



2022

ANNUAL REPORT & PROXY STATEMENT
VEEVA SYSTEMS INC.



NOTICE OF 2022 ANNUAL MEETING OF SHAREHOLDERS

WHAT: 2022 Annual Meeting of Shareholders. We are furnishing this Proxy Statement in connection with the solicitation of proxies by the Board of Directors (the “Board”) of Veeva Systems Inc., a public benefit corporation under the laws of the State of Delaware, for use at the 2022 Annual Meeting of Shareholders (the “Annual Meeting”) described here. This chart shows the items up for a vote at the Annual Meeting, how votes will be counted, and how management recommends you vote on each item.

Proposal	More Information	Board Recommendation	Broker Non-Votes	Abstentions	Votes Required for Approval	
One	To elect the directors listed in Proposal One to serve as directors until the annual meeting to be held in 2023 or until their successors are duly elected and qualified.	Page 1	FOR	Will have no effect on the outcome	Will have no effect on the outcome	Majority of the votes duly cast; votes “for” exceed votes “against”
Two	To approve an amendment and restatement of our 2013 Equity Incentive Plan.	Page 38	FOR	Will have no effect on the outcome	Will have no effect on the outcome	Majority of the votes duly cast
Three	To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2023.	Page 46	FOR	Will have no effect on the outcome	Will have no effect on the outcome	Majority of the votes duly cast

WHEN: Thursday, June 9, 2022, 8:00 a.m. Pacific Time

WHERE: The Annual Meeting will be held virtually at www.virtualshareholdermeeting.com/VEEV2022, where you will be able to listen to the meeting live, submit questions, and vote online.

WHO CAN VOTE: You can vote if you were a shareholder of record as of the close of business on April 14, 2022 (the “Record Date”).

HOW CAN I VOTE:

Shareholders of record can vote in any of these ways:

- Internet: www.proxyvote.com until 11:59 p.m. Eastern Time on Wednesday, June 8, 2022;
- Telephone: 1-800-690-6903 until 11:59 p.m. Eastern Time on Wednesday, June 8, 2022;
- Mail: Sign, date, and mail your proxy card (if you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you instruct); or
- Directly at the virtual Annual Meeting: Visit www.virtualshareholdermeeting.com/VEEV2022 and enter your 16-digit control number.

Beneficial Owners of Shares Held in Street Name

- Please refer to the voting instructions provided to you by your broker, trustee, or other nominee that holds your shares.

Proxy Statement

ADDITIONAL VOTING-RELATED INFORMATION:

Adjournments and Postponements

Any action on the items of business described above may be considered at the virtual Annual Meeting or at any time and date to which the Annual Meeting may be properly adjourned or postponed.

Voting

Your vote is very important. We encourage you to read the Proxy Statement and vote your shares over the Internet, by telephone, or by mail. Voting your shares in advance will not prevent you from participating in the Annual Meeting virtually, revoking your earlier submitted proxy, or voting your shares during the virtual Annual Meeting. For specific instructions on how to vote your shares, please see “Frequently Asked Questions and Answers” in the Proxy Statement.

On or about April 27, 2022, a Notice of Internet Availability of Proxy Materials (the “Notice”) has been mailed to shareholders of record as of the Record Date. The Notice contains instructions on how to access our Proxy Statement and our fiscal 2022 Annual Report (together, the “proxy materials”). The Notice also provides instructions on how to vote and includes instructions on how to receive a paper copy of proxy materials by mail. The proxy materials can be accessed directly at the following Internet address: www.proxyvote.com.

As used in this Proxy Statement, the terms “Veeva,” “the Company,” “we,” “us,” and “our” mean Veeva Systems Inc. and its subsidiaries unless the context indicates otherwise.

By Order of the Board of Directors,



Josh Faddis

SVP, General Counsel and Corporate Secretary

April 27, 2022

An Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on June 9, 2022: The Notice, Proxy Statement, and 2022 Annual Report is available to shareholders at www.proxyvote.com.

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PROPOSAL ONE: ELECTION OF DIRECTORS

GOVERNANCE LEADERSHIP

We, the members of the Veeva Systems Inc. Board of Directors, open this Proxy Statement by asking for your voting support. We provide information in this section describing who we are; how we are selected, elected, and evaluated; how we are organized; how we govern and are governed; how we are paid; and how you can communicate with us. First, we want to summarize a few recent and unique leadership actions that we believe set us apart.

On February 1, 2021, after overwhelming approval by our voting shareholders, we became the first public company to transition from a traditional Delaware corporation to a Public Benefit Corporation (“PBC”). A PBC is a for-profit company that has adopted a public benefit purpose intended to provide benefits beyond just shareholder financial returns. Our PBC purpose is “to provide products and services that are intended to help make the industries we serve more productive, and to create high-quality employment opportunities in the communities in which we operate.” As a PBC, our directors have a fiduciary duty to balance the financial interests of shareholders, the best interests of other stakeholders materially affected by our conduct, and the pursuit of our PBC purpose. We believe that operating as a PBC (i) reflects our longstanding core values—Do the Right Thing, Customer Success, Employee Success, and Speed, (ii) helps us maintain alignment with the principal industry we serve—life sciences—and its broad goal to improve health and extend lives, and (iii) enhances our relationships with employees and job candidates. We believe that these benefits, among others, are an essential part of our effort to create long-term, sustainable value for shareholders and, if done well, a societal benefit. We have included our first annual PBC report herein at “Our PBC Report.”

At the same time as our PBC conversion but as a distinct proposal for shareholder vote, we proposed eliminating our classified Board structure. We also made the somewhat uncommon decision to declassify all at once—such that all directors would be immediately up for re-election at the 2021 annual meeting—rather than over a period of years. That change is now in effect. In 2021, we also adopted a proxy access provision and a process for shareholders to call special meetings. More recently, we expanded the diversity of our Board of Directors (as further detailed below) and we determined to form a board committee specifically tasked with oversight of cybersecurity risk. We note also that our dual-class structure, adopted at the time of our 2013 initial public offering (“IPO”), automatically sunsets in 2023. We believe these actions and others position us as a governance leader across many fronts.

WHO WE ARE

Our Board may establish the authorized number of directors from time to time by resolution, and twelve directors are currently authorized. A director serves in office until his or her respective successor is duly elected and qualified or until his or her earlier death, resignation, or removal. Our restated certificate of incorporation (“Certificate”) and amended and restated bylaws (“Bylaws”) that are currently in effect authorize only our Board to fill vacancies on our Board until the next annual meeting of shareholders.

Upon the recommendation of the Nominating and Governance Committee, the Board has nominated 11 individuals to be elected at the Annual Meeting. As of the date of this Proxy Statement, each of Mark Carges, Paul E. Chamberlain, Mary Lynne Hedley, Priscilla Hung, Tina Hunt, Marshall Mohr, Gordon Ritter, and Paul Sekhri qualifies as independent in accordance with the New York Stock Exchange (“NYSE”) listing standards. As of the date of the Annual Meeting, Matthew J. Wallach, Veeva’s co-founder and former president, will also qualify as independent in accordance with the NYSE listing standards. Additionally, Ronald E.F. Codd is not standing for re-election following the expiration of his current term at the Annual Meeting. All of the nominees are presently directors of Veeva and have consented to being named in this Proxy Statement and to serving as directors if elected. You cannot vote for a greater number of persons than the eleven director candidates, and the authorized number of directors has been set at eleven as of immediately prior to the Annual Meeting.

Our Board unanimously recommends a vote “FOR” each of its nominees for director.

Who We Are

Board Nominees

Our Board reflects a diversity of experience and perspectives and has an appropriate balance of members who have supported Veeva from its beginning and who have joined more recently.

Average Director Age	Average Director Tenure			Board Diversity in Gender			Board Diversity in Underrepresented Communities				
58.3 years	5.3 years			27%			27%				
Board Skill	Cabral	Carges	Chamberlain	Gassner	Hedley	Hung	Hunt	Mohr	Ritter	Sekhri	Wallach
Technical software expertise ⁽¹⁾		X		X		X			X		X
Life sciences operational expertise ⁽²⁾					X		X			X	
Veeva-specific operational expertise ⁽³⁾	X			X							X
Business executive expertise ⁽⁴⁾		X	X	X	X	X	X	X		X	
International (non-US) business operational expertise ⁽⁵⁾			X	X	X	X	X			X	
Business development expertise ⁽⁶⁾	X	X	X	X	X	X	X	X	X	X	X
Financial expertise ⁽⁷⁾	X		X					X			
Public company board experience ⁽⁸⁾	X	X	X	X	X	X		X		X	
Governance, risk, and compliance expertise ⁽⁹⁾	X	X	X	X	X	X	X	X		X	
Years on Board	<1	5	6	15	3	<1	<1	<1	14	8	2
Age	54	60	58	57	59	55	54	66	57	64	49
Gender	M	M	M	M	F	F	F	M	M	M	M
Self-identify as member of an underrepresented community ⁽¹⁰⁾	N	N	N	Not Specified	N	Y	Y	N	N	Y	N

- (1) Technical product expertise in the software industry, including expertise in product design/management, product development, or product operations.
- (2) Experience leading the research and development or commercial (sales/marketing) functions of a life sciences company.
- (3) Deep knowledge and operational experience with Veeva's business; deep knowledge of Veeva's customers.
- (4) Experience as CEO or other senior executive in a non-financial role at another public company.
- (5) Lead executive or supervisor of the lead executive for a significant business or business unit outside the United States.
- (6) Experience founding or growing new businesses; experience in venture capital, capital markets, or acquisitions.
- (7) Deep experience with financial statements and accounting; Audit Committee financial expert.
- (8) Experience as a director of another public company.
- (9) Operational responsibility or board oversight of governance, risk, ESG, cybersecurity, or compliance at another public company.
- (10) The term "underrepresented community," as used herein, means Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, Alaska Native, or LGBTQ.

We next describe individual biographical and qualification information about each nominee. There are no family relationships among any of our directors or executive officers.

Tim Cabral

Age: 54

Director since 2022

Committees

None

Qualifications

- Deep knowledge of Veeva as former Chief Financial Officer
- Experience as an executive and business leader in the life sciences and technology industries
- Public company board expertise and financial expertise

Career Experience

- 2010–2020: Chief Financial Officer, Veeva Systems Inc.
- 1994–2010: Various leadership and executive roles, including VP of Finance, at PeopleSoft, Inc., a provider of enterprise application software acquired by Oracle Corporation in 2005, and Senior Finance Manager, at Chiron Corp., a biotech company acquired by Novartis in 2006

Selected Board Experience

- Doximity Inc. (2020–present) (Public)
- ServiceTitan Inc. (2020–present)
- SingleStore Inc. (2021–present)

Education

- Bachelor of Science, Finance, Santa Clara University
- Master of Business Administration, Santa Clara University, Leavey School of Business

Recommended by

- Mr. Gassner, Veeva's Chief Executive Officer
-

Who We Are

Mark Carges

Age: 60

Director since 2017

Independent Director

Committees

Audit

Compensation

Qualifications

- Enterprise and internet software expertise
- Senior technology leadership
- Information and cybersecurity experience

Career Experience

- 2017–present: Senior Advisor, Generation Investment Management, an investment management firm focused on sustainable companies
- 2008–2014: Various executive roles, including most recently Chief Technology Officer, at eBay Inc., an e-commerce company
- 1996–2008: Various senior technology leadership roles, including most recently EVP, Products and General Manager of the Business Interaction Division, at BEA Systems, Inc., a provider of enterprise application infrastructure software, acquired by Oracle Corporation in 2008

Selected Board Experience

- Splunk Inc. (2014–present) (Public)
- Magnet Systems, Inc. (2012–present)
- Phase One A/S (2019–present)
- SteelSeries, Inc. (2020–present), acquired by GN Store Nord A/S in 2022

Education

- Bachelor of Arts, University of California at Berkeley
 - Master of Science, Computer Science, New York University
-

Paul E. Chamberlain

Age: 58

Director since 2015

Independent Director

Financial Expert

Committees

Audit

Qualifications

- Experience working with technology and high growth companies
- Leadership experience
- Capital markets, mergers and acquisitions, and financial expertise

Career Experience

- 2015–present: President, PEC Ventures, a strategic and financial advisory firm
- 2018–present: Visiting Professor, Princeton University and Adjunct Lecturer, Santa Clara University
- 1990–2015: Various roles, including most recently Managing Director and Co-Head of Global Technology Banking, Morgan Stanley, an investment bank

Selected Board Experience

- ServiceNow, Inc. (2016–present) (Public)
- TriNet Group, Inc. (2015–present) (Public)
- JobTrain, a non-profit vocational and life skills training organization in Menlo Park, California (2003–2014); Chair of its Strategic Advisory Committee (2015–present)

Education

- Bachelor of Arts, History, magna cum laude, Princeton University
 - Master of Business Administration, Harvard Business School
-

Who We Are

Peter P. Gassner

Age: 57

Director since 2007

Committees

None

Qualifications

- Deep knowledge of Veeva as co-founder and Chief Executive Officer
- Software and platform technologist
- Expertise within the software industry

Career Experience

- 2007–present: Co-founder and Chief Executive Officer, Veeva Systems Inc.
- 2003–2005: Senior Vice President of Technology, salesforce.com, inc., a provider of enterprise cloud computing solutions
- 1995–2003: Chief Architect and General Manager, PeopleSoft, a provider of enterprise application software
- 1989–1994: Staff Developer, International Business Machines Corporation, a multinational technology company and computer manufacturer

Selected Board Experience

- Zoom Video Communications, Inc. (2015–present) (Public)
- Guidewire Software, Inc. (2015–2019) (Public)

Education

- Bachelor of Science, Computer Science, Oregon State University
-

Mary Lynne Hedley

Age: 59

Director since 2019

Independent Director

CommitteesNominating and
Governance (Chair)**Qualifications**

- Founder of multiple life sciences companies
- Scientist and executive with extensive experience in the discovery and development of new medicines, including the clinical trial process

Career Experience

- 2021–present: Senior fellow and strategic advisor, The Broad Institute of Harvard and MIT, a biomedical research organization
- 2010–2020: Co-founder, President, and Chief Operating Officer of TESARO, Inc., an oncology-focused pharmaceutical company acquired by GlaxoSmithKline plc in 2019
- 2009–2010: EVP of Operations and Chief Scientific Officer, Abraxis BioScience, Inc., a biotechnology company acquired by Celgene Corporation in 2010
- 2008–2009: EVP, Eisai Corporation of North America, a global pharmaceutical company
- 2004–2008: EVP and Chief Scientific Officer, MGI PHARMA, Inc., an oncology focused biopharmaceutical company acquired by Eisai Co. Ltd. in 2008
- 1996–2004: Co-founder, President, and CEO of ZYCOS, Inc., a biotechnology company acquired by MGI PHARMA, Inc. in 2004

Selected Board Experience

- Helsinn Healthcare SA (2021–present)
- Centessa Pharmaceuticals Limited (2021–present)
- Millendo Therapeutics, Inc. (2017–2021) (Public)
- TESARO (2010–2019) (Public)
- bluebird bio, Inc. (2017–2019) (Public)
- Receptos, Inc. (2014–2015), acquired by Celgene Corp. in 2015

Education

- Bachelor of Science, Microbiology, Purdue University
- Doctor of Philosophy, Immunology, University of Texas, Southwestern Medical Center
- Two postdoctoral fellowships, Harvard University

Who We Are

Priscilla Hung

Age: 55

Director since 2022

Independent Director

Committees

None

Qualifications

- Leadership experience within the software industry
- Business development expertise
- Public company board expertise

Career Experience

- 2005–present: various leadership and executive roles, including President and Chief Operating Officer, Chief Operating Officer since 2017, and Chief Administrative Officer and SVP, Corporate Development from 2014 to 2017, at Guidewire Software, Inc., a provider of cloud-based software for the P&C insurance industry
- 2000–2005: various leadership roles, including Director of Operations, Supplier Network Business Unit, and Director, Global Alliances, at Ariba Technologies Inc., a software company, acquired by the German software developer SAP SE in 2012
- 1996–2000: various leadership roles, including Global OEM Channel Manager of the Midrange Products Division at Sun Microsystems, Inc., a manufacturer of computer workstations, servers, and software, acquired by Oracle Corporation in 2010
- 1989–1996: various leadership roles, including Channel Manager of the Minicomputer Products Division at Oracle Corporation

Selected Board Experience

- Vonage Holdings Corp. (2019–present) (Public)

Education

- Masters of Engineering, Industrial Engineering and Operations Research, Cornell University
- Bachelor of Arts, Computer Science, Mills College

Recommended by

- Trewstar LLC, a search firm⁽¹⁾

(1) Ms. Hung also previously worked with Mr. Gassner during his service on the board of Guidewire Software, Inc.

Tina Hunt

Age: 54

Director since 2022

Independent Director

Committees

None

Qualifications

- Business and operations executive experience within the software and life sciences industries
- Global and enterprise leadership expertise
- Life sciences R&D, ESG, and cybersecurity expertise

Career Experience

- 2006–present: various leadership and executive roles, including EVP, General Manager, Point Care Diagnostics and Worldwide Operations, at IDEXX Laboratories, Inc., a global leader in veterinary diagnostics and pet healthcare innovation
- 1996–2006: various leadership and executive roles, including VP, at Woodard & Curran Inc., a consulting firm focused on water and environmental projects
- 1989–1990: Sales Executive, Hindustan Computers, an Indian multinational information technology services and consulting company

Education

- Bachelor of Engineering, Civil Engineering, Panjab Engineering College
- Master of Science, Environmental Engineering, Purdue University
- Doctor of Philosophy, Environmental Engineering, Purdue University
- Master of Business Administration, University of Southern Maine

Recommended by

- Trewstar LLC, a search firm
-

Who We Are

Marshall Mohr

Age: 66

Director since 2022

Independent Director

Financial Expert

Committees

Audit

Qualifications

- Leadership experience within the healthcare, technology and financial services industries
- Public company board expertise
- Financial expertise

Career Experience

- 2006–present: various leadership and executive roles, including EVP, Global Business Services, and EVP and Chief Financial Officer from 2006 to 2021, at Intuitive Surgical Inc., a provider of surgical robotics
- 2003–2006: VP and Chief Financial Officer, Adaptec, Inc., a computer storage company
- 1981–2003: Managing Partner of the West Region Technology Industry Group, PricewaterhouseCoopers LLP, a provider of accounting, audit, and tax advisory services

Selected Board Experience

- Pacific Biosciences of California, Inc. (2012–present) (Public)
- Plantronics, Inc. (2005–present) (Public)
- Atheros Communications, Inc. (2003–2011) (Public), acquired by Qualcomm, Inc. in 2011

Education

- Bachelor of Business Administration, Accounting and Finance, Western Michigan University

Recommended by

- Mr. Gassner, Veeva’s Chief Executive Officer
-

Gordon Ritter

Age: 57

Director since 2008

Chairman of the Board

Independent Director

Committees

Compensation (Chair)

Qualifications

- Business experience in the software and web services industries
- Expertise in venture capital, including as an investor and director for numerous private companies
- Deep knowledge of Veeva as an early investor

Career Experience

- 2002–present: General Partner, Emergence Capital Partners, a venture capital firm founded by Mr. Ritter
- 2000–2001: Co-founder and CEO, Software As Service, Inc., a web services platform company
- 1999–2000: Vice President, Global Small Business division, IBM
- 1995–1999: Co-founder and President, Whistle Communications, Inc., an internet appliance and services platform acquired by IBM in 1999
- 1990–1995: Co-founder and President, Tribe, Inc., a networking infrastructure company
- 1986–1990: Vice President of Capital Markets, Credit Suisse First Boston Inc., an investment bank

Selected Board Experience

- Serves on the boards of directors of numerous private technology companies

Education

- Bachelor of Arts, Economics, Princeton University

Who We Are

Paul Sekhri

Age: 64

Director since 2014

Independent Director

Committees

Nominating and
Governance

Qualifications

- Executive, board member, and investor experience in the life sciences industry
- Leadership experience and technical knowledge of life science companies
- Public company board expertise

Career Experience

- 2019–2022: President and Chief Executive Officer, eGenesis, Inc., a biotechnology company focused on transplantation
- 2015–2019: President and Chief Executive Officer, Lycera Corp., a biopharmaceutical company focused on autoimmune diseases
- 2016–2017: Operating Partner, Highline Therapeutics, a biotech incubator launched by Versant Ventures
- 2014–2015: SVP, Integrated Care at Sanofi S.A., a multinational pharmaceutical company
- 2013–2014: Group EVP, Global Business Development and Chief Strategy Officer, Teva Pharmaceutical Industries, Ltd., a global pharmaceuticals company
- 2009–2013: Operating Partner and Head, Biotech Ops Group at TPG Biotech, part of the global private investment firm TPG Capital
- 2004–2009: President and Chief Executive Officer, Cerimon Pharmaceuticals, Inc., a pharmaceutical company

Selected Board Experience

- Spring Discovery, Inc. (2021–present)
- Longboard Pharmaceuticals (2020–present) (Public)
- eGenesis, Inc. (2019–present)
- Ipsen S.A. (2018–present) (Public)
- Compugen Ltd. (2017–present) (Public)
- Pharming Group N.V. (2015–present) (Public)
- BiomX, Inc. (2020–2022) (Public)
- Alpine Immune Sciences, Inc. (2017–2020) (Public)

Education

- Bachelor of Science, Zoology, University of Maryland
 - Post-graduate studies, clinical anatomy and neuroscience, University of Maryland, School of Medicine
-

Matthew J. Wallach

Age: 49

Director since 2020

Independent Director (as of the date of the Annual Meeting)

Committees

None

Qualifications

- Deep knowledge of Veeva as co-founder and former president
- Experience as an executive and business leader in the life sciences technology industry

Career Experience

- 2007–2019: Co-founder and President, Veeva Systems Inc.
- 2005–2007: Chief Marketing Officer, Health Market Science, Inc., a supplier of healthcare data solutions
- 2004: Vice President of Marketing and Product Management, IntelliChem, Inc., a provider of scientific content management solutions
- 1998–2003: General Manager, Pharmaceuticals & Biotechnology division, Siebel Systems, Inc., a customer relationship management software company

Selected Board Experience

- HealthVerity, Inc. (2016–present)

Education

- Bachelor of Arts, Economics, Yale University
 - Master of Business Administration, Harvard Business School
-

HOW WE ARE SELECTED, ELECTED, AND EVALUATED

Considerations in Evaluating Director Nominees and Board Diversity

Our Nominating and Governance Committee reviews on at least an annual basis, the composition of the Board, including character, judgment, diversity, independence, expertise, corporate experience, length of service, other commitments, and the like. Our Nominating and Governance Committee considers all aspects of each candidate's qualifications and skills in the context of the needs of Veeva with a view toward creating a Board with diversity of thought, experience, expertise and perspectives, including diversity with respect to gender and underrepresented community status. We have taken this aim seriously and we believe we have been successful in establishing a Board that includes diversity across a number of key fronts, including gender and underrepresented community status. When evaluating candidates for nomination as new directors, we value and consider the diversity traits of such candidates, but we do not require any particular diversity traits for a candidate or slate of candidates to be considered for nomination.

