accordance with the merger agreement. Any extension, delay, termination, waiver or amendment of the offer will be followed as promptly as practicable by public announcement thereof to be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. During any such extension, all MuleSoft shares previously tendered and not validly withdrawn will remain subject to the offer, subject to the rights of a tendering stockholder to withdraw such stockholder's shares. Expiration date means 11:59 p.m., New York City time, at the end of May 1, 2018, unless and until the Offeror has extended the period during which the offer is open, subject to the terms and conditions of the merger agreement, in which event the term expiration date means the latest time and date at which the offer, as so extended by the Offeror, will expire.

Under the merger agreement, unless MuleSoft consents otherwise (which may be granted or withheld in its sole discretion) or the merger agreement is terminated:

the Offeror must extend the offer for any period required by any law, or any rule, regulation, interpretation or position of the SEC or its staff or the NYSE applicable to the offer, or to the extent necessary to resolve any comments of the SEC or its staff applicable to the offer or the offer documents or the registration statement on Form S-4 of which this document is a part;

in the event that any of the conditions to the offer (other than the minimum tender condition, and other than any such conditions that by their nature are to be satisfied at the expiration of the offer) have not been satisfied or waived in accordance with the merger agreement as of any then-scheduled expiration of the offer, the Offeror must extend the offer for successive extension periods of up to 10 business days each (or for such longer period as may be agreed by Salesforce and MuleSoft) in order to permit the satisfaction or valid waiver of the conditions to the offer (other than the minimum tender condition); however, if any then-scheduled expiration of the offer occurs on or before May 5, 2018, then the Offeror may not extend the offer beyond 11:59 p.m., New York City time, on May 8, 2018; and

if as of any then-scheduled expiration of the offer each condition to the offer (other than the minimum tender condition, and other than any such conditions that by their nature are to be satisfied at the expiration of the offer (if such conditions would be satisfied or validly waived were the expiration of the offer to occur at such time)) has been satisfied or waived in accordance with the merger agreement and the minimum tender

condition has not been satisfied, the Offeror may, and at the request in writing of MuleSoft must, extend the offer for successive extension periods of up to 10 business days each (with the length of each such period being determined in good faith by Salesforce) (or for such longer period as may be agreed by Salesforce and MuleSoft); however, in no event will the Offeror be required to extend the expiration of the offer for more than 20 business days in the aggregate for these reasons, and if any then-scheduled expiration of the offer occurs on or before May 5, 2018, then the Offeror may not extend the offer beyond 11:59 p.m., New York City time, on May 8, 2018.

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If the offer would otherwise expire at any time after 11:59 p.m., New York City time, on May 8, 2018 and on or prior to May 24, 2018, the Offeror may extend the offer to expire at 11:59 p.m., New York City time, on May 24, 2018.

The Offeror is not required to extend the offer beyond September 20, 2018 (subject to the two-month extension in certain circumstances described under **Merger Agreement Termination of the Merger Agreement**), which we refer to as the **outside date**.

Upon the terms and subject to the satisfaction or waiver of the conditions of the offer (including, if the offer is extended or amended, the terms and conditions of any extension or amendment), promptly after the expiration of the offer, the Offeror will accept for payment, and will pay for, all MuleSoft shares validly tendered and not validly withdrawn prior to the expiration of the offer.

Any decision to extend the offer will be made public by an announcement regarding such extension as described under **The Offer Extension, Termination and Amendment of Offer**.

How do I tender my MuleSoft shares?

All MuleSoft shares are held in electronic book entry form.

To validly tender MuleSoft shares held of record, MuleSoft stockholders must deliver a properly completed and duly executed letter of transmittal, along with any required signature guarantees and any other required documents for tendered MuleSoft shares to Computershare Trust Company, N.A., the depository and exchange agent (which we refer to as the **exchange agent**) for the offer and the merger, not later than the expiration date. The letter of transmittal is enclosed with this document.

If your shares of MuleSoft Class A common stock are held in **street name** (*i.e.*, through a broker, dealer, commercial bank, trust company or other nominee), these shares of MuleSoft Class A common stock may be tendered by your nominee by book-entry transfer through The Depository Trust Company. To validly tender such shares held in **street name**, MuleSoft stockholders should instruct such nominee to do so prior to the expiration of the offer. No shares of MuleSoft Class B common stock are held in **street name**.

We are not providing for guaranteed delivery procedures and therefore you must allow sufficient time for the necessary tender procedures to be completed during normal business hours of The Depository Trust Company prior to the expiration date. Tenders received by the exchange agent after the expiration date will be disregarded and of no effect. In all cases, you will receive your consideration for your tendered MuleSoft shares only after timely receipt by the exchange agent of either a confirmation of a book-entry transfer of such shares if your shares are held in **street name** or a properly completed and duly executed letter of transmittal if your shares are held of record, in each case, together with any other required documents.

For a complete discussion of the procedures for tendering your MuleSoft shares, see **The Offer Procedure for Tendering**.

Until what time can I withdraw tendered MuleSoft shares?

You may withdraw your previously tendered MuleSoft shares at any time until the offer has expired and, if the Offeror has not accepted your MuleSoft shares for payment by June 1, 2018, you may withdraw them at any time on or after that date until the Offeror accepts shares for payment. If you validly withdraw your previously tendered MuleSoft shares, you will receive shares of the same class of MuleSoft common stock that you tendered. Once the

Offeror accepts your tendered MuleSoft shares for payment upon or after expiration of the offer, however, you will no longer be able to withdraw them. For a complete discussion of the procedures for withdrawing your MuleSoft shares, see The Offer Withdrawal Rights.

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How do I withdraw previously tendered MuleSoft shares?

To withdraw previously tendered MuleSoft shares, you must deliver a written notice of withdrawal with the required information to the exchange agent at any time at which you have the right to withdraw shares. If you tendered MuleSoft shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, you must instruct such broker, dealer, commercial bank, trust company or other nominee to arrange for the withdrawal of your MuleSoft shares and such broker, dealer, commercial bank, trust company or other nominee must effectively withdraw such MuleSoft shares at any time at which you have the right to withdraw shares. If you validly withdraw your previously tendered MuleSoft shares, you will receive shares of the same class of MuleSoft common stock that you tendered. For a discussion of the procedures for withdrawing your MuleSoft shares, including the applicable deadlines for effecting withdrawals, see *The Offer* *Withdrawal Rights*.

When and how will I receive the transaction consideration in exchange for my tendered MuleSoft shares?

The Offeror will exchange all validly tendered and not validly withdrawn MuleSoft shares promptly after the expiration date of the offer, subject to the terms thereof and the satisfaction or waiver of the conditions to the offer, as set forth in *The Offer* *Conditions of the Offer*. The Offeror will deliver the consideration for your validly tendered and not validly withdrawn shares through the exchange agent, which will act as your agent for the purpose of receiving the transaction consideration from the Offeror and transmitting such consideration to you. In all cases, you will receive your consideration for your tendered MuleSoft shares only after timely receipt by the exchange agent of either a confirmation of a book-entry transfer of such shares (as described in *The Offer* *Procedure for Tendering*) or a properly completed and duly executed letter of transmittal, in each case, together with any other required documents.