Board and Committee Evaluations

Pursuant to its charter, the Nominating and Governance Committee oversees the self-evaluation of the Board, and since 2015, we have engaged a third party to conduct interviews with each director regarding, among other things, Board and Board committee membership, structure, performance, and areas for improvement. The purpose of the evaluation is to assess the Board as a whole, and we believe that this process allows Board members to:

- Gain a better understanding of what it means to be an effective Board, including identifying strategies to enhance Board performance;
- Evaluate overall Board composition;
- Assess Board and committee roles and responsibilities;
- Provide anonymous feedback on peers;
- Clarify the expectations that directors have of themselves and of each other;
- Foster effective communications among directors and between the Board and management;
- Identify and discuss areas for potential improvement; and
- Identify Board goals and objectives for the coming year.

Following the interviews, the results are discussed with the Nominating and Governance Committee, the Chairman of the Board, and, where relevant, with management, and presented to and discussed with the full Board during executive session. Where appropriate, further action is taken consistent with these Board discussions.

Director On-Boarding and Continuing Education

Upon joining our Board, directors are provided with an orientation about us, which includes introductions to members of our senior management and information about our visions and values, operations, performance, strategic plans, and corporate governance practices (including our PBC purpose and our fiduciary duty to balance the financial interests of shareholders, the best interests of other stakeholders materially affected by our conduct, and the pursuit of our PBC purpose).

Our Board believes that our shareholders are best served by a Board comprised of individuals who are up to date on corporate governance and other matters relevant to board service. To encourage those efforts, our Board has adopted a Directors Continuing Education Policy (the "Director Education Policy") that encourages all directors to pursue ongoing education and development on topics that they deem relevant given their individual backgrounds and committee assignments on our Board.

HOW WE ARE SELECTED, ELECTED, AND EVALUATED

Our directors are encouraged and provided with opportunities to attend educational sessions on subjects that would assist them in discharging their duties. Pursuant to the Director Education Policy, we will reimburse directors up to \$12,000 each fiscal year to pursue education and development. In addition and in order to facilitate ongoing education, our management provides to our directors on a periodic basis pertinent articles and information relating to our business, our competitors, and corporate governance and regulatory issues.

Shareholder Recommendations for Nominations to the Board; Proxy Access

Our Nominating and Governance Committee has adopted Policies and Procedures for Director Candidates. Shareholder recommendations for candidates to our Board must be received by December 31st of the year prior to the year in which the recommended candidates will be considered for nomination; must be directed in writing to our principal executive offices, Attention: Corporate Secretary; and must include the candidate's name, home and business contact information, detailed biographical data and qualifications, information regarding any relationships between us and the candidate within the last three years, and evidence of the recommending person's ownership of our capital stock. Such recommendations must also include a statement from the recommending shareholder in support of the candidate, particularly within the context of the criteria for membership on the Board, including issues of character, judgment, diversity, age, independence, expertise, corporate experience, other commitments and the like, personal references, and an indication of the candidate's willingness to serve.

In addition, in 2021, we adopted "proxy access," whereby a shareholder (or a group of up to 20 shareholders) that has held at least 3% of the voting power of our capital stock for three years or more may nominate candidates for up to 20% of the available director seats and have those nominees included in our proxy materials, provided that the shareholder and nominees satisfy the requirements specified in our Bylaws. Any shareholder who intends to use these procedures to nominate a candidate for election to the Board for inclusion in our proxy statement for the 2023 annual meeting of shareholders must satisfy the requirements specified in our Bylaws and must provide notice to our Corporate Secretary, which generally must be received not less than ninety (90) days nor more than one hundred and twenty (120) days prior to the first anniversary of the preceding year's annual meeting. The notice of proxy access must include information specified in our Bylaws, including information concerning the nominee and information about the shareholder's ownership of and agreements related to our stock.

HOW WE ARE ORGANIZED

Board Leadership Structure

Pursuant to our Corporate Governance Guidelines, our Board may separate or combine the roles of the Chairman of the Board and CEO when and if it deems it advisable and in our best interests and in the best interests of our shareholders to do so. We currently separate the roles of Chairman and CEO. Our Board is currently chaired by Mr. Ritter. Separating the roles of CEO and Chairman allows our CEO to focus on our day-to-day business while allowing the Chairman to lead our Board in its fundamental role of providing independent advice to, and oversight of, management. Our Board believes that having an independent director serve as Chairman is the appropriate leadership structure for us at this time, and the Board will periodically consider the Board's leadership structure. Mr. Ritter, as our Chairman, presides over separate regularly scheduled executive session meetings at which only independent directors are present. Our Corporate Governance Guidelines are posted on our website.

Director Independence

Our Class A common stock is listed on the NYSE. The listing standards of the NYSE generally require that a majority of the members of a listed company's board of directors be independent. In addition, the listing standards of the NYSE require that, subject to specified exceptions, each member of a listed company's audit, compensation, and nominating and corporate governance committees be independent. Under the listing standards of the NYSE, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Our Board has determined that, other than Messrs. Cabral and Gassner, all of our directors are "independent" as that term is defined under the listing standards of the NYSE as of the date of the Annual Meeting. In addition, the independent members of our Board and Board committees regularly hold separate executive sessions at Board or Board committee meetings where only independent directors are present.

Board Committees

Our Board currently has three standing committees: Audit Committee, Compensation Committee, and Nominating and Governance Committee. In March 2022, our Board also determined to form a new standing Board committee in 2022 specifically tasked with oversight of cybersecurity risk. Our Board and its committees conduct scheduled meetings throughout the year and also hold special meetings and act by written consent from time to time, as appropriate. Our Board has delegated various responsibilities and authority to its committees as generally described below. The committees regularly report on their activities and actions to the full Board. Each member of each committee of our Board qualifies as an independent director in accordance with NYSE listing standards.

Audit Committee

Our Audit Committee assists our Board in its oversight of the quality and integrity of our reported financial statements, our compliance with legal and regulatory requirements, our accounting and financial management processes and the effectiveness of our internal controls over financial reporting, our enterprise risk management and compliance programs, the quality and integrity of the annual audit of our financial statements, and the performance of our internal audit function. In addition, our Audit Committee discusses, at least annually, our cybersecurity and other information technology risks, controls, and procedures and receives periodic updates from our management on the same. We intend to transition the oversight of our cybersecurity and other information technology risks to the new standing Board committee to be formed in 2022, as noted above. Our Audit Committee also discusses the scope and results of the audit with our independent registered public accounting firm, reviews with our management and our independent registered public accounting firm our interim and year-end operating results, and, as appropriate, initiates inquiries into aspects of our financial affairs.

How We Are Organized

Our Audit Committee is responsible for establishing procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters and for the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters. In addition, our Audit Committee has sole and direct responsibility for the appointment, retention, compensation, and oversight of the work of our independent registered public accounting firm, including approving services and fee arrangements. Significant related party transactions will be approved by our Audit Committee before we enter into them, as required by applicable rules and NYSE listing standards.

The members of our Audit Committee are independent, non-employee members of our Board and qualify as independent under Rule 10A-3 of the Securities Exchange Act of 1934 (the “Exchange Act”) and related NYSE listing standards, as determined by our Board. Each member can read and understand fundamental financial statements. Our Board has determined that Messrs. Chamberlain and Mohr qualify as audit committee financial experts within the meaning of regulations of the Securities and Exchange Commission (the “SEC”) and meet the financial sophistication requirements of the NYSE. The designation does not impose on them any duties, obligations, or liabilities that are greater than those generally imposed on any other member of our Board.

Compensation Committee

The purpose of our Compensation Committee is to discharge the responsibilities of our Board relating to executive compensation policies and programs, including reviewing, evaluating, recommending, and approving executive officer compensation arrangements, plans, policies, and programs. Among other things, specific responsibilities of our Compensation Committee include evaluating the performance of our Chief Executive Officer and determining our Chief Executive Officer’s compensation. The Compensation Committee also determines the compensation of our other executive officers in consultation with our Chief Executive Officer. In addition, our Compensation Committee administers our equity-based compensation plans, including granting equity awards and approving modifications of such awards. Our Compensation Committee also reviews and approves various other compensation policies and matters and has both the authority to engage its own advisors to assist it in carrying out its function and the responsibility to assess the independence of such advisors in accordance with SEC rules and NYSE listing standards. Our Chief Executive Officer, Chief Financial Officer, Chief People Officer, and General Counsel assist our Compensation Committee in carrying out its functions, although they do not participate in deliberations or decisions with respect to their own compensation.

Our Compensation Committee has delegated to the non-executive equity committee, consisting of our Chief Executive Officer, the authority to approve routine equity award grants to newly hired employees who are not direct reports of our Chief Executive Officer, as well as promotional and refresh equity award grants to employees who are not direct reports of our Chief Executive Officer, all within certain share parameters established and reviewed from time to time by the Compensation Committee.

During our fiscal year ended January 31, 2022 (“fiscal 2022”), our Compensation Committee engaged the services of Compensia, Inc., a compensation consulting firm, to advise it regarding the amount and types of compensation that we provide to our executive officers and directors and how our compensation practices compared to the compensation practices of our peer companies. Compensia reports directly to the Compensation Committee. Compensia does not provide any services to us other than the services provided to the Compensation Committee. Our Compensation Committee believes that Compensia does not have any conflicts of interest in advising the Compensation Committee under applicable SEC rules or NYSE listing standards.

The members of our Compensation Committee are “non-employee” directors under Rule 16b-3 of the Exchange Act, “outside directors” under applicable tax rules, and qualify as independent under Rule 10C of the Exchange Act and related NYSE listing standards, as determined by our Board.

How We Are Organized

Nominating and Governance Committee

The Nominating and Governance Committee oversees the nomination of directors, including, among other things, identifying, considering, and nominating candidates to our Board. Our Nominating and Governance Committee also recommends corporate governance guidelines and policies and advises the Board on corporate governance and Board performance matters, including recommendations regarding the structure and composition of the Board and the Board's committees. In addition, it oversees the annual evaluation of our Board and individual directors and advises the Board on matters that may involve members of the Board or our executive officers and that may involve a conflict of interest or taking of a corporate opportunity. Our Nominating and Governance Committee also evaluates potential candidates for our Board on an ongoing basis.

The members of our Nominating and Governance Committee are non-employee members of our Board and are independent under the listing standards of the NYSE applicable to Nominating and Governance Committee members.

Compensation Committee Interlocks and Insider Participation

During fiscal 2022, our Compensation Committee consisted of Messrs. Carges, Codd, and Ritter. None of our executive officers serves, or served during fiscal 2022, as a member of the Board or compensation committee of any other entity that has or has had one or more executive officers serving as a member of our Board or our Compensation Committee.

HOW WE GOVERN AND ARE GOVERNED

Overview of Our Corporate Governance Program and Recent Actions

The highlights of our corporate governance program are as follows:

- Majority independent Board
- Completely independent Audit Committee, Compensation Committee, and Nominating and Governance Committee
- Separate Chairman and CEO positions
- Annual director elections, with majority voting and removal with or without cause
- Proxy access for director nominations
- Shareholders' ability to call a special meeting
- Majority of Audit Committee members are "financial experts"
- Regular executive sessions of independent directors
- Annual Board evaluation (led by third party)
- Members of management other than executive officers regularly attend and present at Board meetings
- Automatic sunset of our dual-class structure in October 2023
- Code of Conduct applicable to directors and executive officers
- Corporate Citizenship statement posted to our website
- Anti-hedging and pledging policies in our Insider Trading Policy
- Our 10b5-1 trading plan guidelines follow best practices
- Stock ownership guidelines for directors and executive officers
- Change in circumstances with director resignation policy in our Corporate Governance Guidelines
- Annual review of committee charters and corporate governance policies
- Board continuing education program

We regularly review our current corporate governance practices against best practices and peer benchmarks. The following are the most recent actions we have taken to improve our corporate governance program:

- In January 2022, we added two female directors to our Board, each of whom also identify as members of an underrepresented community. As a result, we increased our Board diversity to 27% as it relates to both gender and underrepresented communities.
- In March 2022, the Board determined to form a new standing Board committee in 2022 specifically tasked with oversight of cybersecurity risk.
- In 2021, we were the first public company to convert to a Delaware PBC after an overwhelming shareholder vote in favor.
- At the same time in 2021, we de-classified our Board all at once, effective at the 2021 Annual Meeting rather than take a staggered approach.
- Also in 2021, we adopted proxy access for director nominations and changed our charter documents to permit shareholders to call special meetings.
- In late 2020 and in connection with our proposed conversion to a PBC, members of our Board had numerous engagement meetings with individual shareholders to discuss our contemplated conversion. We proactively sought to arrange meetings with our top twenty holders of Class A shares and had conversations with each shareholder that agreed to meet. We also accepted meetings from a number of smaller shareholders who expressed an interest in discussing our potential conversion.
- In 2019 and early 2020, we continued our shareholder engagement with investors to discuss environmental, social, and governance matters. We also added a female director to our Board in August 2019 when Mary Lynne Hedley was appointed.
- In March 2019, we reviewed and made changes to our overall compensation program (for both executive officers and employees) with a view toward retention and shareholder alignment (see "Our Pay" for more details). We also adopted stock ownership guidelines for directors and executive officers.

How We Govern and Are Governed

Board and Committee Meeting Attendance

Our Board met six times during fiscal 2022. No director attended fewer than 75%, in the aggregate, of the total number of meetings of the Board and the total number of committee meetings of which he or she was a member during fiscal 2022. It is our policy to invite and encourage our directors to attend our annual meetings of shareholders and have scheduled our Annual Meeting on the same day as a regularly scheduled Board meeting in order to facilitate their attendance. Last year, six of our directors attended our 2021 annual meeting of shareholders. The membership of each standing committee and number of meetings held during fiscal 2022 are identified in the table below.

Name	Audit	Compensation	Governance
Peter P. Gassner			
Timothy C. Barabe*	✓		✓
Timothy S. Cabral**			
Mark Carges***	✓	✓	
Paul E. Chamberlain	✓		
Ronald E.F. Codd	Chair	✓	
Mary Lynne Hedley			Chair
Priscilla Hung**			
Tina Hunt**			
Marshall Mohr**	✓		
Gordon Ritter		Chair	
Paul Sekhri			✓
Matthew J. Wallach			
Number of meetings held during fiscal 2022	8	6	5

* Mr. Barabe did not stand for re-election at the 2021 Annual Meeting and ceased being a director on June 23, 2021.

** Ms. Hung, Dr. Hunt, and Messrs. Cabral and Mohr were appointed to the Board on January 21, 2022, and Mr. Mohr joined the Audit Committee on the same date.

*** Mr. Carges joined the Audit Committee on March 12, 2021.

Corporate Governance Policies

Our Board has adopted a Code of Conduct that applies to all of our directors, employees, and officers, including our CEO, CFO, and other executive and senior financial officers. The full text of our Code of Conduct is posted on our website. Each committee of our Board has a written charter approved by our Board. Copies of each charter are also posted on our website. On an annual basis, our Board and its committees review our Corporate Governance Guidelines, the written charters for each of the Board's committees, and our Code of Conduct against best practices and peer benchmarks. We will disclose any future amendments to, or waiver of, our Code of Conduct, on our website.

Board Oversight of Risk

One of the key functions of our Board is informed oversight of our risk management process. Our Board recognizes the importance of effective risk oversight in running a successful business and in fulfilling its fiduciary responsibilities. Our Board is responsible for assuring that an appropriate culture of risk management exists within Veeva, monitoring and assessing strategic risk exposure, and focusing on how we address specific risks, such as cybersecurity and technology risks, brand and reputation risks, strategic and competitive risks, operational risks, financial risks, and legal and compliance risks. Our executive officers are responsible for the day-to-day management of the material risks we face. On a regular basis, our Board administers its oversight function directly as well as through its various standing committees that address the risks inherent in their respective areas of oversight. For example, our Audit Committee is responsible for overseeing the management of risks associated with our financial reporting, accounting, and auditing matters; our internal audit function; our enterprise risk management and compliance programs; and our cybersecurity and other information technology risks, controls, and procedures.

How We Govern and Are Governed

More recently, in March 2022, the Board determined to form a new standing Board committee in 2022 specifically tasked with oversight of cybersecurity risk. Our Compensation Committee oversees the management of risks associated with our compensation policies and programs. Our Nominating and Governance Committee oversees the management of risks associated with director independence, conflicts of interest, composition and organization of our Board, and director succession planning.

Board's Role in Human Capital Management

Our Board believes that human capital management is an important component of our continued growth and success. Our Board has regular involvement in talent attraction, retention, and development and succession planning, and the Board provides input on important decisions in each of these areas. The Board has primary responsibility for CEO succession planning and the Compensation Committee monitors management's succession plans for other key executives. While the Board has approved an emergency succession plan for our CEO and certain key executives to prepare for unanticipated events, the Board believes that the establishment of a strong management team is the best way to prepare for an unanticipated executive departure.

In addition, members of our Board regularly engage with employees at all levels of the organization through periodic visits to Veeva's headquarters in Pleasanton, California, and attendance at employee and customer events, to gain insight into a broad range of human capital management topics, including corporate culture, diversity, employee development, and compensation and benefits. Our Board and management consider employee feedback in evaluating employee programs and initiatives and benefits and in monitoring our current practices for potential areas of improvement.

In particular, our Compensation Committee administers and provides oversight of our cash and equity-based compensation programs and reviews with management our major compensation-related risks, including as they relate to retention of our key executives and employees.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act 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% shareholders 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 fiscal year. Based on our review of forms we received, or written representations from reporting persons, we believe that during fiscal 2022, all Section 16(a) filing requirements were satisfied on a timely basis.

Certain Relationships and Related Party Transactions

In addition to the compensation arrangements with our directors and executive officers described elsewhere in this Proxy Statement, the following is a description of each transaction since February 1, 2021 and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amount involved exceeds or will exceed \$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 (other than tenants or employees), had or will have a direct or indirect material interest.

How We Govern and Are Governed

Employment Arrangements with Immediate Family Members of Our Executive Officers and Directors

Theodore Wallach, a brother of our director, Matthew J. Wallach, has been employed by us since September 2010. Theodore Wallach serves as a senior product manager. During fiscal 2022, Theodore Wallach had total cash and other compensation of approximately \$330,000, approximately \$130,000 of which represents the aggregate grant date fair value of RSUs and options calculated in accordance with FASB ASC Topic No. 718.

Lisa Halsey, a sister-in-law of our director, Tim Cabral, was employed by us from August 2015 to April 2022. Ms. Halsey served as a director on our employee success team. During fiscal 2022, Ms. Halsey had total cash and other compensation of approximately \$210,000, approximately \$60,000 of which represents the aggregate grant date fair value of RSUs and options calculated in accordance with FASB ASC Topic No. 718.

The compensation level for each of Theodore Wallach and Ms. Halsey was comparable to the compensation paid to employees in similar positions that were not related to our executive officers. They also were eligible for equity awards on the same general terms and conditions as other employees in similar positions who were not related to our executive officers.

Indemnification Agreements

We have entered into indemnification agreements with our directors, executive officers, and other key employees. The indemnification agreements provide that we indemnify each of our directors, executive officers, and key employees to the fullest extent permitted by Delaware law, our Certificate, and our Bylaws against expenses incurred by that person because of his or her status as one of our directors, executive officers, or key employees. In addition, the indemnification agreements provide that, to the fullest extent permitted by Delaware law, we will advance all expenses incurred by our directors, executive officers, and other key employees in connection with a legal proceeding.

Policies and Procedures for Related Party Transactions

Pursuant to our Code of Conduct and Audit Committee charter, any related party transaction or series of transactions with an executive officer, director, or any of such person's immediate family members or affiliates, in which the amount involved, either individually or in the aggregate, exceeds \$120,000 must be presented to our Audit Committee for review, consideration, and approval. All of our directors and executive officers are required to report to our Audit Committee any such related party transaction. In approving or rejecting the proposed transactions, our Audit Committee shall consider the relevant facts and circumstances available and deemed relevant to the Audit Committee, including, but not limited to the risks, costs, and benefits to us, the terms of the transaction, the availability of other sources for comparable services or products and, if applicable, the impact on a director's independence. Our Audit Committee shall approve only those transactions that, in light of known circumstances, are not inconsistent with Veeva's best interests, as our Audit Committee determines in the good faith exercise of its discretion.

HOW WE ARE PAID

Non-Employee Director Compensation Plan

Each non-employee member of the Board receives an annual cash retainer of \$50,000, paid in arrears in quarterly installments.

Non-employee members of the Board also receive grants of RSUs under our 2013 Equity Incentive Plan on the date of our annual meeting of shareholders. Such annual grants are valued on the date of grant and vest quarterly over one year. On the date of each annual meeting of shareholders, each non-employee director who is serving on the Board as of such date will be issued RSUs valued at \$225,000 of our Class A common stock. In addition, the non-executive chairman or lead independent director will receive an additional issuance of RSUs valued at \$40,000 of our Class A common stock.

Non-employee members of the Board's committees are granted additional RSUs as follows.

- Audit Committee
 - Members: RSUs valued at \$20,000
 - Chair: RSUs valued at \$40,000
- Compensation Committee
 - Members: RSUs valued at \$10,000
 - Chair: RSUs valued at \$20,000
- Nominating and Governance Committee
 - Members: RSUs valued at \$10,000
 - Chair: RSUs valued at \$20,000

New directors and new committee members will receive cash and equity compensation on a pro-rated basis to coincide with our annual director compensation period, which begins in the month of our annual meeting of shareholders.

We also have a policy of paying for regulatory filing fees related to ownership of Veeva stock and reimbursing directors for their reasonable out-of-pocket expenses incurred in attending Board and committee meetings.

Director Compensation

The following table sets forth information about the compensation of the non-employee members of our Board who served as a director during fiscal 2022. Other than as set forth in the table and described more fully below, during fiscal 2022, we did not pay any fees to, make any equity awards or non-equity awards to or pay any other compensation to the non-employee members of our Board for service as a director. Mr. Gassner, our Chief Executive Officer, receives no compensation for his service as a director and, therefore, is not included in the table below.

Name	Fees Earned or Paid in Cash (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾⁽³⁾	All Other Compensation	Total (\$)
Timothy C. Barabe (4)	20,833	—	—	20,833
Timothy S. Cabral (5)	—	93,940	—	93,940
Mark Carges	50,000	261,305	—	311,305
Paul E. Chamberlain	50,000	245,163	—	295,163
Ronald E.F. Codd (6)	50,000	275,030	—	325,030
Mary Lynne Hedley	50,000	245,163	—	295,163
Priscilla Hung (5)	—	93,940	—	93,940
Tina Hunt (5)	—	93,940	—	93,940
Marshall L. Mohr (5)	—	102,157	—	102,157
Gordon Ritter	50,000	285,297	125,000 ⁽⁷⁾	460,297
Paul Sekhri	50,000	235,207	—	285,207
Matthew J. Wallach	50,000	225,251	—	275,251

(1) Represents the annual cash retainers paid to each director.

How We Are Paid

- (2) Represents the aggregate grant date fair value of RSUs granted to the director during fiscal 2022, computed in accordance with FASB ASC Topic No. 718. See notes 1 and 12 of the notes to our consolidated financial statements included in our annual report on Form 10-K filed on March 30, 2022 for a discussion of the assumptions made by us in determining the grant date fair values of our equity awards. As of January 31, 2022, the above-listed non-employee directors held outstanding RSUs under which the following number of shares of our Class A common stock were issuable upon vesting: Mr. Cabral — 423; Mr. Carges — 410; Mr. Chamberlain — 394; Mr. Codd — 442; Dr. Hedley — 394; Ms. Hung — 423; Dr. Hunt — 423; Mr. Mohr — 460; Mr. Ritter — 458; Mr. Sekhri — 378; and Mr. Wallach — 362.
- (3) As of January 31, 2022, certain of our non-employee directors held outstanding stock options from grants made prior to our fiscal 2022. As of January 31, 2022, Mr. Codd held an outstanding option to purchase 40,000 shares of Class A common stock, which represents (i) 20,000 shares unexercised and vested of an option granted on June 4, 2014, and (ii) 20,000 shares unexercised and vested of an option granted on June 17, 2015, both granted under our 2013 Equity Incentive Plan. As of January 31, 2022, Mr. Cabral held an outstanding option to purchase 4,500 shares of Class B common stock, which represents the unexercised and vested portion of an option granted on March 10, 2013 under our 2012 Equity Incentive Plan. As of January 31, 2022, Mr. Wallach also held an outstanding option to purchase 70,000 shares of Class B common stock, which represents the unexercised and vested portion of an option granted on March 10, 2013 under our 2012 Equity Incentive Plan. Our Compensation Committee unanimously amended the original post-termination exercise period of the outstanding options held by each of Messrs. Cabral and Wallach from three months post-termination to the earlier of (i) March 8, 2023 or (ii) the date on which the option pursuant to its original term would expire.
- (4) Mr. Barabe did not stand for re-election at the 2021 Annual Meeting and ceased being a director on June 23, 2021.
- (5) Ms. Hung, Dr. Hunt, and Messrs. Cabral and Mohr were appointed to the Board on January 21, 2022.
- (6) On January 21, 2022, Mr. Codd informed the Board of his intention to retire from his role as a director on the Board, effective immediately prior to the Annual Meeting.
- (7) This reflects regulatory filing fees related to Mr. Ritter's ownership of Veeva stock in accordance with our Non-Employee Directors Compensation Plan.

Stock Ownership Guidelines

To further align the interests of our directors and executive officers with those of our shareholders, our Board adopted stock ownership guidelines. Under these guidelines, each director must own Veeva stock with a value of three times the annual cash retainer for Board service. Our directors may satisfy these guidelines by ownership of shares of our Class A or Class B common stock or vested and unexercised stock options and are required to achieve these ownership levels within three years of the later of March 19, 2019 (the date our Board adopted stock ownership guidelines) or the date of such director's election or appointment. All of our directors are in compliance with these guidelines as of March 31, 2022, except for Ms. Hung, Dr. Hunt, and Mr. Mohr who have until January 20, 2025 to comply.

See "Our Pay—Compensation Discussion and Analysis—Other Compensation Information and Policies—Stock Ownership Guidelines" for information about the guidelines applicable to our executive officers.

HOW YOU CAN COMMUNICATE WITH US

Our Board, similar to our management, values regular input from shareholders and stakeholders. We, therefore, have several means by which we receive and seek that input. These include:

- Shareholder participation in our annual meeting, both via voting and via the opportunity to ask questions or make comments;
- Shareholder-director engagement, both initiated by us and by shareholders;
- Shareholder participation in our regular earnings calls and during the many conferences and other events at which we offer shareholder dialogue, including our Investor and Analyst Day typically held in the fall;
- Use of any of our compliance or hotline reporting functions;
- Participating in any of the director education or similar governance events attended by our directors or executives; and
- Writing to us either to the address of our physical headquarters or using our dedicated investor relations email address.

Shareholders and other interested parties wishing to communicate in writing with our Board or with an individual member of our Board may do so by mailing to the Board or to the particular member of the Board, care of the Corporate Secretary, a letter to our principal executive offices, Attention: Corporate Secretary, Veeva Systems Inc., 4280 Hacienda Drive, Pleasanton, California 94588. The envelope should indicate that it contains a shareholder or interested party communication. All such communications will be forwarded to the director or directors to whom the communications are addressed.

OUR COMPANY

Overview

Veeva is the leading provider of industry cloud solutions for the global life sciences industry. We were founded in 2007 on the premise that industry-specific cloud solutions could best address the operating challenges and regulatory requirements of life sciences companies. Our solutions span cloud software, data, and business consulting and are designed to meet the unique needs of our customers and their most strategic business functions—from research and development (R&D) to commercialization. Our solutions help life sciences companies develop and bring products to market faster and more efficiently, market and sell more effectively, and maintain compliance with government regulations.

Fiscal 2022 Business Highlights

- Our total revenues for fiscal 2022 were \$1.85 billion, an increase of 26% year-over-year, and our subscription services revenues were \$1.48 billion, an increase of 26% year-over-year.
- Our operating income for fiscal 2022 was \$505.5 million, an increase of 34% year-over-year, and our non-GAAP operating income was \$758.7 million, an increase of 30% year-over-year. Our net income for fiscal 2022 was \$427.4 million, an increase of 12% year-over-year, and our non-GAAP net income was \$604.7 million, an increase of 28% year-over-year. A reconciliation of these non-GAAP metrics to the related GAAP metrics is included at Appendix A.
- On February 1, 2021, after an overwhelming approval by our voting shareholders, we became the largest ever and first publicly traded company to transition from a traditional Delaware corporation to a PBC. The move aligns with our long-term mission to help life sciences companies in their crucial work to improve and extend life. We have included our first annual PBC report herein at “Our PBC Report.”
- We announced Veeva Digital Trials Platform, a new solution to significantly advance clinical trial execution by providing a complete and connected technology ecosystem that spans patients, research sites, and trial sponsors. The platform is comprised of our comprehensive application suites for clinical operations and clinical data management and pre-built connections to our applications for clinical research sites and patient engagement. The platform is designed to enable seamless execution and flow of data between clinical trial stakeholders—including patients, research sites, contract research organizations (CROs), and trial sponsors—for faster, more efficient trials that achieve higher data accuracy and increased patient diversity.
- We also expanded Veeva Link, our real-time customer intelligence product to cover more than 20 therapeutic areas.
- In addition, we introduced Veeva Vault Quality innovations to modernize quality operations, including:
 - Veeva Vault Validation Management, a new application that will enable more efficient, cost-effective validation lifecycle management for audit readiness and compliance.
 - Veeva Vault LIMS, a new cloud application to optimize quality control (QC) labs for real-time batch release. It will connect with Vault QualityDocs, Vault QMS, and Vault Training to increase productivity, efficiency, and compliance.
 - Veeva LearnGxP, a comprehensive eLearning library (from the acquisition of Learnaboutgmp, a leading provider of accredited GxP training for life sciences) with hundreds of assets to help organizations develop programs that reduce cost and improve training outcomes.
- We announced that Veeva Business Consulting is adding services to support the R&D functions of life sciences companies, expanding from our current commercial focus.
- We launched Veeva RTSM, a randomization and trial supply management (RTSM) solution to support the most complex study designs with flexible control over trial supply and advanced tools to minimize drug wastage.

Our Executive Officers

The following table provides information concerning our executive officers as of April 27, 2022.

Name	Age	Position(s)
Peter P. Gassner	57	Chief Executive Officer and Director
Thomas D. Schwenger	54	President and Chief Operating Officer
Brent Bowman	55	Chief Financial Officer
E. Nitsa Zuppas	52	Chief Marketing Officer
Alan V. Mateo	60	Executive Vice President, Global Sales
Jonathan “Josh” W. Faddis	50	Senior Vice President, General Counsel and Secretary
Frederic Lequient	53	Senior Vice President, Global Customer Services

Peter P. Gassner. See biographical information set forth under “Who We Are—Board Nominees.”

Thomas D. Schwenger has served as our President and Chief Operating Officer since September 2019. Prior to joining Veeva, Mr. Schwenger served in various roles at Accenture plc, a global management consulting and professional services firm (previously Andersen Consulting and Arthur Andersen & Co.), where he had served since 1989. At Accenture, Mr. Schwenger served most recently as Senior Managing Director, Northeast U.S. Products Industries Client Service Group Lead since 2016, and previously as Senior Managing Director, North America Life Sciences Client Service Group Lead since 2014. Mr. Schwenger earned a Bachelor of Science degree in Quantitative Business Analysis from Penn State University.

Brent Bowman has served as our Chief Financial Officer since September 2020. Prior to such appointment, Mr. Bowman served as our Executive Vice President, Finance, from June 2020 through August 2020. Prior to Veeva, Mr. Bowman served as Chief Financial Officer for [24]7.ai, where he served in such role since May 2018. From December 2015 to April 2018, Mr. Bowman served as Vice President, Finance for Intel Corporation. Between March 2010 and December 2015, Mr. Bowman held multiple executive roles with Altera Corporation, until it was acquired by Intel Corporation. From April 1994 to October 2010, Mr. Bowman held various roles with Sun Microsystems, Inc. Mr. Bowman began his career with Ernst & Young in September 1989. Mr. Bowman received a Bachelor of Arts in Business Economics from the University of California, Santa Barbara. Mr. Bowman is also a licensed certified public accountant (“CPA”) in the State of California.

E. Nitsa Zuppas has served as our Chief Marketing Officer since March 2013. Prior to joining Veeva, Ms. Zuppas served as Chief Marketing Officer for First Virtual Group, a diversified holding company with global interests in real estate, agribusiness, philanthropy, and global financial asset management, and Executive Director of the Siebel Foundation from February 2006 to March 2013. From March 1998 to January 2006, Ms. Zuppas served in a number of executive roles at Siebel Systems, including Director, Product Marketing, Senior Director, Investor Relations, General Manager, Siebel Retail, and Vice President, Marketing. Ms. Zuppas earned a Bachelor of Arts degree in Art History from California State University.

Alan V. Mateo has served as our Executive Vice President, Global Sales since April 2015. Prior to joining Veeva, Mr. Mateo served in various executive roles at Medidata Solutions, Inc., a provider of a platform of cloud-based solutions for life sciences, from March 2005 to February 2015, including as Executive Vice President of Field Operations from January 2014 to February 2015. Before Medidata, Mr. Mateo spent 11 years at PeopleSoft, where his responsibilities included product lines sales, sales operations and the integration of JD Edwards into PeopleSoft’s global sales organization. Prior to PeopleSoft, Mr. Mateo was northeast sales director for Red Pepper Software Co., a provider of supply chain management planning application software, and a major account executive at JD Edwards. Mr. Mateo earned a Bachelor of Science in both Computer Science and Marketing from Juniata College.

Our Company

Josh Faddis has served as our Senior Vice President since April 2016 and General Counsel since September 2012. Mr. Faddis has also served as our Corporate Secretary since May 2013. Prior to joining Veeva, Mr. Faddis served in various roles at Taleo Corporation, a software-as-a-service provider of human capital management solutions, beginning in June 2001 through April 2012, including Senior Vice President, General Counsel, and Secretary. Prior to joining Taleo, Mr. Faddis conducted intellectual property and business litigation at Fulbright & Jaworski LLP and served as a Judicial Clerk for the Honorable Justice Craig Enoch, Supreme Court of the State of Texas. Mr. Faddis earned a Bachelor of Science in Agricultural Economics from Texas A&M University, magna cum laude, and a Juris Doctor degree from the Georgetown University Law Center.

Frederic Lequient has served as our Senior Vice President, Global Customer Services since February 2016. Prior to joining Veeva, Mr. Lequient served as Vice President, Customer Success at PubMatic, Inc., an advertising software platform company, from April 2015 to December 2015. From April 2014 to January 2015, Mr. Lequient served as Senior Vice President, Customer Success at FollowAnalytics, Inc., a provider of a mobile marketing automation and engagement platform. From April 2012 to April 2014, Mr. Lequient served as Group Vice President, Consulting at Oracle Corporation, an enterprise software company. From September 1999 to April 2012, Mr. Lequient served in various roles at Taleo, including as Vice President, Field Solutions and Business Development. Mr. Lequient earned a Bachelor of Engineering in Industrial Engineering from Université de Montréal - Ecole polytechnique de Montréal.

Our Unique Employment Practices

Our current business operations and future growth depend on having a highly engaged workforce with a diverse set of skills and life experiences operating together with a common vision, values, and ways of working. To attract and retain our workforce, we offer competitive compensation and benefits, but compensation and benefits are not everything. We have also adopted some unique practices that we believe differentiate Veeva.

- **Focus on vision and values.** We are guided by a common vision—Building the Industry Cloud for Life Sciences—and set of core values: Do the Right Thing, Customer Success, Employee Success, and Speed. This statement of vision and values acts as our North Star for decision making and it is emphasized and engrained into our thinking. We begin every important meeting, including each meeting of our Board and all large employee meetings, by reviewing our vision and values. Our employees know and understand what we are trying to accomplish and the values that should guide how we get there. A description of our vision and values is included herein at “Our PBC Report—Our Vision and Values.”
- **Broad equity ownership.** Many companies, as they mature, limit the issuance of company equity to an ever more narrow group of employees. We have done the opposite. In fiscal 2022, 97% of our employees were issued company equity. We believe this helps to create an ownership and team-first culture that motivates and rewards employees. We generally grant both restricted stock units (which have immediate value to employees at vesting) and stock options (which have value to employees only if we create value for our shareholders).
- **Work Anywhere.** We have also adopted a “Work Anywhere” policy, which generally gives employees the flexibility to work in an office or at home on any given day, with certain job-specific restrictions. Under our policy, employees can also relocate to a place that better suits their individual or family needs if they wish. We believe that our Work Anywhere policy broadens our talent pool by giving employees the freedom to live where it makes the most sense for them, including in places without an office nearby. We also take steps to ensure that remote employees are not treated as second-class citizens and have all of the same opportunities for impact, contribution, and career advancement as employees who work at headquarters.
- **1% Veeva giving program.** Our support for charitable causes is entirely employee driven because we think giving is personal and should be directed by the individual. With our 1% Veeva giving program, each employee receives an amount equivalent to 1% of their base salary annually to direct to the non-profit(s) of his or her choice. There is no required employee match. Employees simply make a choice. We never dictate favored corporate causes or ask employees to donate to specific non-profits.
- **No non-competes.** Employee non-compete agreements are bad for employees, bad for innovation, and bad for the economy. We do not require any of our employees anywhere in the world to enter into non-compete agreements, and we have taken legal action to prevent the abusive use of non-compete agreements to restrict employees from working where they choose.
- **Executive Compensation.** Our most senior executives, including our CEO, all make the same base salary, which is set at a level that is modest by comparison to our peer group. Further, none of our most senior executives is eligible for a cash bonus or case-based variable compensation and none is currently eligible for any severance or change in control-related benefits that are unique to executives. Our executive compensation is, instead, largely equity driven and includes, as a significant component, stock options that vest over four years. We believe this structure fosters a team-first culture, encourages long-term thinking to create a sustainable and durable business, and aligns with the interest of shareholders and other stakeholders.

Our Company

- **Fair Termination and Severance Practices.** Veeva strives to be both fair and nimble with respect to the employee separation process. In the U.S., we provide a standard separation period with continued pay and benefits coverage that allows separated employees reasonable time to transition to a new employer with pay and continued health coverage. In Europe, we offer standard severance terms across Europe to ensure that all employees in the region are treated fairly and consistently.

While we experience intense competition for talent, and in fiscal 2022 we experienced higher employee attrition than our historical norms, we believe we have been effective in attracting and retaining talented employees. We believe the employment practices listed above are, in part, responsible for our success in attracting and retaining great employees, and in fiscal 2022, we increased our employee headcount by 976.

Our Workforce Diversity

Diversity is important to us, and we believe diversity comes in many forms. Our Chief Diversity Officer provides strategic leadership and focus towards Veeva's commitment to fostering a diverse and inclusive workplace. As of January 31, 2022, 43% of our global employee population identified as female and 40% of our managers identified as female. This data uses traditional gender categories of male and female to align with U.S. government reporting requirements. We respect that gender is not binary and this statistic does not reflect our position on gender. The data we collect from our U.S. employees to submit to the Equal Opportunity Employment Commission indicates that, as of December 31, 2021, approximately 39% of our U.S. workforce self-identified as members of underrepresented racial or ethnic groups.

Our PBC Report

On February 1, 2021, we became the first public company to convert to a PBC. Ninety-nine percent of votes cast were in favor of our PBC conversion.

At that time, we committed to report progress against our PBC objectives annually and publicly. The following sections fulfill that commitment by explaining how the PBC structure reflects our Vision and Values and how we are pursuing our public benefit purpose and multi-stakeholder obligations when we make important decisions.

Our Vision and Values

Our vision and values guide our strategy, operations, and decision-making at all levels of the company. We review and re-enforce our vision and values at every significant meeting or event. While our vision and values have remained constant for many years, we review them and consider adjustments annually and publish a detailed description to all our employees. Our current vision and values description, the same as shared with our employees, is below:

Vision: Building the Industry Cloud for Life Sciences. We focus on cloud technology, data, technical services, business consulting, and a network of partners to help the global life sciences industry become more efficient and effective. We aspire to become essential to and appreciated by the life sciences industry.

Values

1. **Do the Right Thing**
2. **Customer Success**
3. **Employee Success**
4. **Speed**

Our values are listed in priority order from one to four.

Our Company

Do the Right Thing. We pride ourselves on being good humans that are honest, direct, and humble. We don't lie, cheat or steal. We treat others how we wish to be treated and respect each individual person. We trust common sense over excessive rules. We consider customers, employees, the industries we serve, and shareholders in making decisions. Veeva is not all about the money.

Customer Success. Customer success has three parts. First, it's about the people in the companies we serve. They should enjoy working with our products and people. They should be able to count on us and know we will go the extra mile when needed for customer success. Second, it's about the companies. Our products and services should deliver positive ROI over the short and long term. And third, it's for the industries we serve. Veeva products and services should have a positive effect on the industry, making it more efficient, innovative, and effective. We strive to be an outstanding and highly strategic partner to the industry over the long term.

Employee Success. Veeva should be a place where employees can do their best work and work around great people in an environment of teamwork. Employees should be treated with respect and given the appropriate supporting structures to effectively 'captain their own ship' for growth and excellence. We are careful in who we hire, and we take action when things are not working out. We prefer to promote internally based on potential. We compensate fairly based on contribution.

Speed. We should try our best to do things quickly and correctly the first time. We should get the important things done today rather than tomorrow. As we grow, we must push decision making down to operating levels to retain our speed, agility, and innovation. We know that as a company grows it will tend to slow down. We fight against that gravity. We celebrate mistakes and learn from them. A company that has no mistakes has no speed, takes no risks, and has little reward.

Our PBC Purpose and Obligations

A PBC is a for-profit company that has adopted a public benefit purpose intended to provide benefits beyond just shareholder financial returns. The directors of a PBC have a fiduciary duty to balance the interests of shareholders, other stakeholders materially affected by the company's conduct, and pursuit of the company's public benefit purpose. Our public benefit purpose is as follows:

To provide products and services that are intended to help make the industries we serve more productive and to create high-quality employment opportunities in the communities in which we operate.

We believe the PBC legal structure is aligned with the way we operate and is a more accurate reflection of our vision and values than the traditional corporate structure. Throughout Veeva's history, we have considered the interests of our customers, employees, partners, and the communities in which we operate as we have deliberated over what was in the best interests of our shareholders. We believe that most, if not all, companies that have achieved meaningful success and maintained market leadership over longer periods must, in various ways, balance the interests of their various stakeholders and the interests of their shareholders.

As a PBC, we still have a fiduciary duty to shareholders. While our stated public benefit purpose is intended to have a positive effect on non-shareholders, we believe that it also benefits shareholders. Shareholders benefit when employees are engaged and happy, when partners can collaborate and add value, when customers are more productive, and when customers feel more comfortable partnering on long-term engagements. We believe that pursuing our PBC purpose and considering the interests of our stakeholders will enhance our relationships with customers, employees, job candidates, partners, and the communities where we operate in a way that makes our business more durable.

Our Company

Our PBC Purpose Objectives

Our Board has established objectives in pursuit of our PBC purpose. Our objectives may change over time as our business and our relationship with the industries we serve evolves. We discuss each of our current objectives below.

- **Veeva PBC Purpose (Part 1):** *To provide products and services that are intended to help make the industries we serve more productive.*
- **Objective 1:** *Enable faster, less expensive clinical trials that are less burdensome and more accessible to patients*
 - Details & progress: By connecting clinical trial stakeholders through the Veeva Digital Trials Platform, we intend to make fully digital clinical trials a common reality and reduce clinical trial time and cost each by 25%. We continue to innovate within our existing products and strategically launch new products to meet the unique needs of and enable a seamless flow of data between all clinical trial stakeholders: sponsors, patients, and sites. For representative progress, in fiscal 2022, we had over 250 new connected studies using Veeva Site Connect to connect the clinical trial ecosystem, and we had our first patients using eConsent to facilitate the clinical trial enrollment process.
- **Objective 2:** *Support customer choice and remove competitive barriers from the industry*
 - Details & progress: Life sciences companies should have the freedom to choose the software, data products, and services that meet their business needs without undue restrictions. Choice benefits the life sciences industry and is crucial for the industry to fulfill its mission of improving the lives of patients. Today we maintain over 600 agreements that allow third parties (often competitors) to access our proprietary data and cloud software products for that purpose. We do not block or disable integrations to third-party software products; instead, we enable them through open APIs where possible. When called for, we have also taken legal action to stop anticompetitive practices that we believe harm the life sciences industry and violate antitrust laws, including our ongoing lawsuits against IQVIA, which are described in Note 15 of our annual report on Form 10-K for the period ended January 31, 2022.
- **Veeva PBC Purpose (Part 2):** *To create high-quality employment opportunities in the communities in which we operate.*
- **Objective 3:** *High-Quality Job Creation—10,000 employees by 2025*
 - Details & progress: We provide job opportunities with high potential for development and advancement, fair and competitive compensation and benefits, location flexibility, and without abusive restrictions. In fiscal 2022, we added 976 employees for a total of 5,482 employees. For more information on how we are creating high-quality jobs, see “Our Unique Employment Practices.”
- **Objective 4:** *Advocate for the elimination of the use of non-compete as a condition of employment in the U.S. by 2030*
 - Details & progress: We have long held the belief that individuals and society benefit when employees have the freedom to pursue the opportunities they choose. In fiscal 2022, we provided legal defense to seven employees against the assertion of non-compete agreements by their former employers. We were publicly supportive when President Biden encouraged the Federal Trade Commission, via executive order, to use its rulemaking authority to curtail the use of non-compete clauses to unfairly limit worker mobility.

To our knowledge, we were the only significant technology company to do so. This is not an expression of political support, but rather a reflection of our longstanding ethical view. We continued to pursue our lawsuit, described in Item 3 of our annual report on Form 10-K for the period ended January 31, 2022, which seeks declaratory judgment that out-of-state non-compete agreements cannot be enforced against employees with sufficient connections to the state of California, regardless of where the employee physically resides.

Key Stakeholder Decisions

In addition to the objectives described above, we believe a powerful way to illustrate how we operate as a PBC is to discuss a select set of key decisions from our last fiscal year that we believe were particularly meaningful. Decisions are the leading indicators of operations and results. A decision may not impact results for multiple years, or a decision may be preventative in nature. The decisions we list below are intended to be non-exhaustive and illustrative examples of our stakeholder-balanced decision-making that were impactful or representative decisions in fiscal 2022.

- We introduced a new “check-in” process to promote a healthier, more authentic manager-employee conversation. Scheduled for twice a year, we have conducted over 4,500 check-ins thus far.
- We conducted thoughtful, accurate, and timely pay increases in response to the unusual talent shortage and inflation pressures, including an out-of-cycle 5% base salary increase for the majority of our employees that was distinct from our annual compensation review process.
- We evaluated two significant acquisitions and decided not to move forward after concluding that shareholders and customers would be better served by a more focused approach.
- We entered the RTSM market through acquisition while also committing to the support of existing RTSM partners, further strengthening our capabilities for our customers.
- We decided to not increase subscription prices for existing customers during 2021 and 2022, even though we are in a period of high inflation.

Key Operations Practices

There are also numerous ongoing practices that are designed to keep us aligned to our vision and values, stakeholder interests, and public benefit purpose as we scale. Here we list five of the most important and representative operational practices that were significant in the past year.

- We provide consistent and frequent communication of our Vision and Values. We begin every important meeting, including each meeting of our Board and all large employee meetings by reviewing our Vision and Values. Our Vision and Values are intrinsically tied to our PBC purpose and success as a PBC.*
- We audit within our corporate leadership team for integrity and energy with a greater focus on dialog and judgment. We take this non-traditional approach to internal audit as a preventative measure and based on the view that any number of enterprise risks can arise from a failure in one of these areas. We have discovered and prevented issues using this approach in fiscal 2022.
- We are committed to a compensation program that is fair and fosters a team-first culture. This viewpoint is reflected in our executive compensation structure and our emphasis on broad equity participation.*

Our Company

- We maintain our commitment to reasonable employment agreements without non-competes and we don't make 'keep silent' payments.*
- We support our Veeva Giving program. The program encourages employees to give back to their communities in a way that is entirely employee-directed and not regressive (i.e., not a match that only the highest-paid can afford).*

*For more information, see "Our Unique Employment Practices."

Our Approach to Environmental Sustainability

We are committed to environmental stewardship through our business practices and continually seek ways to lessen our environmental impact.

In 2014, we made a strategic investment of more than \$24 million to purchase our global headquarters building in Pleasanton, California, allowing us to implement a number of sustainability programs not possible in a leased facility, including a solar power array and lighting and water efficiency. Further, 100% of the energy purchased for our European headquarters building in Barcelona, Spain, comes from sustainable hydropower, wind and solar sources. Globally, we practice the following:

- purchasing renewable energy where available;
- all our major offices have recycling and e-waste programs in place;
- we choose equipment, lighting, and appliances that minimize energy and water usage;
- in buildings where we offer daily lunch, we use our own dishware; and
- we purchase eco-friendly office supplies and cleaning supplies.

Over time, we expect to expand these programs at our headquarters and in our other locations throughout the world.

In addition, we have partnered with an asset disposal company that re-uses our retired electronic equipment after certified data destruction and uses certified recycling processes where re-use is not possible.

We also expect our vendors to maintain sustainable practices. Our two main computing infrastructure providers—Salesforce and Amazon Web Services—have made commitments to environmental sustainability initiatives. Amazon Web Services has publicly committed to 100% renewable energy by 2025, and Salesforce has publicly reported that it is a net zero carbon neutral company across its full value chain and it has achieved 100% renewable energy for its operations.

Our Approach to Internal Audit

The primary focus of our internal audit function is to ensure the integrity, energy, and competence of our leadership team. We recognize that this is a non-traditional approach to internal audit—one that is not easily quantified—and involves dialogue and judgment to a greater degree than traditional internal audits. We take this approach based on the view that the root cause of any number of enterprise risks is a failure in one of these areas.

Our Security and Privacy Programs

Data privacy and data security are part of our corporate DNA. We know that customers have put their trust in us, and we take that very seriously. Our solutions involve the storage and transmission of our customers' proprietary information, personal information of medical professionals, personal information of patients and clinical trial participants, and other sensitive information. Our ability to maintain the confidentiality, integrity, and availability of our customers' data is critical to our success.

Our Company

Our Chief Information Officer (“CIO”) & Head of Operations, a member of our executive leadership team, is responsible for the day-to-day cybersecurity and technology risk management. Veeva’s Chief Information Security Officer (“CISO”), who reports to the CIO, oversees our security team.

Veeva maintains a comprehensive Information Security Management System (“ISMS”) to ensure the confidentiality, integrity, and availability of customer data, corporate data (such as intellectual property or source code), employee data, and our systems. Our ISMS is founded on the following industry-leading and regulatory standards:

- ISO 9001:2015 – Quality Management Systems
- ISO/IEC 27001:2013 – Information Security Management
- SOC2 Type II – System and Organization Controls
- SEI Capability Maturity Model Integration (v1.3)
- IT Infrastructure Library (ITIL) version 3
- ICH Q9 – Quality Risk Management

Veeva has achieved ISO (International Organization for Standardization) 27001 certification for our ISMS, which is managed by our CISO to ensure security controls conform to established standards across both product and infrastructure components. As a data processor, we are also the custodian of customer information that can be both confidential and sensitive. We are also certified to ISO 27018 for privacy controls.

Critical elements of our ISMS include:

- **Operational measures to monitor and respond to data breaches and cyber attacks.** We have application, database, network, and resource monitoring in place to identify any vulnerabilities and protect our applications. Our personnel are trained to immediately report any security incident and any such incident is handled in accordance with our Security Incident Management Policy and follows a formal incident response process. We provide a trust site that displays upcoming maintenance downtimes, any data center incident, or any security communications.
- **Vulnerability and penetration testing.** Our solutions undergo internal vulnerability testing prior to release. We have built our own internal penetration testing systems and we conduct vulnerability assessments on our software using automated and manual methods, at least annually. In addition, our customer service agreements commit us to commission annual vulnerability and penetration testing of our systems by industry-recognized, third-party security specialists, including those required by ISO and by the U.S. Health Insurance Portability and Accountability Act (“HIPAA”) Security Standards Compliance Assessment. We also obtain independent third-party audit opinions related to security and availability annually, such as SOC2, Type II reports and ISO 27001 attestation reports.
- **Training.** We require role-based security and security awareness training. All employees receive annual training on our Code of Conduct, which establishes our commitment to protecting the confidential, proprietary, and private information of our customers and partners. In addition, all new hires and contractors must undergo information security awareness training. Subsequent security awareness training is required biennially for all active employees and contractors. Employees in certain roles (e.g., customer support representatives, developers, and hiring managers) receive further and more extensive data security training annually.

Our Company

- **Disaster Recovery and Business Continuity.** Our solutions are designed to avoid single points of failure to reduce the chance of business disruption. We maintain formally documented recovery processes that may be activated in the event of a significant business disruption for both our corporate IT infrastructure and the production infrastructure that processes Veeva customer data. We conduct testing, at least annually, to verify the validity of the recovery processes and provide reports on the test results for production infrastructure that processes Veeva customer data to customers via access to a customer portal.

Through our Supplier Management Program, we maintain procedures that specify requirements for the assessment of all vendors, suppliers, and contractors who provide services that may impact our product and process quality. These procedures ensure that there is an appropriate level of oversight of our vendors' quality systems. We perform initial audits and then periodic audits on our suppliers and partners to ensure products and services conform to Veeva established quality standards.

We have implemented several programs to ensure a culture of risk management. For example, we have a Security Points of Contact Program, which embeds our security experts into product development teams. In addition, a Security Council, sponsored by the CEO and chaired by the CISO, meets monthly to discuss the security program, security incidents, and ongoing program objectives. The council is comprised of senior leaders in product development, operations, security, and quality and ensures that security remains a top priority across the enterprise.

We also maintain a global privacy program aligned to applicable laws such as the California Consumer Privacy Act ("CCPA"), the California Privacy Rights Act ("CPRA"), the European Union's General Data Protection Regulation ("GDPR"), and the HIPAA. We have a Chief Privacy Officer, who collaborates with our CISO and business and product leaders throughout our organization. Our Chief Privacy Officer has global responsibility for our privacy program. We also have an EU Data Protection Officer, Singapore and China Data Protection Officers, and a HIPAA Privacy Officer as well as regional privacy champions. Our privacy council meets regularly to track initiatives and minimize privacy risks.

Although Privacy Shield is no longer a valid legal mechanism for international data transfers, Veeva still maintains an active EU-U.S. Privacy Shield certification and a Swiss-U.S. Privacy Shield certification because we comply with all of the principles. We currently rely on the EU Standard Contractual Clauses as our alternative legal data transfer mechanism. Veeva is also registered as a data broker as required by the California Attorney General.

We provide transparency in our solutions and services, including how they process personal data and how individuals can exercise their rights regarding the control of their data including access, rectification, and deletion. For example, we honor all legal rights to data deletion, and we provide a mechanism via our website where individuals can exercise their deletion rights. In addition, customers using our solutions can delete data at any time through built-in functionality. We embed privacy and security by design into new and existing products and features through impact assessment and controls. We engage external independent auditors at least annually to maintain our ISO 27018 for privacy controls.

We have a data privacy policy that describes our data privacy program and includes a commitment to require customers, partners, and sub-processors who have access to data collected or processed by us to comply with our policy; clear terms involving the collection, use, sharing, and retention of user data, including data transferred to third parties; a process by which we collect and process user data that is limited to the stated purpose; and a process by which we obtain user data through lawful and transparent means, with explicit consent of the data subject where required; and a commitment to notify customers and data subjects in a timely manner in case of policy changes or data breach. We ensure that all employees and contractors engaged in the processing of personal data are informed of our privacy practices and have received appropriate training on their responsibilities. For more information about our privacy practices, please visit veeva.com/privacy.

Audit Committee Report

The information contained in the following report of Veeva's Audit Committee is not considered to be "soliciting material," "filed" or incorporated by reference in any past or future filing by us under the Securities Exchange Act of 1934 or the Securities Act of 1933 unless and only to the extent that Veeva specifically incorporates it by reference.

Role of the Audit Committee

The Audit Committee operates under a written charter adopted by our Board of Directors. Our Audit Committee oversees our accounting practices, system of internal controls, audit processes, and financial reporting processes. Among other things, our Audit Committee is responsible for reviewing our disclosure controls and processes and the adequacy and effectiveness of our internal controls. It also discusses the scope and results of the audit with our independent registered public accounting firm, reviews with our management and our independent registered public accounting firm our interim and year-end operating results, discusses critical audit matters and related disclosures with our independent registered public accounting firm, and, as appropriate, initiates inquiries into aspects of our financial affairs. Our Audit Committee is responsible for establishing procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters, and for the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters. In addition, our Audit Committee has sole and direct responsibility for the appointment, retention, compensation, and oversight of the work of our independent registered public accounting firm, including approving services and fee arrangements. Material related party transactions will be approved by our Audit Committee before we enter into them, as required by applicable rules and listing standards. A more detailed description of the functions and responsibilities of the Audit Committee can be found in Veeva's Audit Committee charter published on the Investors portion of Veeva's website at ir.veeva.com.

The Audit Committee oversees our financial reporting process on behalf of the Board of Directors. Management is responsible for our internal controls, financial reporting process, selection of accounting principles, determination of estimates and compliance with laws, regulations, and ethical business conduct. Our independent registered public accounting firm is responsible for expressing an opinion as to the conformity of our consolidated financial statements with generally accepted accounting principles.

Review of Audited Financial Statements for the Fiscal Year Ended January 31, 2022

The Audit Committee has reviewed and discussed with Veeva's management and KPMG LLP the audited consolidated financial statements of Veeva for the fiscal year ended January 31, 2022. The Audit Committee has also discussed with KPMG LLP the matters required to be discussed by applicable requirements of the Public Company Accounting Oversight Board (the "PCAOB") regarding communications between our independent registered public accounting firm and Audit Committee.

The Audit Committee has received and reviewed the written disclosures from KPMG LLP required by applicable requirements of the PCAOB regarding the independent accountant's communications with the Audit Committee concerning independence and has discussed with KPMG LLP its independence from us.

Based on the activities, reviews, and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in Veeva's annual report on Form 10-K for the fiscal year ended January 31, 2022 for filing with the Securities and Exchange Commission.

Submitted by the Audit Committee of the Board of Directors:

Ronald E.F. Codd (*Chair*)
 Mark Carges
 Paul Chamberlain
 Marshall Mohr

Our Company

Proposal Two: Approval of an Amendment and Restatement of Our 2013 Equity Incentive Plan

Our Board unanimously recommends a vote “FOR” an amendment and restatement of our 2013 Equity Incentive Plan.

General

Our Board originally approved the 2013 Equity Incentive Plan (the “2013 Plan”) in August 2013, and our shareholders approved it in September 2013. The 2013 Plan was last approved by our shareholders on June 21, 2017 for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (“Section 162(m”). Other than the proposed changes described below, the 2013 Plan has not been amended in any material way since our shareholders last approved it on June 21, 2017.

We are seeking shareholder approval of the Company’s 2013 Equity Incentive Plan, as amended and restated (the “Amended and Restated 2013 Plan”), to make the revisions described below. We believe that approval of the Amended and Restated 2013 Plan is essential to our continued success, and that grants of equity awards to our employees motivate high levels of performance to achieve our goals, provide an effective means for recognizing employee contributions, and promote the closer alignment of the interests of employees with those of our shareholders by giving employees a perspective of an owner with an equity stake in the Company.

If shareholders approve the Amended and Restated 2013 Plan, it will replace the 2013 Plan currently in effect. If shareholders do not approve the Amended and Restated 2013 Plan, the 2013 Plan will continue in effect without the amendments described below, and we will continue to grant awards under the 2013 Plan, subject to its current terms, conditions and limitations, but will not be able to make grants under the 2013 Plan after August 20, 2023.

The following is a summary of some of the material differences between the Amended and Restated 2013 Plan and the 2013 Plan as currently in effect. This comparative summary is qualified in its entirety by reference to the actual text of the Amended and Restated 2013 Plan, set forth as Appendix B.

- The Amended and Restated 2013 Plan extends the application of the automatic share replenishment (the “evergreen” provision) which automatically adds a number of shares of Class A common stock (the “Shares”) available for issuance under the Amended and Restated 2013 Plan, unless the Board determines otherwise. After the approval of the Amended and Restated 2013 Plan, the annual increase will operate through February 1, 2032.
- The 2013 Plan placed limits on the maximum size of Awards (as defined below) that may be granted to any Plan participant in any fiscal year. Those were primarily in place due to rules under Section 162(m) that are no longer applicable. Accordingly, we have revised the Amended and Restated 2013 Plan to remove such limits applicable to any one participant, and instead have a limit of 30,789,290 Shares, plus the additional Shares pursuant to the evergreen, which may be issued under the Amended and Restated 2013 Plan upon the exercise of ISOs (as defined below).
- Because the exceptions under Section 162(m) for performance-based compensation are no longer available, the Amended and Restated 2013 Plan has removed now-irrelevant language with respect to Section 162(m) and certain powers of the Administrator relating to “performance-based compensation” with respect to Section 162(m).

Our Company

- The 2013 Plan previously provided for automatic termination after 10 years. The Amended and Restated 2013 Plan has been revised to continue in effect as long as there are Shares available for grant, unless it is earlier terminated by the Board. No ISOs may be granted after 10 years from the date the Amended and Restated 2013 Plan is adopted by the Board.
- Under the Amended and Restated 2013 Plan, there is more flexibility for the determination of fair market value when shares are withheld or surrendered for payment of taxes.
- The Amended and Restated 2013 Plan has been revised to permit grants to entity Consultants if the issuance of shares to an entity may be registered on Form S-8 under the Securities Act.
- The Amended and Restated 2013 Plan now prohibits the repricing of stock options and prohibits the Administrator from establishing a program under which (a) outstanding Awards are surrendered or cancelled in exchange for awards of the same type (which may have higher or lower exercise prices and different terms), awards of a different type, and/or cash, or (b) the exercise price of an outstanding Award is reduced.

Summary of the Amended and Restated 2013 Plan

The following is a summary of the principal features of the Amended and Restated 2013 Plan and its operation, as most recently approved by our Compensation Committee and Board in March 2022. This summary does not contain all of the terms and conditions of the Amended and Restated 2013 Plan and is qualified in its entirety by reference to the Amended and Restated 2013 Plan as set forth in Appendix B or accessed from the SEC's website at www.sec.gov.

General. The purpose of the Amended and Restated 2013 Plan is to promote the long-term success of the Company and the creation of stockholder value by (a) encouraging service providers to focus on critical long-range corporate objectives, (b) encouraging the attraction and retention of service providers with exceptional qualifications, and (c) linking service providers directly to stockholder interests through increased stock ownership. The Amended and Restated 2013 Plan provides for the grant of incentive stock options ("ISOs"), within the meaning of Section 422 of the Code, to our employees, and for the grant of nonstatutory stock options ("NSOs"), stock appreciation rights, restricted stock awards, restricted stock units ("RSUs"), performance-based stock awards, and other forms of equity compensation to our employees, directors, and consultants (collectively with ISOs and NSOs, "Stock Awards"). Additionally, the Amended and Restated 2013 Plan provides for the grant of performance cash awards to our employees, directors, and consultants (together with Stock Awards, "Awards").

Authorized Shares. The maximum number of Shares that may be issued under the Amended and Restated 2013 Plan as of March 31, 2022 was 38,706,499 Shares, which includes 5,396,880 Shares added to the Amended and Restated 2013 Plan share reserve on February 1, 2022, pursuant to the annual share refresh provision which commenced on February 1, 2014. After the amendment and restatement, as of the first business day of each fiscal year of the Company, commencing on February 1, 2023 and ending on February 1, 2032, the aggregate number of Shares reserved for issuance under the Amended and Restated 2013 Plan will automatically increase by a number equal to the least of 5% of the total number of shares of all classes of common stock issued and outstanding on the last business day of the prior fiscal year, 13,750,000 shares, or a number of shares determined by our Board.

Shares subject to previously-granted Stock Awards that are forfeited or expire for any reason without the Shares being issued to the participant, that are reacquired by the Company for any reason, or that are withheld by the Company to satisfy the participant's exercise price or tax withholding obligations shall become available for re-issuance under new Stock Awards. In addition, Stock Awards that are settled in cash rather than stock shall not reduce the number of Shares available for grant under the Amended and Restated 2013 Plan.

Our Company

The Amended and Restated 2013 Plan places limits on the maximum size of Awards that may be issued under the Amended and Restated 2013 Plan. No more than 30,789,290 Shares plus the annual increase in shares described above may be issued under the Amended and Restated 2013 Plan upon the exercise of ISOs.

Administration of the Amended and Restated 2013 Plan. The Amended and Restated 2013 Plan is administered by our Board, who may delegate some or all of its administrative authority and responsibilities to a Board committee or committees (in either case, the “Administrator”). Currently, the Amended and Restated 2013 Plan is administered in most respects by our Compensation Committee. Our Compensation Committee is currently comprised of three directors.

The Administrator has the authority to (a) select the service providers who are to receive Awards under the Amended and Restated 2013 Plan, (b) determine the type, number, vesting requirements, and other features and conditions of such Awards, (c) determine whether and to what extent any performance goals have been attained, (d) interpret the Amended and Restated Plan and Awards granted under the Amended and Restated 2013 Plan, (e) make, amend, and rescind rules relating to the Amended and Restated 2013 Plan and Awards granted under the Amended and Restated 2013 Plan, including rules relating to sub-plans established for the purposes of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws, (f) impose such restrictions, conditions, or limitations as it determines appropriate as to the timing and manner of any resales by a participant of any shares issued pursuant to an Award, including restrictions under an insider trading policy and restrictions as to the use of a specified brokerage firm for such resales, and (g) make all other decisions relating to the operation of the Amended and Restated 2013 Plan and Awards granted under the Amended and Restated 2013 Plan.

The Administrator may not establish a program under which (a) outstanding Awards are surrendered or cancelled in exchange for awards of the same type (which may have higher or lower exercise prices and different terms), awards of a different type, and/or cash, or (b) the exercise price of an outstanding Award is reduced.

Eligibility. Awards may be granted to our employees and consultants, employees and consultants of any of our parent or subsidiaries, and members of our Board who are not also employees. Incentive stock options, within the meaning of Section 422 of the Code (as defined below), may be granted only to our employees or employees of any of our parent or subsidiaries. As of March 31, 2022, approximately 5,295 employees, 11 non-employee directors, and 1 consultant are eligible to participate in the Amended and Restated 2013 Plan.

Performance-Based Awards. Awards may be made subject to the attainment of performance goals relating to one or more performance criteria, as determined by our Compensation Committee. The attainment of performance goals may be measured solely on a corporate, subsidiary, or business unit basis, or a combination thereof. Performance criteria may reflect absolute entity performance or a relative comparison of entity performance to the performance of a peer group of entities or other external measure of the selected performance criteria. Our Compensation Committee may adjust the results under any Performance Criterion to exclude the following events: (1) asset write-downs; (2) litigation, claims, judgments, or settlements; (3) the effect of changes in tax laws, accounting principles, or other applicable laws or rules affecting reported results; (4) accruals for reorganization and restructuring programs; (5) extraordinary, unusual, or non-recurring items; (6) exchange rate effects for non-U.S. dollar denominated net sales and operating earnings; or (7) statutory adjustments to corporate tax rates.

Material Terms of Stock Awards. The terms and conditions of the Amended and Restated 2013 Plan govern the Stock Awards we may grant under the Amended and Restated 2013 Plan. The following generally describes the material terms and conditions that apply to such Stock Awards.

Stock Awards generally may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the applicable laws of descent or distribution. Stock Awards may be exercised, during the lifetime of the participant, only by the participant. Other terms and conditions of each Stock Award are set forth in the individual award agreements.

Options and Stock Appreciation Rights (“SARs”). ISOs may be granted only to employees and NSOs and SARs may be granted to employees, directors, and consultants. No option or SAR will be exercisable after the expiration of 10 years from the date of its grant or such shorter period as specified in the award agreement. The exercise or strike price of each option or SAR will be not less than 100% of the fair market value of the common stock subject to the Stock Award on the grant date thereof, subject to certain exceptions.

Our Compensation Committee determines the methods of payment of the exercise price of an option, which may include cash, shares of common stock that the optionee already owns, a net exercise procedure, or any other form or method consistent with applicable laws, regulations, and rules.

Subject to the provisions of the Amended and Restated 2013 Plan, our Compensation Committee determines the other terms and conditions that apply to options and SARs, which may include vesting conditions. After the termination of a participant’s service, the participant may exercise the vested portion of his or her option for the period of time stated in his or her award agreement. Generally, if termination is due to death or disability, the option will remain exercisable for 12 months. In all other cases, the option will generally remain exercisable for three months following the termination of service. However, in no event may an option be exercised later than the expiration of its term.

Restricted Stock and RSUs. Restricted stock may be issued in consideration for cash, past service, or any other form of legal consideration (including future services) that are acceptable to our Compensation Committee. Shares of common stock awarded under a restricted stock award may be subject to forfeiture conditions in accordance with a vesting schedule or performance objectives (including Performance Criteria) determined by the Compensation Committee. Other terms and conditions, such as transferability restrictions, treatment of dividends, and treatment upon termination of the participant’s service with the Company, may also apply.

RSUs are rights to be issued shares of stock in the future upon satisfaction of applicable specified conditions, including vesting or performance conditions. Typically, the participant pays no consideration upon issuance of the shares on settlement of the RSU award. Our Compensation Committee may impose such restrictions on, or conditions to, the vesting of an RSU award that it deems appropriate or such other restrictions or conditions that may delay the delivery of shares of common stock (or their cash equivalent) subject to an RSU award to a time after the vesting of such RSU award. Our Compensation Committee determines the other terms applicable to an RSU award, such as settlement terms, treatment of dividends, and treatment upon termination of the participant’s service with the Company.

Performance Cash Awards. The Amended and Restated 2013 Plan permits the granting of performance cash awards. Such awards provide the participant the right to earn a cash incentive bonus upon achievement of specified performance objectives, including the Performance Criteria.

Other Awards. Other forms of Stock Awards valued in whole or in part by reference to, or otherwise based on, common stock, including the appreciation in value thereof, may be granted under the Amended and Restated 2013 Plan. Subject to the provisions of the Amended and Restated 2013 Plan, our Compensation Committee will have sole and complete authority to determine the persons to whom and the time or times at which such other Stock Awards will be granted, the number of Shares (or the cash equivalent thereof) to be granted pursuant thereto, and all other terms and conditions of such Stock Awards.

Changes in Capitalization. In the event that there is a specified type of change in our capital structure without our receipt of consideration, proportionate adjustments will automatically be made to the kind and

Our Company

maximum number of shares reserved for issuance under the Amended and Restated 2013 Plan, the kind and maximum number of Shares by which the share reserve may increase automatically each year, the kind and maximum number of Shares that may be issued upon the exercise of ISOs, the kind and number of shares covered by each outstanding option, SAR, and stock unit and the exercise price applicable to each outstanding option and stock appreciation right, and the repurchase price, if any, applicable to outstanding restricted shares. If there is a declaration of an extraordinary dividend payable in a form other than our Class A common stock in an amount that has a material effect on the price of our Class A common stock, a recapitalization, a spin-off, or a similar occurrence, our Compensation Committee may make such adjustments in outstanding Stock Awards as it deems appropriate, in its sole discretion.

Corporate Transactions. If we are a party to a merger, consolidation, or a change in control transaction, all outstanding Stock Awards will be governed by the terms of the definitive transaction agreement. Such treatment may include any of the following actions with respect to each outstanding Stock Award:

- the continuation, assumption, or substitution of a Stock Award by a surviving entity or its parent;
- the cancellation of the unvested portion of a Stock Award without payment of any consideration;
- the cancellation of the vested portion of a Stock Award (and any portion that becomes vested as of the effective time of the transaction) in exchange for a payment equal to the excess, if any, of the value that the holder of each Share receives in the transaction over (if applicable) and the exercise price otherwise payable in connection with the Stock Award; or
- the assignment of any reacquisition or repurchase rights held by us in respect of an award of restricted shares to the surviving entity or its parent (with proportionate adjustments made to the price per share to be paid upon exercise of such rights).

If we are subject to a merger, consolidation, or change in control transaction before a participant's service terminates and an outstanding award is not continued, assumed, or substituted, then a participant who is otherwise entitled to vesting acceleration that could be triggered as of a date following the effective time of the transaction as a result of a qualifying termination of service shall be deemed to be vested, as if all triggering events had occurred as of the effective time of the transaction.

For this purpose, a change in control transaction includes:

- any person acquiring beneficial ownership of more than 50% of our total voting power;
- the sale or disposition of all or substantially all of our assets;
- any merger or consolidation of us where our voting securities represent 50% or less of the total voting power of the surviving entity or its parent; or
- individuals who are members of our Board cease for any reason to constitute at least a majority of the members of our Board over a period of 12 months.

Our Compensation Committee is not obligated to treat all Stock Awards, or portions thereof, in the same manner if there is a change in control.

Amendments or Termination. Our Board may, at any time and for any reason, amend, or terminate the Amended and Restated 2013 Plan. If our Board amends the Amended and Restated 2013 Plan, it does not need shareholder approval of the amendment unless applicable law so requires. The Amended and Restated 2013 Plan will continue in effect until terminated by the Board, but no ISOs may be granted 10 years from the date the Amended and Restated 2013 Plan is adopted by the Board.

New Plan Benefits. The amount, if any, of equity-based compensation to be awarded to employees (including NEOs), directors, and consultants is determined from time to time by our Compensation Committee in its discretion. The value of such awards derives from the value of our common stock.

As such, the amount of Awards to be granted under the Amended and Restated 2013 Plan is not presently determinable. Our executive officers and non-employee directors have an interest in this proposal because they are eligible to receive awards under the Amended and Restated 2013 Plan. The following table sets forth the grant date fair value and number of shares of our stock subject (at grant) to Awards granted under the Amended and Restated 2013 Plan during our fiscal year ended January 31, 2022, with respect to options and restricted stock units to the individuals and groups set forth in the table below. As of March 31, 2022, the closing sales price of a share of common stock as reported on the NYSE was \$212.46 per share.

Name of Individual and Positions, or Group	Grant Date Fair Value of Options (\$)	Number of Shares Subject to Options (#)	Grant Date Fair Value of RSUs (\$)	Number of Shares Subject to RSUs (#)
Peter P. Gassner	—	—	—	—
Brent Bowman	944,082	8,720	601,288	2,180
Frederic Lequent	1,242,356	11,475	703,341	2,550
Alan V. Mateo	1,416,123	13,080	1,202,575	4,360
Thomas D. Schwenger	2,360,205	21,800	1,202,575	4,360
All current executive officers, as a group (7 persons)	8,484,830	78,370	5,155,076	18,690
All current directors, who are not executive officers, as a group (11 persons)	—	—	2,156,391	7,430
All employees, including all current officers who are not executive officers, as a group	116,781,476	1,076,976	136,611,715	491,972

Summary of U.S. Federal Income Tax Consequences

The following summary is intended only as a general guide to the material U.S. federal income tax consequences of participation in the Amended and Restated 2013 Plan. The summary is based on existing U.S. federal income tax laws and regulations, and there can be no assurance that those laws and regulations will not change in the future. The summary does not purport to be complete and does not discuss the tax consequences upon a participant's death, or the provisions of the tax laws of any municipality, state, or non-U.S. jurisdiction to which the participant may be subject. As a result, tax consequences for any particular participant may vary based on individual circumstances.

Incentive Stock Options. Generally, no taxable income is reportable when an incentive stock option is granted or exercised, although the exercise may subject the participant to the alternative minimum tax or may affect the determination of the participant's alternative minimum tax (unless the acquired shares are sold or otherwise disposed of in the same year). If the participant exercises the option and then later sells or otherwise disposes of the shares acquired more than two years after the grant date and more than one year after the exercise date, the difference between the sale price and the exercise price generally will be taxed as capital gain or loss. If the participant exercises the option and then later sells or otherwise disposes of the shares before the end of the two- or one- year holding periods described above, the participant generally will have ordinary income at the time of the sale equal to the fair market value of the shares on the exercise date (or the sale price, if less) minus the exercise price of the option. For purposes of the alternative minimum tax, the difference between the option exercise price and the fair market value of the shares on the exercise date generally is treated as an adjustment item in computing the participant's alternative minimum taxable income in the year of exercise. In addition, special alternative minimum tax rules may apply to certain subsequent disqualifying dispositions of the shares or provide certain basis adjustments or tax credits for alternative minimum tax purposes.

Nonstatutory Stock Options. Generally, no taxable income is reportable when a nonstatutory stock option with a per share exercise price at least equal to the fair market value of an underlying share on the date of grant is granted to a participant. Upon exercise, the participant generally will recognize ordinary income in an amount equal to the excess, if any, of the fair market value (on the exercise date) of the exercised shares over the exercise price of the exercised shares subject to the option.

Our Company

Any taxable income recognized in connection with the exercise of a nonstatutory stock option by an employee is subject to tax withholding by us. Any additional gain or loss recognized upon any later disposition of the shares generally would be capital gain or loss to the participant.

SARs. In general, no taxable income is reportable when a SAR with a per share exercise price equal to at least the fair market value of an underlying share on the date of grant is granted to a participant. Upon exercise, the participant generally will recognize ordinary income in an amount equal to the amount of cash received and the fair market value of any shares received. Any taxable income recognized in connection with the exercise of a SAR by an employee is subject to tax withholding by us. Any additional gain or loss recognized upon any later disposition of the shares generally would be capital gain or loss to the participant.

Restricted Stock, Restricted Stock Units, Performance Units, and Performance Shares. Generally, a participant will not have taxable income at the time an award of restricted stock, restricted stock units, performance units, or performance shares, are granted. Instead, the participant generally will recognize ordinary income in the first taxable year in which the participant's interest in the shares underlying the award becomes either (i) freely transferable, or (ii) no longer subject to substantial risk of forfeiture. If the participant is an employee, such ordinary income generally is subject to tax withholding by us. However, the recipient of a restricted stock award may elect to recognize income, at the time the recipient receives the award, in an amount equal to the fair market value of the shares underlying the award (less any cash paid for the shares) on the date the award is granted.

Medicare Surtax. A participant's annual "net investment income," as defined in Section 1411 of the Code may be subject to a 3.8% federal surtax (generally referred to as the "Medicare Surtax"). Net investment income may include capital gain and/or loss arising from the disposition of shares subject to a participant's awards under the Amended and Restated 2013 Plan. Whether a participant's net investment income will be subject to the Medicare Surtax will depend on the participant's level of annual income and other factors.

Section 409A. Section 409A of the Code provides certain requirements for nonqualified deferred compensation arrangements with respect to an individual's deferral and distribution elections and permissible distribution events. Awards granted under the Amended and Restated 2013 Plan with a deferral feature will be subject to the requirements of Section 409A of the Code. Section 409A also generally provides that distributions must be made on or following the occurrence of certain events (e.g., the individual's separation from service, a predetermined date, or the individual's death). For certain individuals who are key employees, subject to certain exceptions, Section 409A requires that distributions in connection with the individual's separation from service commence no earlier than six months after such separation from service.

If an award granted under the Amended and Restated 2013 Plan is subject to and fails to satisfy the requirements of Section 409A of the Code, the recipient of that award may recognize ordinary income on the amounts deferred under the award, to the extent vested, which may be prior to when the compensation is actually or constructively received. Also, if an award that is subject to Section 409A fails to comply with Section 409A's provisions, Section 409A imposes an additional 20% federal income tax on compensation recognized as ordinary income, as well as interest on such deferred compensation. Certain states, such as California, have enacted laws similar to Section 409A which impose additional taxes, interest, and penalties on nonqualified deferred compensation arrangements. We will also have withholding and reporting requirements with respect to such amounts. In no event will we or any of our parent or subsidiaries have any obligation under the terms of the Amended and Restated 2013 Plan to reimburse, indemnify, or hold harmless a participant for any taxes, interest, or penalties imposed, or other costs incurred, as a result of Section 409A.

Tax Effect for the Company. We generally will be entitled to a tax deduction in connection with an award under the Amended and Restated 2013 Plan in an amount equal to the ordinary income realized by a participant and at the time the participant recognizes such income (for example, the exercise of a nonstatutory stock option).

Our Company

Special rules limit the deductibility of compensation paid to our CEO and other “covered employees” within the meaning of Code Section 162(m). Under Code Section 162(m), the annual compensation paid to any of these specified employees will be deductible only to the extent that it does not exceed \$1,000,000.

Required Vote

Approval of the Amended and Restated 2013 Plan and its material terms requires the affirmative “FOR” vote of a majority of the shares present remotely or represented by proxy entitled to vote at the 2022 Annual Meeting. If you abstain from voting on this matter, your abstention will have no effect on the vote.

Board of Directors Recommendation

We believe strongly that the approval of the Amended and Restated 2013 Plan is essential to our continued success. Our employees are one of our most valuable assets. Stock options, restricted stock units, and other awards provided under the Amended and Restated 2013 Plan are vital to our ability to attract and retain outstanding and highly skilled individuals. Such awards also are crucial to our ability to motivate employees to achieve our goals. For the reasons stated above, shareholders are being asked to approve the Amended and Restated 2013 Plan and its material terms.

Our Board unanimously recommends a vote “FOR” an amendment and restatement of our 2013 Equity Incentive Plan.

Our Company

Proposal Three: Ratification of the Appointment of Independent Registered Public Accounting Firm

Our Board unanimously recommends a vote “FOR” ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2023.

Our Audit Committee has appointed the firm of KPMG LLP, independent registered public accountants, to audit our financial statements for the fiscal year ending January 31, 2023. KPMG has audited our financial statements since the fiscal year ended January 31, 2010.

Notwithstanding its selection and even if our shareholders ratify the selection, our Audit Committee, in its discretion, may appoint another independent registered public accounting firm at any time if the Audit Committee believes that such a change would be in the best interests of Veeva and its shareholders. At the Annual Meeting, the shareholders are being asked to ratify the appointment of KPMG as our independent registered public accounting firm for the fiscal year ending January 31, 2023. Our Audit Committee is submitting the selection of KPMG to our shareholders because we value our shareholders' views on our independent registered public accounting firm and as a matter of good corporate governance. Representatives of KPMG will be present at the Annual Meeting, and they will have an opportunity to make statements and will be available to respond to appropriate questions from shareholders.

If this proposal does not receive the affirmative approval of a majority of the votes cast on the proposal, the Audit Committee would reconsider the appointment.

Principal Accounting Fees and Services

The following table sets forth all fees paid or accrued by us for professional audit services and other services rendered by KPMG for the fiscal years ended January 31, 2022 and 2021:

	2022	2021
Audit Fees (1)	\$3,070,000	\$2,762,000
Tax Fees (2)	\$ 138,000	\$ —
Total Fees	\$3,208,000	\$2,762,000

(1) Audit fees: This category represents fees for professional services provided in connection with the audit of our financial statements, review of our quarterly financial statements, attest services related to Section 404 of the Sarbanes-Oxley Act of 2002, and audit services provided in connection with other regulatory or statutory filings for which we have engaged KPMG.

(2) Tax Fees: This category represents fees paid for indirect tax compliance and consulting services.

Pre-Approval of Audit and Non-Audit Services

Consistent with requirements of the SEC and the PCAOB regarding auditor independence, our Audit Committee is responsible for the appointment, compensation, and oversight of the work of KPMG. In recognition of this responsibility, our Audit Committee (or the chair if such approval is needed on a time-urgent basis) generally pre-approves all audit and permissible non-audit services provided by KPMG. These services may include audit services, audit-related services, tax services, and other services.

OUR PAY

Compensation Discussion and Analysis

This Compensation Discussion and Analysis explains our compensation philosophy, policies, and practices for the following individuals, who are our “named executive officers” or “NEOs” for fiscal 2022.

Name	Position
Peter P. Gassner	Chief Executive Officer
Brent Bowman	Chief Financial Officer
Frederic Lequent	Senior Vice President, Global Customer Services
Alan V. Mateo	Executive Vice President, Global Sales
Thomas D. Schwenger	President and Chief Operating Officer

More detailed information about the compensation provided to our NEOs is set forth in the Summary Compensation Table and other tables that follow this section, including the accompanying footnotes and narratives relating to those tables.

Executive Summary

We did not make any material changes to our executive compensation program for fiscal 2022. As further detailed in the table below, three primary components made up our executive compensation program in fiscal 2022: base salary, short-term equity incentives (a “stock bonus”) in the form of an annual restricted stock unit (“RSU”) grant, and long-term equity incentives in the form of annual grants of stock options.

Compensation Element	Description	Purpose
Base Salary	<ul style="list-style-type: none"> All executive officers make the same base salary, which for fiscal 2022 was \$350,000 None of our executive officers is eligible to receive a short-term cash incentive bonus or other form of variable cash-based compensation 	<ul style="list-style-type: none"> Compensate for services rendered on a day-to-day basis and to provide sufficient fixed cash compensation to allow executive officers to fund their personal and household expenses
“Stock Bonus”	<ul style="list-style-type: none"> A short-term incentive program (a “stock bonus”) utilizing RSUs rather than cash Stock bonuses are designed to ensure that the executive officer will have RSUs vesting during each fiscal year that achieve a value based on a percentage of base salary Target stock bonuses range from 150% to 300% of base salary, with the specific percentage determined with respect to the executive officer’s role within the company To achieve the desired target stock bonus level, executive officers receive a new RSU grant each year that vest quarterly over a one-year period Excluding our CEO, all executive officers have transitioned to this program 	<ul style="list-style-type: none"> Rewards annual performance Drives company-wide and individual performance Effective retention tool because unvested awards are forfeited Allows a holder whose cash needs may, at a given time exceed our cash compensation, to monetize their stock holdings to meet those needs while still aligning their interests with those of our shareholders
Long-Term Equity Incentives	<ul style="list-style-type: none"> Annual award of stock options for Class A common stock based on an “option factor” multiplier applied to the number of RSUs granted as the stock bonus in the same year (i.e., number of RSUs granted for annual stock bonus X option factor = number of stock options) Option factors range from 3.0 to 5.0 depending on executive officer’s role• Stock options are granted annually and vest annually over four years Excluding our CEO, all executive officers have transitioned to this program 	<ul style="list-style-type: none"> Inherently performance-based because the holder benefits only if our stock price increases following the grant date, aligning the option holder’s interest closely with those of our shareholders Emphasizes an ownership culture and rewards our executives for growing our business Encourages executive officers to achieve multi-year strategic objectives Effective retention tool because unvested awards are forfeited

Our Pay

A program to compensate, retain, and incentivize our CEO through our fiscal year ending January 31, 2025 was put in place by our Compensation Committee in 2018, comprised largely of stock options vesting from March 2020 to February 2025. That program is detailed below under “Principal Elements of Compensation—Equity Awards—CEO Equity Compensation” and has not changed. Accordingly, our CEO did not receive an additional equity grant in fiscal 2022.

Effective April 1, 2022, our Compensation Committee increased the annual base salary for all of our NEOs to \$400,000. Also effective April 1, 2022, our Compensation Committee approved target stock bonuses for our NEOs (other than our CEO) that range from 200% to 300% and option factors that range from 3.0 to 5.0. Additionally, our Compensation Committee approved for our NEOs (other than our CEO) RSU grants that range from 5,000 to 15,000 shares and stock option grants that range from 10,000 to 30,000 shares (“Long-term Incentive Grants”). One hundred percent of the shares subject to such Long-term Incentive Grants vest on either April 1, 2024 or April 1, 2026, depending on the executive. Our CEO has not received and is not expected to receive an additional equity grant in 2022.

Our Board and Compensation Committee believe our compensation programs are effective at incentivizing and retaining our senior executives and closely aligning the interests of our senior management team with those of our shareholders.

Advisory Vote on Compensation

We submitted to our shareholders at the 2021 Annual Meeting a proposal for an advisory (non-binding) “say-on-pay” vote on the compensation of our NEOs. We were pleased that approximately 94% of the votes cast at the 2021 Annual Meeting were cast in favor of our advisory say-on-pay proposal. The Compensation Committee intends to continue to monitor shareholder feedback, including the results of future say-on-pay advisory votes, in making future decisions affecting the compensation of our NEOs.

Executive Compensation Philosophy, Objectives, and Components

We operate in the software and technology industry and face a highly competitive environment for top-level executive talent. To accomplish our business and growth objectives, we must be able to attract and retain talented executives whose skills and experience enable them to contribute to our long-term success. To that end, the principal objectives and philosophy of our executive compensation programs are to attract, fairly compensate, appropriately incentivize, and retain our executives in a manner that aligns their long-term interests with those of our shareholders. In fiscal 2022, the primary components of the compensation program for our NEOs, other than our CEO, were base salary, a stock bonus in the form of an annual RSU grant, and long-term equity incentives in the form of annual grants of stock options.

Role of Compensation Committee, Management, and Compensation Consultant

Role of Compensation Committee. Our Board established a Compensation Committee to discharge its responsibilities relating to our executive compensation policies and programs. Our Compensation Committee evaluates the performance of our CEO and determines his compensation. The Compensation Committee also determines the compensation of our other executive officers in consultation with our CEO. In making its decisions, our Compensation Committee considers such matters as its members deem appropriate, including our financial and operating performance, the performance of our Class A common stock, factors specific to individual executives such as their individual achievements and retention concerns, our operational goals, the comparative compensation data described below, the results of our most recent say-on-pay advisory vote and say-when-on pay advisory vote, and shareholder feedback on compensation and governance matters. From time to time, our Board approves equity grants to our executive officers upon the recommendation of the Compensation Committee, although our Compensation Committee is also authorized to approve such grants.

Our Compensation Committee has delegated authority to our CEO to make certain routine equity award grants to non-executives within certain share parameters established and reviewed from time to time by the Compensation Committee. For additional information on the Compensation Committee, see “Board Committees—Compensation Committee.”

Role of Management. Members of management, including our CEO, Chief Financial Officer, Chief People Officer, and General Counsel, work with our Compensation Committee and often attend the Compensation Committee meetings. Members of management also make presentations to our Compensation Committee regarding our historical equity grants and the adequacy of the remaining equity pool to achieve retention objectives. These materials are also made available to our Board. Although our CEO participates in the discussion and decisions relating to the compensation of our other executive officers, he is not present during deliberations or voting with respect to his own compensation.

Role of Compensation Consultant. Our Compensation Committee has the authority to engage its own advisors to assist it in performing its duties and we pay the fees charged by such advisors. For fiscal 2022, our Compensation Committee again engaged Compensia to assist it in its decision-making process by providing information on competitive market compensation practices, identifying a peer group against which to compare our compensation programs, providing information including market data on our outside director compensation program, and supplying such other information and recommendations as the Compensation Committee may from time to time request.

Peer Group and Competitive Data

With respect to fiscal 2022 compensation for our NEOs, our Compensation Committee considered data supplied by Compensia on the compensation of executives at the peer companies listed below as well as Compensia proprietary benchmark data for comparable roles at similarly situated companies. Our Compensation Committee believes it is useful to review this comparative data when evaluating our executive compensation programs and making compensation decisions for our NEOs. While it uses this data as a reference point, the Compensation Committee does not feel it necessary to mirror the compensation provided by these other companies or to target any specific percentile or range of percentiles for cash, incentive, equity, or total compensation for our executive officers relative to these peer companies.

Compensia evaluates and recommends a peer group annually for executive compensation benchmarking. Compensia re-evaluated our peer group for fiscal 2022 and recommended (i) removing Aspen Technology, Dropbox, Guidewire Software, and Tableau Software and (ii) adding additional companies to our group: CrowdStrike Holdings, Datadog, DocuSign, and Zoom. The peer group consisted of publicly traded software and software services companies that generally had revenues between approximately \$385 million and \$3.9 billion, generally experienced high year-over-year revenue growth, and/or had a market capitalization between \$10 billion and \$162 billion. Our Compensation Committee considered the peer group’s compensation practices data for compensation decisions during and with respect to fiscal 2022. The peer group consisted of the following companies, which our Compensation Committee determined are appropriate:

ANSYS	Autodesk	CrowdStrike Holdings	Datadog
DocuSign	Fortinet	Okta	Palo Alto Networks
Paycom Software	RingCentral	ServiceNow	Splunk
SS&C Technologies Holdings	Twilio	Tyler Technologies	Workday
Zendesk	Zoom		

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Principal Elements of Compensation

The compensation of our NEOs for fiscal 2022 consisted of (i) base salary, (ii) with respect to NEOs other than our CEO, new equity awards granted during fiscal 2022, and (iii) continued vesting during the course of the year of stock options and, with respect to NEOs other than our CEO, RSUs that had been granted in prior fiscal years. The mix and amount of compensation elements has been and will continue to be within the discretion and business judgment of our Compensation Committee.

Our Compensation Committee has structured these compensation programs to attract and retain senior executives, provide competitive levels of more liquid and less volatile compensation through base salary and RSUs, continue to foster an ownership mentality and alignment with the long-term interests of shareholders through the use of RSUs and stock options, and encourage the achievement of key operational goals.

Base Salary. We provide base salaries to our executive officers to compensate them for services rendered on a day-to-day basis and to provide sufficient fixed cash compensation to allow them to fund their personal and household expenses while remaining focused on their responsibilities to Veeva.

Since our IPO, Veeva has maintained a largely flat annual base salary structure for our executive officers. During fiscal 2021, effective April 1, 2020, the Compensation Committee increased the annual base salary of all of our NEOs to \$350,000. The annual base salary of all of our NEOs remained \$350,000 in fiscal 2022 and that base salary is reflected in the Summary Compensation Table below.

Annual Cash Incentive Bonuses. We have generally not offered a short-term cash incentive bonus program to our NEOs since our IPO, and our Compensation Committee again determined for fiscal 2022 not to offer such a program. Rather, our Board and Compensation Committee continue to believe that our reliance on equity compensation adequately facilitates the achievement of corporate operational goals and aligns each NEO with shareholder interest. Accordingly, none of our NEOs was paid a cash incentive bonus for fiscal 2022.

Equity Awards. Equity compensation awards remain an important part of our executive compensation program. We have granted RSUs and stock options from time to time to our employees, including our executive officers, under our stock plans. Our Compensation Committee believes that RSUs are also an important component of a competitive compensation program. RSUs supplement our cash compensation and allow a holder whose cash needs may, at a given time exceed our cash compensation, to monetize their stock holdings to meet those needs while still aligning their interests with those of our shareholders. Our Compensation Committee believes that stock options are inherently performance-based because the holder benefits only if our stock price increases following the grant date, aligning the option holder's interest closely with those of our shareholders. We believe that the combination of stock options and RSUs in our equity compensation program have effectively emphasized an ownership culture and rewarded our executive officers for growing our business. We also believe that our practice of making annual equity grants mitigates, to some degree, the impact of stock price volatility, which we have recently experienced.

Under our executive compensation program implemented in fiscal 2020, applicable to all executive officers except for our CEO, we grant a "stock bonus," or short-term equity incentive in the form of an annual RSU grant and long-term equity incentives in the form of stock options.

Stock Bonus Grants. The structure and purpose of our stock bonus program is described in the Executive Summary above. In fiscal 2022, based on the methodology described in the Executive Summary above, each of Messrs. Bowman, Lequient, Mateo, and Schwenger received a stock bonus grant of 2,180, 2,550, 4,360, and 4,360 RSUs, respectively, that vest quarterly over a one-year period.

Stock Option Grants. The structure and purpose of our stock option program is described in the Executive Summary above. In fiscal 2022, based on the methodology described in the Executive Summary above,

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each of Messrs. Bowman, Lequent, Mateo, and Schwenger received a stock option grant to purchase 8,720, 11,475, 13,080, and 21,800 shares of our Class A common stock, respectively. These stock option grants vest annually over a four-year period and have an exercise price equal to \$275.82, the closing market price on the date of grant.

CEO Equity Compensation. With respect to our CEO, Mr. Gassner, our Compensation Committee has purposefully placed strong emphasis on long-term incentive compensation in the form of stock options to effectively align his long-term interests with those of our shareholders.

On January 10, 2018, upon the recommendation of our Compensation Committee, our Board approved a grant to Mr. Gassner of options to purchase an aggregate of 2,838,635 shares of our Class A common stock (the “CEO Options”) with an exercise price above the closing market price on the grant date. The CEO Options were the first equity compensation Mr. Gassner had received since March 2013, several months prior to completing our IPO. The CEO Options have an exercise price of \$60.00 per share, which approximated the 60-day average of closing market prices around our all-time high closing market price prior to January 10, 2018.

The table below summarizes the service-based vesting schedule and stock price target conditions upon which Mr. Gassner’s CEO Options vest and become exercisable:

Number of Shares	Service-Based Vesting Condition	Stock Price Target Vesting Condition	First Date Exercisable	Expiration Date
2,128,975	Continued service as CEO through February 1, 2025, with vesting in monthly increments beginning February 1, 2020	N/A	First monthly increment (1/60 th of total) became vested and exercisable on March 1, 2020, with additional monthly increments becoming exercisable thereafter through February 1, 2025	January 9, 2028
177,415	Same as above	\$ 90.00	Same as above now that the applicable Stock Price Target has been achieved	January 9, 2028
177,415	Same as above	\$ 100.00	Same as above now that the applicable Stock Price Target has been achieved	January 9, 2028
177,415	Same as above	\$ 110.00	Same as above now that the applicable Stock Price Target has been achieved	January 9, 2028
177,415	Same as above	\$ 120.00	Same as above now that the applicable Stock Price Target has been achieved	January 9, 2028

To achieve each of the above Stock Price Target Vesting Conditions, Veeva’s Class A common stock had to sustain the specified Stock Price Target for at least 60 consecutive trading days, and each Stock Price Target Vesting Condition has been satisfied. Consistent with Mr. Gassner’s pre-IPO grant, the CEO Options are not subject to any contractual vesting acceleration provisions. Moreover, the CEO Options reflect the continuation of a five-year long-term incentive compensation cycle for Mr. Gassner and did not begin vesting (based upon the service-based vesting conditions) until Mr. Gassner’s pre-IPO grant stock options completed vesting at the end of our fiscal year ended January 31, 2020.

Consistent with its long-term-focused approach to CEO compensation, our Board intends that the CEO Options will be the only long-term incentive awards that it grants Mr. Gassner until at least 2023. Accordingly, the Board has not granted any additional equity awards to Mr. Gassner to date. Our Board and Compensation Committee believe that at our company’s current stage of maturity, it continues to be appropriate to evaluate grants to Mr. Gassner on a five-year cadence.

Perquisites, Retirement, and Other Benefits. We generally do not provide perquisites or other benefits to our executive officers other than those available to employees generally. We have established a 401(k) tax-deferred savings plan, which permits participants, including our executive officers, to make contributions up to applicable annual statutory limits by salary deduction pursuant to Section 401(k) of the Internal Revenue Code of 1986, as amended (the “Code”). We are responsible for administrative costs of the 401(k) plan. We match 100% of eligible contributions by our employees, including our executive officers, up to \$2,000 per year. Such matching contributions are immediately and fully vested.

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Severance and Change in Control Benefits. None of our NEOs is currently eligible for any severance or change in control-related benefits.

Other Compensation Information and Policies

Stock Ownership Guidelines

To further align the interests of our directors and executive officers with those of our shareholders, our Board adopted stock ownership guidelines. Under these guidelines, all of our executive officers are required to achieve certain stock ownership levels within three years of the later of March 19, 2019 (the date our Board adopted stock ownership guidelines) or the date of such executive officer's hire or appointment to a position with a higher ownership requirement. The guidelines require ownership as follows:

- CEO: Value equal to three times his or her annual base salary
- Other executive officers: Value equal to his or her annual base salary

Executive officers may satisfy these guidelines by ownership of shares of our Class A or Class B common stock or vested and unexercised stock options. As of March 31, 2022, all of our executive officers are in compliance with the guidelines.

See "Proposal One—Stock Ownership Guidelines" for information about the guidelines applicable to our directors.

Executive Officer Recoupment Policy

We have not adopted a policy on whether we will make retroactive adjustments to any cash or equity-based incentive compensation paid to our NEOs (or others) where the payment was predicated upon the achievement of financial results that were subsequently the subject of a restatement. We do not currently offer our NEOs variable compensation based upon achievement of financial results. However, our Compensation Committee continues to evaluate the adoption of a recoupment policy pending final SEC rules. In the meantime, we intend to comply with all applicable laws and regulations requiring any adjustments to or recovery of incentive compensation.

Stock Trading Practices; Trading and Hedging Policies

Our executive officers are subject to our Insider Trading Policy, which applies to their transactions involving any securities of Veeva. Except under limited circumstances, persons subject to the policy may not engage in any transaction of Veeva securities while aware of material nonpublic information relating to Veeva. The Insider Trading Policy also implements quarterly trading blackout periods and allows for special blackout periods to limit the likelihood of trading at times with significant risk of insider trading exposure. In addition, directors and executive officers are prohibited from engaging in any transaction involving Veeva securities without first obtaining pre-clearance from our compliance officer.

Our Insider Trading Policy also includes Rule 10b5-1 trading plan guidelines that permit our directors and certain employees, including our NEOs, to adopt Rule 10b5-1 trading plans ("10b5-1 plans"). Under these guidelines, among other restrictions, 10b5-1 plans may only be adopted or modified when the person adopting the trading plan is not aware of any material nonpublic information and there is an open trading window. In addition, the first trade under a 10b5-1 plan may not occur until the completion of the next quarterly blackout period following the adoption of the 10b5-1 plan.

Our Insider Trading Policy prohibits our directors, executive officers, and employees, from hedging transactions in Veeva stock, pledging Veeva stock, and holding Veeva stock in a margin account among other restrictions.

Compensation Policies and Practices as They Relate to Risk Management

Our Compensation Committee has reviewed our major compensation risk exposures and the steps management has taken to monitor and mitigate such risks and does not believe that our compensation policies and practices encourage undue or inappropriate risk taking or create risks that are reasonably likely to have a material adverse effect on Veeva.

Tax and Accounting Considerations**Deductibility of Executive Compensation**

Section 162(m) of the Code will generally limit the amount that we may deduct from our federal income taxes for remuneration paid to our executive officers to one million dollars per executive officer per year. While our Compensation Committee is mindful of the benefit to us of the deductibility of compensation and will consider deductibility when analyzing potential compensation alternatives, our Compensation Committee believes that it should not be constrained by the requirements of Section 162(m) where those requirements would impair flexibility in compensating our executive officers in a manner that can best promote our corporate objectives. Therefore, our Compensation Committee has not adopted a policy that requires that all compensation be deductible.

No Gross-Ups of Parachute Payments and Deferred Compensation

We did not provide any executive officer, including any NEO, with a “gross-up” or other reimbursement payment for any tax liability that he or she might owe as a result of the application of Sections 280G, 4999, or 409A of the Code during fiscal 2022, and we have not agreed and are not otherwise obligated to provide any NEOs with such a “gross-up” or other reimbursement.

Accounting Treatment

We account for stock compensation in accordance with ASC Topic 718, which requires companies to measure and recognize the compensation expense for all share-based awards made to employees and directors, including stock options and RSUs, over the period during which the award recipient is required to perform services in exchange for the award. We estimate the fair value of stock options granted using either a Monte Carlo simulation for market condition awards or the Black-Scholes option-valuation model. This calculation is performed for accounting purposes and reported in the compensation tables below.

Compensation Committee Report⁽¹⁾

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K, and in reliance on such review and discussions, the Compensation Committee has recommended to the Board that this Compensation Discussion and Analysis be incorporated by reference into the Annual Report on Form 10-K for the year ended January 31, 2022 and included in this Proxy Statement.

Gordon Ritter, *Chair*

Mark Carges

Ronald E.F. Codd

(1) The material in the Compensation Committee Report is not “soliciting material,” is not deemed “filed” with the SEC and is not to be incorporated by reference in any of our filings under the Securities Act of 1933, as amended, or the Securities Act, or the Exchange Act, other than our Annual Report on Form 10-K, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

Our Pay

Summary Compensation Table

The following table provides information concerning the compensation paid to our NEOs for fiscal 2022, as well as for our prior two fiscal years.

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽¹⁾	Total (\$)
Peter P. Gassner <i>Chief Executive Officer</i>	2022	350,000	—	—	350,000
	2021	345,833	—	—	345,833
	2020	325,000	—	—	325,000
Brent Bowman <i>Chief Financial Officer</i>	2022	350,000	601,288	944,082	1,895,370
	2021	226,827	353,932	1,944,329	2,525,088
Frederic Lequent <i>Senior Vice President, Global Customer Services</i>	2022	350,000	703,341	1,242,356	2,295,697
	2021	345,833	267,329	1,253,747	1,866,909
	2020	325,000	—	—	325,000
Alan V. Mateo <i>Executive Vice President, Global Sales</i>	2022	350,000	1,202,575	1,416,123	2,968,698
	2021	345,833	857,535	2,230,263	3,433,631
	2020	325,000	—	2,187,033	2,512,033
Thomas D. Schwenger <i>President and Chief Operating Officer</i>	2022	350,000	1,202,575	2,360,205	3,912,780
	2021	345,833	—	—	345,833
	2020	101,042	3,518,880	4,470,669	8,090,591

- (1) The amounts reported in these columns represent the aggregate grant date fair value of RSUs and options to purchase shares of our Class A common stock, as applicable, computed in accordance with FASB ASC Topic No. 718. See notes 1 and 12 of the notes to our consolidated financial statements included in our annual report on Form 10-K filed on March 30, 2022 for a discussion of the assumptions made by us in determining the grant date fair value of our equity awards. These amounts do not purport to reflect the value that will be recognized by the NEOs upon sale of the underlying securities.

Fiscal 2022 Grants of Plan-Based Awards

The following table provides information concerning grants of plan-based awards to our NEOs during fiscal 2022.

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (#) (1)	All Other Option Awards: Number of Securities Underlying Options (#) (2)	Exercise or Base Price of Option Awards (\$/share)	Grant Date Fair Value of Stock and Option Awards (\$) (3)
Peter P. Gassner	—	—	—	—	—
Brent Bowman	4/15/2021	—	8,720	275.82	944,082
	4/15/2021	2,180	—	—	601,288
Frederic Lequent	4/15/2021	—	11,475	275.82	1,242,356
	4/15/2021	2,550	—	—	703,341
Alan V. Mateo	4/15/2021	—	13,080	275.82	1,416,123
	4/15/2021	4,360	—	—	1,202,575
Thomas D. Schwenger	4/15/2021	—	21,800	275.82	2,360,205
	4/15/2021	4,360	—	—	1,202,575

- (1) The RSUs vest quarterly over one year, with 25% vesting per quarter, following the vesting commencement date of April 1, 2021.
- (2) The stock options vest over four years, with 25% of the shares vesting on April 1, 2022, and 25% of the total shares vesting equally on a yearly basis thereafter, subject to continued service to Veeva.
- (3) The amounts reported represent the aggregate grant date fair value computed in accordance with FASB ASC Topic No. 718. See notes 1 and 12 of the notes to our consolidated financial statements included in our annual report on Form 10-K, filed on March 30, 2022, for a discussion of the assumptions made by us in determining the grant date fair value of our equity awards. These amounts do not purport to reflect the value that will be recognized by the NEOs upon sale of the underlying securities.

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Outstanding Equity Awards at Fiscal 2022 Year-End

The following table sets forth information regarding all unexercised options and unvested RSUs held by each of our NEOs as of January 31, 2022. The vesting schedule applicable to each outstanding award is described in the footnotes to the table below.

Name	Grant Date	Option Awards				Stock Awards	
		Number of Securities Underlying Unexercised Options Vested (#)	Number of Securities Underlying Unexercised Options Unvested (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares of Stock that Have Not Vested (\$) (1)
Peter P. Gassner	3/10/2013	3,333,333	—	3.92	3/9/2023	—	—
	1/10/2018	816,107	1,312,868 (2)	60.00	1/9/2028	—	—
	1/10/2018	68,009	109,406 (3)	60.00	1/9/2028	—	—
	1/10/2018	68,009	109,406 (4)	60.00	1/9/2028	—	—
	1/10/2018	68,009	109,406 (5)	60.00	1/9/2028	—	—
	1/10/2018	68,009	109,406 (6)	60.00	1/9/2028	—	—
Brent Bowman	7/13/2020	4,000	16,000 (7)	240.77	7/12/2030	—	—
	4/15/2021	—	8,720 (8)	275.82	4/14/2031	—	—
	4/15/2021	—	—	—	—	545 (9)	128,914
Frederic Lequient	3/3/2016	45,000	— (10)	25.70	3/2/2026	—	—
	4/14/2020	4,545	13,635 (11)	173.59	4/13/2030	—	—
	4/15/2021	—	11,475 (8)	275.82	4/14/2031	—	—
	4/15/2021	—	—	—	—	637 (9)	150,676
Alan V. Mateo	5/1/2015	100,482	—	26.99	4/30/2025	—	—
	4/11/2019	18,600	18,600 (12)	135.49	4/10/2029	—	—
	4/14/2020	8,085	24,255 (11)	173.59	4/13/2030	—	—
	4/15/2021	—	13,080 (8)	275.82	4/14/2031	—	—
	4/15/2021	—	—	—	—	1,090 (9)	257,829
Thomas D. Schwenger	10/4/2019	35,000	35,000 (13)	154.00	10/3/2029	—	—
	9/18/2019	—	—	—	—	5,000 (14)	1,182,700
	4/15/2021	—	21,800 (8)	275.82	4/14/2031	—	—
	4/15/2021	—	—	—	—	1,090 (9)	257,829

(1) Computed in accordance with SEC rules as the number of unvested RSUs multiplied by the closing market price of our Class A common stock at the end of fiscal 2022, which was \$236.54 on January 31, 2022 (the last trading day of fiscal 2022).

(2) Mr. Gassner's stock options vest and become exercisable in 60 equal monthly installments between March 1, 2020 and February 1, 2025, subject to Mr. Gassner's continued service as our CEO.

(3) Mr. Gassner's stock options vest and become exercisable in 60 equal monthly installments beginning March 1, 2020 through February 1, 2025, subject to Mr. Gassner's continued service as our CEO. The performance-based vesting condition related to achievement of the Stock Price Target of \$90.00 per share for at least 60 consecutive trading days has been satisfied. See discussion in "Compensation Discussion and Analysis—Principal Elements of Compensation—Equity Awards" for additional details about this award.

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- (4) Mr. Gassner's stock options vest and become exercisable in 60 equal monthly installments beginning March 1, 2020 through February 1, 2025, subject to Mr. Gassner's continued service as our CEO. The performance-based vesting condition related to the achievement of the Stock Price Target of \$100.00 per share for at least 60 consecutive trading days has been satisfied. See discussion in "Compensation Discussion and Analysis—Principal Elements of Compensation—Equity Awards" for additional details about this award.
- (5) Mr. Gassner's stock options vest and become exercisable in 60 equal monthly installments beginning March 1, 2020 through February 1, 2025, subject to Mr. Gassner's continued service as our CEO. The performance-based vesting condition related to the achievement of the Stock Price Target of \$110.00 per share for at least 60 consecutive trading days has been satisfied. See discussion in "Compensation Discussion and Analysis— Principal Elements of Compensation—Equity Awards" for additional details about this award.
- (6) Mr. Gassner's stock options vest and become exercisable in 60 equal monthly installments beginning March 1, 2020 through February 1, 2025, subject to Mr. Gassner's continued service as our CEO. The performance-based vesting condition related to the achievement of the Stock Price Target of \$120.00 per share for at least 60 consecutive trading days has been satisfied. See discussion in "Compensation Discussion and Analysis— Principal Elements of Compensation—Equity Awards" for additional details about this award.
- (7) Mr. Bowman's stock options vest over five years, with 20% of the shares vesting on July 1, 2021, and 20% of the total shares vesting equally on a yearly basis thereafter, subject to Mr. Bowman's continued service to Veeva.
- (8) The stock options vest over four years, with 25% of the shares vesting on April 1, 2022, and 25% of the total shares vesting equally on a yearly basis thereafter, subject to continued service to Veeva.
- (9) The RSUs vest quarterly over one year, with 25% vesting per quarter following the vesting commencement date of April 1, 2021.
- (10) Mr. Lequient's stock options vest over five years, with 20% of the shares vesting on March 1, 2017, and 1/20th of the total shares vesting equally on a quarterly basis thereafter, subject to Mr. Lequient's continued service to Veeva.
- (11) The stock options vest over four years, with 25% of the shares vesting on April 1, 2021, and 25% of the total shares vesting equally on a yearly basis thereafter, subject to continued service to Veeva.
- (12) Mr. Mateo's stock options vest over four years, with 25% of the shares vesting on April 1, 2020, and 25% of the total shares vesting equally on a yearly basis thereafter, subject to Mr. Mateo's continued service to Veeva.
- (13) Mr. Schwenger's stock options vest over four years, with 25% of the shares vesting on October 1, 2020, and 25% of the total shares vesting equally on a yearly basis thereafter, subject to Mr. Schwenger's continued service to Veeva.
- (14) Mr. Schwenger's RSUs vest over four years, with 25% vesting annually following the vesting commencement date of October 1, 2019, subject to Mr. Schwenger's continued service to Veeva.

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Fiscal 2022 Option Exercises and Stock Vested

The following table shows the number of shares NEOs acquired upon exercise of options and vesting of RSUs during fiscal 2022.

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))
Peter P. Gassner	—	—	—	—
Brent Bowman	—	—	2,125	597,945
Frederic Lequent	5,000	1,359,350	3,178	901,037
Alan V. Mateo	25,605	6,766,165	4,617	1,294,162
Thomas D. Schwenger	—	—	8,103	2,276,383

(1) The value realized is based on the fair market value of our Class A common stock on the date of exercise minus the exercise price.

(2) The value realized on vesting is calculated by multiplying the number of RSUs vesting by the fair market value of a share of our Class A common stock on the vesting date.

Fiscal 2022 Potential Payments Upon Termination or Change in Control

We have entered into offer letters with each of our NEOs, none of which provides a right to receive severance in the event of a termination of their employment. In addition, none of our NEOs is currently eligible for any change-in-control-related benefits.

CEO Pay Ratio

We are required to disclose the ratio of the annual total compensation of Mr. Gassner, our CEO, to our median employee's annual total compensation. We believe our compensation philosophy and process yield an equitable result for all of our employees.

The pay ratio reported below is a reasonable estimate calculated in a manner consistent with SEC rules based on our internal records and the methodology described below. Neither the Compensation Committee nor our management uses our pay ratio to make compensation decisions. Because 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, the pay ratio reported by other companies may not be comparable to the pay ratio reported below, 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.

Under SEC rules, we are required to identify our median employee only once every three years and calculate annual total compensation for that employee each year. This year, we are using the same median employee in our pay ratio calculation who we disclosed in our 2020 Proxy Statement and 2021 Proxy Statement. Based on our review of our current employee population and employee compensation arrangements as compared to the two previous years, including a general review of current median compensation of our worldwide workforce as compared to our median employee, we believe there have been no changes that would significantly impact the pay ratio disclosure. As disclosed in our fiscal 2019 Proxy Statement, beginning in late fiscal 2019 for new hires and in the first quarter of fiscal 2020 for current Veeva employees, we started offering equity under a new compensation program applicable to the vast majority of our employee base but not applicable to our CEO. In addition and as previously disclosed, because our CEO is currently on a five-year equity award grant cycle, we do not expect him to receive additional equity awards until at least 2023.

For purposes of identifying our “median employee,” we used our worldwide employee population as of November 1, 2019, which consisted of 3,012 part-time and full-time employees, of which 1,680 employees were employed in the United States and 1,332 employees were employed outside of the United States. We excluded 244 employees who were hired in connection with an acquisition we completed in fiscal 2020 on November 1, 2019. To identify the median employee, we used the following methodology and consistently applied material assumptions, adjustments, and estimates:

- We calculated the annual total compensation of our employee population, excluding Mr. Gassner, as the sum of (1) annual base salary for permanent salaried employees or hourly rate multiplied by expected annual work schedule for hourly employees as of November 1, 2019; (2) variable compensation during the 12 months ended October 31, 2019, if applicable; (3) grant date fair value of equity awards granted during the 12 months ended October 31, 2019; and (4) Veeva’s matching contributions to each employee’s 401(k) tax-deferred savings plan or registered retirement savings plan account.
- We used the exchange rate based on a 12-month average as of November 1, 2019 to convert each non-U.S. employee’s cash compensation to U.S. dollars.
- We did not make any cost-of-living adjustments in identifying the median employee nor did we use the *de minimis* exemption allowed by SEC rules to exclude any of our employee population.

We calculated the annual total compensation for fiscal 2022 for such previously identified median employee using the same methodology we used for our NEOs as set forth in the Summary Compensation Table above. For fiscal 2022, the annual total compensation for Mr. Gassner and our median employee were \$350,000 and \$151,858, respectively. Accordingly, the resulting ratio of the two amounts is approximately 2.3:1.

Equity Compensation Plan Information

The following table provides information as of January 31, 2022 with respect to the shares of our common stock that may be issued under our existing equity compensation plans.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, RSUs, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (1)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (2)
Equity compensation plans approved by shareholders	12,709,910	\$ 77.89	43,618,010 (3)
Equity compensation plans not approved by shareholders	—	—	—
Total	12,709,910		43,618,010

- (1) The weighted average exercise price does not take into account outstanding RSUs.
- (2) Included in this amount are 4,897,856 shares available for future issuance under the 2013 Employee Stock Purchase Plan (“ESPP”).
- (3) On the first business day of each fiscal year during the term of our 2013 Equity Incentive Plan (“2013 Plan”), the number of authorized shares of our Class A common stock under our 2013 Plan automatically increases by a number of shares of our Class A common stock equal to the least of (i) 5% of the total number of shares of all classes of our common stock issued and outstanding on the last business day of the prior fiscal year, (ii) 13,750,000 shares of our Class A common stock, or (iii) a number of shares of our Class A common stock determined by our Board. On the first business day of each fiscal year during the term of our ESPP, the number of authorized shares of our Class A common stock under our ESPP automatically increases by a number of shares of our Class A common stock equal to the least of (i) 1% of the total number of shares of all classes of our common stock issued and outstanding on the last business day of the prior fiscal year, (ii) 2,200,000 shares of our Class A common stock, or (iii) a number of shares of our Class A common stock determined by our Board.

OUR SHAREHOLDERS

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of March 31, 2022 for:

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

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

Applicable percentage ownership is based on 139,805,479 shares of Class A common stock and 14,764,740 shares of Class B common stock outstanding at March 31, 2022. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed to be outstanding all shares of common stock subject to options and RSUs held by that person or entity that are currently exercisable or releasable or that will become exercisable or releasable within 60 days of March 31, 2022. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Veeva Systems Inc., 4280 Hacienda Drive, Pleasanton, California 94588.

Name of Beneficial Owner	Shares Beneficially Owned				% Total Voting Power (1)
	Class A		Class B		
	Share	%	Share	%	
Named Executive Officers and Directors:					
Brent Bowman (2)	8,673	*	—	—	*
Timothy S. Cabral (3)	128,474	*	4,500	*	*
Mark Carges (4)	7,619	*	—	—	*
Paul E. Chamberlain (5)	16,179	*	—	—	*
Ronald E.F. Codd (6)	56,199	*	67,650	*	*
Josh Faddis (7)	14,424	*	—	—	*
Peter P. Gassner (8)	1,264,765	*	16,459,666	90.9	51.5
Mary Lynne Hedley (9)	2,333	*	—	—	*
Priscilla Hung (10)	169	*	—	—	*
Tina Hunt (11)	169	*	—	—	*
Frederic Lequient (12)	59,501	*	—	—	*
Alan V. Mateo (13)	160,966	*	—	—	*
Marshall Mohr (14)	184	*	—	—	*
Gordon Ritter (15)	635,399	*	1,000,000	6.8	3.7
Thomas Schwenger (16)	55,527	*	—	—	*
Paul Sekhri (17)	18,613	*	—	—	*
Matt Wallach (18)	2,065	*	450,002	3.0	1.6
E. Nitsa Zuppas (19)	38,361	*	—	—	*
All Executive Officers and Directors as a Group (18 persons) (20)	2,469,620	1.7	17,981,818	99.0	56.4
5% Shareholders:					
Morgan Stanley (21)	9,759,393	7.0	—	—	2.9
BlackRock, Inc. (22)	8,859,019	6.3	—	—	2.8
Artisan Partners Limited Partnership (23)	7,536,209	5.4	—	—	2.3
T. Rowe Price Associates, Inc. (24)	12,347,988	8.8	—	—	1.2
The Vanguard Group (25)	12,755,644	9.1	—	—	*

* Less than 1%.

Our Shareholders

- (1) Percentage of total voting power represents voting power with respect to all shares of our Class A and Class B common stock, as a single class. Holders of our Class B common stock are entitled to ten votes per share, and holders of our Class A common stock are entitled to one vote per share. Each share of Class B common stock is convertible, at any time at the option of the holder, into one share of Class A common stock.
- (2) Includes (i) 1,948 shares of Class A common stock held by Mr. Bowman (ii) 6,180 shares of Class A common stock issuable to Mr. Bowman pursuant to options exercisable within 60 days of March 31, 2022, and (iii) 545 shares of Class A common stock issuable to Mr. Bowman pursuant to RSUs vesting within 60 days of March 31, 2022.
- (3) Includes (i) 360 shares of Class A common stock held by Mr. Cabral, (ii) 128,114 shares of Class A common stock held by The Cabral Family Trust dated April 17, 2001, and (iii) 4,500 shares of Class B common stock issuable to Mr. Cabral pursuant to options exercisable within 60 days of March 31, 2022.
- (4) Includes (i) 205 shares of Class A common stock held by Mr. Carges and (ii) 7,414 shares of Class A common stock held by The Mark Carges Revocable Trust dated January 30, 2019.
- (5) Includes 16,179 shares of Class A common stock held by Mr. Chamberlain.
- (6) Includes (i) 442 shares of Class A common stock held by Mr. Codd, (ii) 15,757 shares of Class A common stock held by the Codd Revocable Trust dated March 6, 1998, (iii) 40,000 shares of Class A common stock issuable to Mr. Codd pursuant to options exercisable within 60 days of March 31, 2022, and (iv) 67,650 shares of Class B common stock held by the Codd Revocable Trust dated March 6, 1998.
- (7) Includes (i) 11,238 shares of Class A common stock held by Mr. Faddis, (ii) 2,550 shares of Class A common stock issuable to Mr. Faddis pursuant to options exercisable within 60 days of March 31, 2022, and (iii) 636 shares of Class A common stock issuable to Mr. Faddis pursuant to RSUs vesting within 60 days of March 31, 2022.
- (8) Includes (i) 82,000 shares of Class A common stock held by family members of Mr. Gassner, (ii) 1,182,765 shares of Class A common stock issuable to Mr. Gassner pursuant to options exercisable within 60 days of March 31, 2022, (iii) 10,000,000 shares of Class B common stock held by Mr. Gassner, (iv) 3,126,333 shares of Class B common stock held by Peter Gassner and Piyajit Gassner as Community Property, and (v) 3,333,333 shares of Class B common stock issuable to Mr. Gassner pursuant to an option exercisable within 60 days of March 31, 2022.
- (9) Includes 2,333 shares of Class A common stock held by Dr. Hedley.
- (10) Includes 169 shares of Class A common stock held by Ms. Hung.
- (11) Includes 169 shares of Class A common stock held by Ms. Hunt.
- (12) Includes (i) 1,905 shares of Class A common stock held by Mr. Lequient, (ii) 56,959 shares of Class A common stock issuable to Mr. Lequient pursuant to options exercisable within 60 days of March 31, 2022, and (iii) 637 shares of Class A common stock issuable to Mr. Lequient pursuant to RSUs vesting within 60 days of March 31, 2022.
- (13) Includes (i) 4,705 shares of Class A common stock held by Mr. Mateo, (ii) 7,349 shares of Class A common stock held by The Carol Mateo Trust dated November 30, 2020, (iii) 147,822 shares of Class A common stock issuable to Mr. Mateo pursuant to options exercisable within 60 days of March 31, 2022, and (iv) 1,090 shares of Class A common stock issuable to Mr. Mateo pursuant to RSUs vesting within 60 days of March 31, 2022.
- (14) Includes 184 shares of Class A common stock held by Mr. Mohr.
- (15) Includes (i) 229 shares of Class A common stock held by Mr. Ritter, (ii) 543,170 shares of Class A common stock held by the Ritter-Metzler Revocable Trust dated November 6, 2000, (iii) 92,000 shares of Class A common stock held by Mountaintop Prism LLC, and (iv) 1,000,000 shares of Class B common stock held by Emergence Capital Partners II, L.P. (ECP II). Mr. Ritter, a member of our Board, has shared voting and dispositive power of shares held by Mountaintop Prism. Mr. Ritter is also a member of Emergence GP Partners, LLC (EGP) and has shared voting and dispositive power with regard to the shares directly held by ECP II. EGP is the sole general partner of Emergence Equity Partners II, L.P., which is the sole general partner of ECP II. Mr. Ritter disclaims beneficial ownership of the securities held by Mountaintop Prism and ECP II except to the extent of his pecuniary interest therein.
- (16) Includes (i) 13,987 shares of Class A common stock held by Mr. Schwenger, (ii) 40,450 shares of Class A common stock issuable to Mr. Schwenger pursuant to options exercisable within 60 days of March 31, 2022, and (iii) 1,090 shares of Class A common stock issuable to Mr. Schwenger pursuant to RSUs vesting within 60 days of March 31, 2022.
- (17) Includes 18,613 shares of Class A common stock held by Mr. Sekhri.
- (18) Includes (i) 2,065 shares of Class A common stock held by Mr. Wallach, (ii) 130,000 shares of Class B common stock held by Mr. Wallach, (iii) 100,000 shares of Class B common stock held by the Matt Wallach 2012 Irrevocable Trust, (iv) 100,002 shares of Class B common stock held by the Matt Wallach 2013 Irrevocable Trust, (v) 50,000 shares of Class B common stock held by the Matt Wallach 2012 Non-Grantor Trust, and (vi) 70,000 shares of Class B common stock issuable to Mr. Wallach pursuant to options exercisable within 60 days of March 31, 2022.

Our Shareholders

- (19) Includes (i) 10,070 shares of Class A common stock held by Ms. Zuppas, (ii) 27,564 shares of Class A common stock issuable to Ms. Zuppas pursuant to options exercisable within 60 days of March 31, 2022, and (iii) 727 shares of Class A common stock issuable to Ms. Zuppas pursuant to RSUs vesting within 60 days of March 31, 2022.
- (20) Includes the following amounts held by all our executive officers and directors, as a group: (i) 960,605 shares of Class A common stock, (ii) 1,504,290 shares of Class A common stock issuable pursuant to options exercisable within 60 days of March 31, 2022, (iii) 4,725 shares of Class A common stock issuable pursuant to RSUs vesting within 60 days of March 31, 2022, (iv) 14,573,985 shares of Class B common stock, and (v) 3,407,833 shares of Class B common stock issuable pursuant to options exercisable within 60 days of March 31, 2022.
- (21) Based solely on information reported on a Schedule 13G/A filed with the SEC on February 10, 2022, Morgan Stanley has shared voting power over 8,347,911 shares of Class A common stock and shared dispositive power over 9,759,393 shares of Class A common stock. An additional person identified in the report was Morgan Stanley Investment Management Inc. The address of Morgan Stanley is 1585 Broadway, New York, New York 10036. The address of Morgan Stanley Investment Management Inc. is 522 5th Avenue 6th Floor, New York, New York 10036.
- (22) Based solely on information reported on a Schedule 13G filed with the SEC on February 7, 2022, BlackRock, Inc. has sole voting power over 7,983,811 shares of Class A common stock and sole dispositive power over 8,859,019 shares of Class A common stock. Several subsidiaries were included in the report. The address of BlackRock, Inc. is 55 East 52nd Street, New York, New York 10055.
- (23) Based solely on information reported on a Schedule 13G filed with the SEC on February 4, 2022, Artisan Partners Limited Partnership has shared voting power over 6,743,787 shares of Class A common stock and shared dispositive power over 7,536,209 shares of Class A common stock. Additional persons identified in the report were as follows: Artisan Investments GP LLC, Artisan Partners Holdings LP, and Artisan Partners Asset Management Inc. The address of the reporting persons is 875 East Wisconsin Avenue, Suite 800, Milwaukee, Wisconsin 53202.
- (24) Based solely on information reported on a Schedule 13G/A filed with the SEC on February 14, 2022, T. Rowe Price Associates, Inc. has sole voting power over 3,407,577 shares of Class A common stock and sole dispositive power over 12,347,988 shares of Class A common stock. The address of T. Rowe Price Associates, Inc. is 100 East Pratt Street, Baltimore, Maryland 21202.
- (25) Based solely on information reported on a Schedule 13G/A filed with the SEC on February 10, 2022, The Vanguard Group has shared voting power over 132,754 shares of Class A common stock, sole dispositive power over 12,453,576 shares of Class A common stock, and shared dispositive power over 302,068 shares of Class A common stock. The address of The Vanguard Group is 100 Vanguard Blvd., Malvern, Pennsylvania 19355.

OUR MEETING

Frequently Asked Questions and Answers

Annual Meeting

Q: What is a proxy and why am I receiving these proxy materials?

A: A proxy is your legal designation of another person to vote the stock you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card.

Our Board is providing these proxy materials to you in connection with the solicitation of proxies for use at the virtual Annual Meeting to be held on Thursday, June 9, 2022 at 8:00 a.m. Pacific Time, and at any adjournment or postponement thereof, for the purpose of considering and acting upon the matters described in this Proxy Statement. The Notice of Internet Availability of Proxy Materials (the "Notice"), this Proxy Statement, and accompanying form of proxy card are being made available to you on or about April 27, 2022.

Q: What is included in the proxy materials?

A: The proxy materials include:

- This Proxy Statement for the Annual Meeting;
- Our 2022 Annual Report, which consists of our Annual Report on Form 10-K for the fiscal year ended January 31, 2022; and
- The Notice or proxy card.

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

A: The proxy materials are available at www.proxyvote.com and on our website at ir.veeva.com. You can find directions on how to instruct us to send future proxy materials to you in the proxy materials. Choosing to receive future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our annual meetings on the environment. If you choose to receive future proxy materials by email, you will receive an email message next year with instructions containing a link to the proxy materials and a link to the proxy voting website. Your election to receive proxy materials by email will remain in effect until you terminate it.

Q: What information is contained in this Proxy Statement?

A: The information in this Proxy Statement relates to the proposals to be voted on at the Annual Meeting, the voting process, the compensation of our directors and named executive officers, corporate governance, and certain other required information.

Q: Where is the Annual Meeting and what do I need to attend?

A: This year, the Annual Meeting will be held virtually at www.virtualshareholdermeeting.com/VEEV2022. To attend the virtual Annual Meeting, you will need the 16-digit control number included on the Notice or your proxy card.

Q: Why will the Annual Meeting be held virtually?

A: Our virtual Annual Meeting is generally designed to enable participation of and access by more of our shareholders. Shareholders attending the virtual Annual Meeting will be afforded the same rights and opportunities to participate as they would have had at an in-person meeting.

Our Meeting

Q: How can I review the list of shareholders eligible to vote?

A: Our list of shareholders as of the Record Date will be available for inspection for the 10 days prior to the Annual Meeting. If you want to inspect the shareholder list, email our Investor Relations department at ir@veeva.com to make arrangements. The list of shareholders will also be available during the virtual Annual Meeting through the meeting website for those shareholders who choose to attend.

Q: What if I have technical difficulties trying to access the virtual Annual Meeting?

A: If you encounter any difficulties accessing the virtual meeting during the check-in or meeting time, please call the technical support number that will be posted on the login page at www.virtualshareholdermeeting.com/VEEV2022. We encourage you to check in at 7:45 a.m. Pacific Time on June 9, 2022, the day of the Annual Meeting, to allow ample time for check-in procedures and so you may address any technical difficulties before the Annual Meeting live webcast begins.

Stock Ownership

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

A: *Shareholders of record* — If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, LLC (“AST”), you are considered, with respect to those shares, the “shareholder of record,” and the Notice was provided to you directly by us. As the shareholder of record, you have the right to grant your voting proxy directly to the individuals listed on the proxy card or to vote electronically at the virtual Annual Meeting.

Beneficial owners — Many Veeva shareholders hold their shares through a broker, trustee, or other nominee, rather than directly in their own name. If your shares are held in a brokerage account or by a bank or another nominee, you are considered the “beneficial owner” of shares held in “street name.” The Notice was forwarded to you by your broker, trustee, or nominee, who is considered, with respect to those shares, the shareholder of record.

As the beneficial owner, you have the right to direct your broker, trustee, or nominee on how to vote your shares. Beneficial owners are also invited to attend the Annual Meeting. Shares for which you are the beneficial owner but not the shareholder of record also may be voted electronically during the Annual Meeting.

Quorum and Voting

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

A: A quorum is the minimum number of shares required to be present at the Annual Meeting for the meeting to be properly held under our Bylaws and Delaware state law. The presence, in person or by proxy, of a majority of the aggregate voting power of the issued and outstanding shares of stock entitled to vote at the meeting will constitute a quorum at the meeting. Except as otherwise expressly provided by our Certificate or Bylaws, the holders of shares of Class A common stock and Class B common stock will vote together as a single class on all matters submitted to a vote or for the consent of the shareholders of Veeva. Each holder of Class A common stock will have the right to one vote per share of Class A common stock and each holder of Class B common stock will have the right to 10 votes per share of Class B common stock. A proxy submitted by a shareholder may indicate that the shares represented by the proxy are not being voted (“shareholder abstaining”) with respect to a particular matter.

Under the General Corporation Law of the State of Delaware, abstentions and “broker non-votes” are counted as present and entitled to vote and are, therefore, included for purposes of determining whether a quorum is present at the Annual Meeting.

A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

Q: Who is entitled to vote at the Annual Meeting?

A: Holders of record of our common stock at the close of business on the Record Date are entitled to receive notice of and to vote their shares at the Annual Meeting. As of the Record Date, we had 140,022,354 shares of Class A common stock outstanding and 14,765,193 shares of Class B common stock outstanding.

Q: How many votes do I have?

A: In deciding all matters at the Annual Meeting, each holder of Class A common stock of Veeva will be entitled to one vote for each share of Class A common stock held as of the close of business on the Record Date, and each holder of Class B common stock of Veeva will be entitled to 10 votes for each share of Class B common stock held as of the close of business on the Record Date. We do not have cumulative voting rights for the election of directors.

Q: How can I vote my shares?

A: If you are a shareholder of record, you may cast your vote in one of the following ways:

- *Electronically at the Annual Meeting* — You may vote directly at the virtual Annual Meeting by navigating to www.virtualshareholdermeeting.com/VEEV2022 and entering in your 16-digit control number. **Even if you plan to attend the virtual Annual Meeting, we recommend that you follow the voting directions described below, so that your vote will be counted if you later decide not to attend the meeting.**
- *Via the Internet Before the Annual Meeting* — You may vote by proxy by going to www.proxyvote.com until 11:59 p.m. Eastern Time on Wednesday, June 8, 2022.
- *By Telephone Before the Annual Meeting* — You may vote by proxy by telephone until 11:59 p.m. Eastern Time on Wednesday, June 8, 2022 by calling 1-800-690-6903.
- *By Mail Before the Annual Meeting* — If you receive a proxy card, you may vote by filling out the proxy card and mailing it in the envelope provided.

If you are a **beneficial owner** holding shares through a bank, broker, or other nominee, please refer to your Notice or other information forwarded by your bank or broker to see which voting options are available to you.

Q: What proposals will be voted on at the Annual Meeting?

A: At the Annual Meeting, shareholders will be asked to vote:

- (1) To elect the directors listed in Proposal One to serve as directors until the annual meeting to be held in 2023 or until their successors are duly elected and qualified;
- (2) To approve an amendment and restatement of our 2013 Equity Incentive Plan;
- (3) To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2023; and
- (4) To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

Our Meeting

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

A: *Proposal One* — The election of directors requires a majority of the votes duly cast. If the votes cast “FOR” a director nominee exceed the votes cast “AGAINST,” the nominee will be elected as a director of Veeva to serve until the next annual meeting or until his or her successor has been duly elected and qualified. You may vote “FOR,” “AGAINST,” or “ABSTAIN” on this proposal. Abstentions and broker non-votes will have no effect on the outcome of this proposal.

Proposal Two — The vote to amend and restate our 2013 Equity Incentive Plan requires the affirmative vote of a majority in voting power of votes cast at the meeting in person or by proxy and voting for or against the proposal. You may vote “FOR,” “AGAINST,” or “ABSTAIN” on this proposal. Abstentions and broker non-votes will have no effect on the outcome of this proposal.

Proposal Three — The vote to ratify the appointment of KMPG LLP as our independent registered public accounting firm requires the affirmative vote of a majority in voting power of votes cast at the meeting in person or by proxy and voting for or against the proposal. You may vote “FOR,” “AGAINST,” or “ABSTAIN” on this proposal. Abstentions and broker non-votes will have no effect on the outcome of this proposal.

Q: How does the Board recommend that I vote?

A: Our Board unanimously recommends that you vote your shares:

- “FOR” each nominee for election as director listed in Proposal One;
- “FOR” the approval of the amendment and restatement of our 2013 Equity Incentive Plan; and
- “FOR” the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2023.

Q: What happens if I do not give specific voting instructions?

A: *Shareholder of record* — If you are a shareholder of record and you:

- Indicate when voting on the Internet or by telephone that you wish to vote as recommended by our Board; or
- Sign and return a proxy card without giving specific voting instructions, then the persons named as proxy holders will vote your shares in the manner recommended by the Board on all matters presented in this Proxy Statement and as the proxy holders may determine in their discretion with respect to any other matters properly presented for a vote at the Annual Meeting.

Beneficial owners — If you are a beneficial owner of shares held in street name and do not provide the organization that holds your shares with specific voting instructions, then, under applicable rules, the organization that holds your shares may generally vote on “routine” matters but cannot vote on “non-routine” matters. If the organization that holds your shares does not receive instructions from you on how to vote your shares on a non-routine matter, that organization will inform the inspector of election that it does not have the authority to vote on this matter with respect to your shares. This is generally referred to as a “broker non-vote.”

Q: How may my brokerage firm or other intermediary vote my shares if I fail to provide timely directions?

A: Brokerage firms and other intermediaries holding shares of common stock in street name for 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 KPMG LLP.

Your broker will not have discretion to vote on the following “non-routine” matters absent direction from you: the election of directors, and the proposal to amend and restate our 2013 Equity Incentive Plan.

Please note that brokers may not vote your shares on non-routine matters in the absence of your specific instructions as to how to vote, so we encourage you to provide instructions to your broker regarding the voting of your shares.

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

A: If any other matters are properly presented for consideration at the Annual Meeting, including, among other things, consideration of a motion to adjourn the Annual Meeting to another time or place (including, without limitation, for the purpose of soliciting additional proxies), the persons named in the proxy card and acting thereunder will have discretion to vote on those matters in accordance with their best judgment. We do not currently anticipate that any other matters will be raised at the Annual Meeting.

Q: Can I change or revoke my vote?

A: Subject to any rules your broker, trustee, or nominee may have, you may change your proxy instructions at any time before your proxy is voted at the Annual Meeting.

If you are a shareholder of record, you may change your vote by (1) filing with our Corporate Secretary, prior to your shares being voted at the Annual Meeting, a written notice of revocation or a duly executed proxy card, in either case dated later than the prior proxy card relating to the same shares, or (2) by attending the Annual Meeting and voting electronically (although attendance at the Annual Meeting will not by itself revoke a proxy). A shareholder of record that has voted on the Internet or by telephone may also change his or her vote by later making a timely and valid Internet or telephone vote.

If you are a beneficial owner of shares held in street name, you may change your vote (1) by submitting new voting instructions to your broker, trustee, or other nominee or (2) by attending the Annual Meeting and voting electronically (although attendance at the Annual Meeting will not by itself revoke a proxy).

Any written notice of revocation or subsequent proxy card must be received by our Corporate Secretary prior to the taking of the vote at the Annual Meeting. Such written notice of revocation or subsequent proxy card should be hand delivered to our Corporate Secretary or should be sent so as to be delivered to our principal executive offices, Attention: Corporate Secretary.

Q: How are proxies solicited and who will bear the cost of soliciting votes for the Annual Meeting?

A: The Board is soliciting proxies for use at the Annual Meeting. We will bear all expenses of this solicitation, including the cost of preparing and mailing these proxy materials. We may reimburse brokerage firms, custodians, nominees, fiduciaries, and other persons representing beneficial owners of common stock for their reasonable expenses in forwarding solicitation material to such beneficial owners. Directors, officers, and employees of Veeva may also solicit proxies in person or by other means of communication. Such directors, officers, and employees will not be additionally compensated but may be reimbursed for reasonable out-of-pocket expenses in connection with such solicitation. We may engage the services of a professional proxy solicitation firm to aid in the solicitation of proxies from certain brokers, bank nominees, and other institutional owners. Our costs for such services, if retained, will not be significant. If you choose to access the proxy materials and/or vote through the Internet, you are responsible for any Internet access charges you may incur.

Our Meeting

Q: Is my vote confidential?

A: Proxy instructions, ballots, and voting tabulations that identify individual shareholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within Veeva or to third parties, except as necessary to meet applicable legal requirements to allow for the tabulation of votes and certification of the vote or to facilitate a successful proxy solicitation.

Q: Who will serve as inspector of elections?

A: The inspector of elections will be a representative from Broadridge Financial Solutions, Inc.

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

A: We intend to announce preliminary voting results at the Annual Meeting and will publish final results in a Current Report on Form 8-K within four business days of the Annual Meeting.

Information about the Proxy Materials

Q: Why did I receive a notice regarding the availability of proxy materials on the Internet instead of a full set of proxy materials?

A: In accordance with the rules of the SEC, we have elected to furnish our proxy materials, including this Proxy Statement and our 2022 Annual Report, primarily via the Internet. Beginning on or about April 27, 2022, we mailed to our shareholders a “Notice of Internet Availability of Proxy Materials” that contains notice of the Annual Meeting and instructions on how to access our proxy materials on the Internet, how to vote at the meeting, and how to request printed copies of the proxy materials and 2022 Annual Report. Shareholders may request to receive all future proxy materials in printed form by mail or electronically by e-mail by following the instructions contained at www.proxyvote.com. We encourage shareholders to take advantage of the availability of the proxy materials on the Internet to help reduce the cost and environmental impact of our annual meetings.

Q: What does it mean if multiple members of my household are shareholders but we only received one Notice or full set of proxy materials in the mail?

A: We have adopted a procedure called “householding,” which the SEC has approved. Under this procedure, we deliver a single copy of the Notice and, if applicable, the proxy materials to multiple shareholders who share the same address unless we received contrary instructions from one or more of the shareholders. This procedure reduces our printing costs, mailing costs, and fees. Shareholders who participate in householding will continue to be able to access and receive separate proxy cards. Upon written request, we will deliver promptly a separate copy of the Notice and, if applicable, the proxy materials to any shareholder at a shared address to which we delivered a single copy of any of these documents. To receive a separate copy of the Notice and, if applicable, the proxy materials, shareholders should send their requests to our principal executive offices, Attention: Corporate Secretary. Shareholders who hold shares in street name may contact their brokerage firm, bank, broker-dealer, or other similar organization to request information about householding.

Q: What is the mailing address for Veeva’s principal executive offices?

A: Our principal executive offices are located at 4280 Hacienda Drive, Pleasanton, California 94588. The telephone number at that location is (925) 452-6500.

Additional Information

Shareholder Proposals for Our 2023 Annual Meeting

You may submit proposals, including director nominations, for consideration at future shareholder meetings.

Requirements for shareholder proposals to be considered for inclusion in our proxy materials — Shareholders may present proper proposals for inclusion in our proxy statement and for consideration at our next annual meeting of shareholders by submitting their proposals in writing to our Corporate Secretary in a timely manner. In order to be included in the proxy statement for the 2023 annual meeting of shareholders, shareholder proposals must be received by our Corporate Secretary no later than December 28, 2022 and must otherwise comply with the requirements of Rule 14a-8 of the Exchange Act.

Requirements for shareholder proposals to be brought before an annual meeting — In addition, our Bylaws establish an advance notice procedure for shareholders who wish to present certain matters before an annual meeting of shareholders. In general, nominations for the election of directors may be made by our Board or any committee thereof or any shareholder who is a shareholder of record on the date of the giving of such notice and on the record date for the determination of shareholders entitled to vote at such meeting who is entitled to vote at such meeting and who has delivered written notice to our Corporate Secretary no later than the Notice Deadline (as defined below), which notice must contain specified information concerning the proposal and concerning the shareholder proposing such proposal.

Our Bylaws also provide that the only business that may be conducted at an annual meeting is business that is (1) specified in the notice of meeting (or any supplement thereto) given by or at the direction of our Board, (2) otherwise properly brought before the meeting by or at the direction of our Board (or any committee thereto), or (3) properly brought before the meeting by a shareholder who has delivered written notice to our Corporate Secretary no later than the Notice Deadline (as defined below).

The “Notice Deadline” is defined as that date which is not less than 90 days nor more than 120 days prior to the one-year anniversary of the previous year’s annual meeting of shareholders. As a result, the Notice Deadline for the 2023 annual meeting of shareholders is between February 9, 2023 and March 11, 2023.

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

Recommendation of director candidates — You may recommend candidates to our Board for consideration by our Nominating and Governance Committee by following the procedures set forth in “How We Are Selected—Shareholder Recommendations for Nominations to the Board.”

Proxy access — In addition to the procedures above, we have adopted “proxy access,” whereby a shareholder (or a group of up to 20 shareholders) who has held at least 3% of the voting power of our capital stock for three years or more may nominate candidates for up to 20% of the available director seats and have those nominees included in our proxy materials, provided that the shareholder and nominees satisfy the requirements specified in our Bylaws. Any shareholder who intends to use these procedures to nominate a candidate for election to the Board for inclusion in our proxy statement for the 2023 annual meeting of shareholders must satisfy the requirements specified in our Bylaws and must provide notice to our Corporate Secretary, which must be received no earlier than February 9, 2023 and no later than March 11, 2023. The notice of proxy access must include information specified in our Bylaws, including information concerning the nominee and information about the shareholder’s ownership of and agreements related to our stock.

Our Meeting

Information Requests

Any written requests for additional information, a copy of our Bylaws, copies of the proxy materials and 2022 Annual Report, notices of shareholder proposals, recommendations for candidates to our Board, communications to our Board or any other communications should be sent to 4280 Hacienda Drive, Pleasanton, California 94588, Attention: Corporate Secretary.

Website

Our website address is included in this Proxy Statement for reference only and is not incorporated by reference into this Proxy Statement.

Other Matters

We know of no other matters to be submitted at the Annual Meeting. If any other matters properly come before the Annual Meeting, the persons named on the proxy card will have discretion to vote the shares they represent in accordance with their best judgment.

APPENDIX A

Appendix A

Non-GAAP Financial Measures

In Veeva's public disclosures, Veeva has provided non-GAAP measures, which it defines as financial information that has not been prepared in accordance with generally accepted accounting principles in the United States, or GAAP. In addition to its GAAP measures, Veeva uses these non-GAAP financial measures internally for budgeting and resource allocation purposes and in analyzing its financial results. For the reasons set forth below, Veeva believes that excluding the following items provides information that is helpful in understanding its operating results, evaluating its future prospects, comparing its financial results across accounting periods, and comparing its financial results to its peers, many of which provide similar non-GAAP financial measures.

- *Stock-based compensation expenses.* Veeva excludes stock-based compensation expenses primarily because they are non-cash expenses that Veeva excludes from its internal management reporting processes. Veeva's management also finds it useful to exclude these expenses when they assess the appropriate level of various operating expenses and resource allocations when budgeting, planning and forecasting future periods. Moreover, because of varying available valuation methodologies, subjective assumptions and the variety of award types that companies can use under FASB ASC Topic 718, Veeva believes excluding stock-based compensation expenses allows investors to make meaningful comparisons between our recurring core business operating results and those of other companies.
- *Amortization of purchased intangibles.* Veeva incurs amortization expense for purchased intangible assets in connection with acquisitions of certain businesses and technologies. Amortization of intangible assets is a non-cash expense and is inconsistent in amount and frequency because it is significantly affected by the timing, size of acquisitions and the inherent subjective nature of purchase price allocations. Because these costs have already been incurred and cannot be recovered, and are non-cash expenses, Veeva excludes these expenses for its internal management reporting processes. Veeva's management also finds it useful to exclude these charges when assessing the appropriate level of various operating expenses and resource allocations when budgeting, planning and forecasting future periods. Investors should note that the use of intangible assets contributed to Veeva's revenues earned during the periods presented and will contribute to Veeva's future period revenues as well.
- *Income tax effects on the difference between GAAP and non-GAAP costs and expenses.* The income tax effects that are excluded relate to the imputed tax impact on the difference between GAAP and non-GAAP costs and expenses due to stock-based compensation and purchased intangibles for GAAP and non-GAAP measures.

There are limitations to using non-GAAP financial measures because non-GAAP financial measures are not prepared in accordance with GAAP and may be different from non-GAAP financial measures provided by other companies. The non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon our reported financial results. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by Veeva's management about which items are adjusted to calculate its non-GAAP financial measures. Veeva compensates for these limitations by analyzing current and future results on a GAAP basis as well as a non-GAAP basis and also by providing GAAP measures in its public disclosures.

Appendix A

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Veeva encourages its investors and others to review its financial information in its entirety, not to rely on any single financial measure to evaluate its business, and to view its non-GAAP financial measures in conjunction with the most directly comparable GAAP financial measures. A reconciliation of GAAP to the non-GAAP financial measures has been provided in the tables below.

VEEVA SYSTEMS INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES (continued)
(Dollars in thousands)
(Unaudited)

	Fiscal Year ended January 31, 2022
Operating income on a GAAP basis	\$505,496
Stock-based compensation expense	234,636
Amortization of purchased intangibles	18,520
Operating income on a non-GAAP basis	<u>\$758,652</u>
Net income on a GAAP basis	\$427,390
Stock-based compensation expense	234,636
Amortization of purchased intangibles	18,520
Income tax effect on non-GAAP adjustments ⁽¹⁾	<u>(75,827)</u>
Net income on a non-GAAP basis	\$604,719

(1) For the fiscal year ended January 31, 2022, management used an estimated annual effective non-GAAP tax rate of 21.0%.

APPENDIX B

**VEEVA SYSTEMS INC.
2013 EQUITY INCENTIVE PLAN
ADOPTED AUGUST 21, 2013**

Amended and restated effective [____], 2022

Appendix B

VEEVA SYSTEMS INC. 2013 EQUITY INCENTIVE PLAN

ARTICLE 1. INTRODUCTION.

The Board adopted the Plan on August 21, 2013 and it was amended and restated, subject to stockholder approval to be effective as of the date of such stockholder approval. The purpose of the Plan is to promote the long-term success of the Company and the creation of stockholder value by (a) encouraging Service Providers to focus on critical long-range corporate objectives, (b) encouraging the attraction and retention of Service Providers with exceptional qualifications and (c) linking Service Providers directly to stockholder interests through increased stock ownership. The Plan seeks to achieve this purpose by providing for Awards in the form of Options (which may constitute ISOs or NSOs), SARs, Restricted Shares, Stock Units and Performance Cash Awards.

ARTICLE 2. ADMINISTRATION.

2.1 General. The Plan may be administered by the Board or one or more Committees. Each Committee shall have the authority and be responsible for such functions as have been assigned to it.

2.2 Reserved.

2.3 Section 16. To the extent desirable to qualify transactions hereunder as exempt under Exchange Act Rule 16b-3, the transactions contemplated hereunder will be approved by the entire Board or a Committee of two or more “non-employee directors” within the meaning of Exchange Act Rule 16b-3.

2.4 Powers of Administrator. Subject to the terms of the Plan, and in the case of a Committee, subject to the specific duties delegated to the Committee, the Administrator shall have the authority to (a) select the Service Providers who are to receive Awards under the Plan, (b) determine the type, number, vesting requirements and other features and conditions of such Awards, (c) determine whether and to what extent any Performance Goals have been attained, (d) interpret the Plan and Awards granted under the Plan, (e) make, amend and rescind rules relating to the Plan and Awards granted under the Plan, including rules relating to sub-plans established for the purposes of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws, (f) impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by a Participant of any Common Shares issued pursuant to an Award, including restrictions under an insider trading policy and restrictions as to the use of a specified brokerage firm for such resales, and (g) make all other decisions relating to the operation of the Plan and Awards granted under the Plan.

2.5 Limitations on Administrator. The Administrator may not establish a program under which (i) outstanding Awards are surrendered or cancelled in exchange for awards of the same type (which may have higher or lower exercise prices and different terms), awards of a different type, and/or cash, or (ii) the exercise price of an outstanding Award is reduced.

2.6 Effect of Administrator’s Decisions. The Administrator’s decisions, determinations and interpretations shall be final and binding on all Participants and any other holders of Awards.

2.7 Governing Law. The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware (except its choice-of-law provisions).

ARTICLE 3. SHARES AVAILABLE FOR GRANTS.

3.1 Basic Limitation. Common Shares issued pursuant to the Plan may be authorized but unissued shares or treasury shares. The aggregate number of Common Shares issued under the Plan shall not exceed the sum of (a) the number of Common Shares reserved under the Company’s 2012 Equity Incentive Plan (the “**2012 Plan**”) that are not issued or subject to outstanding awards under the 2012 Plan on the IPO Date, (b) any Common Shares subject to outstanding options under the 2012 Plan and the Company’s 2007 Stock Plan (collectively, the “**Predecessor Plans**”) on the IPO Date that subsequently expire or lapse unexercised and Common Shares issued pursuant to awards granted under the Predecessor Plans that are outstanding on the IPO Date and that are subsequently forfeited to or repurchased by the Company and (c) the additional Common Shares described in Sections 3.2 and 3.3; provided, however, that no more than 30,789,290 Common Shares, in the aggregate, shall be added to the Plan pursuant to clauses (a) and (b).

The number of Common Shares that are subject to Stock Awards outstanding at any time under the Plan may not exceed the number of Common Shares that then remain available for issuance under the Plan. The numerical limitations in this Section 3.1 shall be subject to adjustment pursuant to Article 9.

3.2 Annual Increase in Shares.

(a) Before the plan was amended and restated, as of the first business day of each fiscal year of the Company, commencing on February 1, 2014 and ending on February 1, 2022, the aggregate number of Common Shares that may be issued under the Plan shall automatically increase by a number equal to the least of (a) 5% of the total number of shares of all classes of the Company's common stock actually issued and outstanding on the last business day of the prior fiscal year (excluding any rights to purchase Common Shares that may be outstanding, such as options or warrants), (b) 13,750,000 Common Shares (subject to adjustment pursuant to Article 9), or (c) a number of Common Shares determined by the Board.

(b) After the amendment and restatement, as of the first business day of each fiscal year of the Company, commencing on February 1, 2023 and ending on February 1, 2032, the aggregate number of Common Shares that may be issued under the Plan shall automatically increase by a number equal to the least of (a) 5% of the total number of shares of all classes of the Company's common stock actually issued and outstanding on the last business day of the prior fiscal year (excluding any rights to purchase Common Shares that may be outstanding, such as options or warrants), (b) 13,750,000 Common Shares (subject to adjustment pursuant to Article 9), or (c) a number of Common Shares determined by the Board.

3.3 Shares Returned to Reserve. To the extent that Options, SARs or Stock Units are forfeited or expire for any other reason before being exercised or settled in full, the Common Shares subject to such Options, SARs or Stock Units shall again become available for issuance under the Plan. If SARs are exercised or Stock Units are settled, then only the number of Common Shares (if any) actually issued to the Participant upon exercise of such SARs or settlement of such Stock Units, as applicable, shall reduce the number available under Section 3.1 and the balance shall again become available for issuance under the Plan. If Restricted Shares or Common Shares issued upon the exercise of Options are reacquired by the Company pursuant to a forfeiture provision, repurchase right or for any other reason, then such Common Shares shall again become available for issuance under the Plan. Common Shares applied to pay the Exercise Price of Options or to satisfy tax withholding obligations related to any Award shall again become available for issuance under the Plan. To the extent that an Award is settled in cash rather than Common Shares, the cash settlement shall not reduce the number of Shares available for issuance under the Plan.

3.4 Awards Not Reducing Share Reserve in Section 3.1. Any dividend equivalents paid or credited under the Plan with respect to Stock Units shall not be applied against the number of Common Shares that may be issued under the Plan, whether or not such dividend equivalents are converted into Stock Units. In addition, Common Shares subject to Substitute Awards granted by the Company shall not reduce the number of Common Shares that may be issued under Section 3.1, nor shall shares subject to Substitute Awards again be available for Awards under the Plan in the event of any forfeiture, expiration or cash settlement of such Substitute Awards.

3.5 Code Section 422 Limits. Subject to adjustment in accordance with Article 9. No more than 30,789,290 Common Shares plus the additional Common Shares described in Section 3.2 may be issued under the Plan after its amendment and restatement upon the exercise of ISOs.

Appendix B

ARTICLE 4. ELIGIBILITY.

4.1 Incentive Stock Options. Only Employees who are common-law employees of the Company, a Parent or a Subsidiary shall be eligible for the grant of ISOs. In addition, an Employee who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company or any of its Parents or Subsidiaries shall not be eligible for the grant of an ISO unless the additional requirements set forth in Code Section 422(c)(5) are satisfied.

4.2 Other Awards. Awards other than ISOs may only be granted to Service Providers.

ARTICLE 5. OPTIONS.

5.1 Stock Option Agreement. Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. Such Option shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The Stock Option Agreement shall specify whether the Option is intended to be an ISO or an NSO. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

5.2 Number of Shares. Each Stock Option Agreement shall specify the number of Common Shares subject to the Option, which number shall adjust in accordance with Article 9.

5.3 Exercise Price. Each Stock Option Agreement shall specify the Exercise Price, which shall not be less than 100% of the Fair Market Value of a Common Share on the date of grant. The preceding sentence shall not apply to an Option that is a Substitute Award granted in a manner that would satisfy the requirements of Code Section 409A and, if applicable, Code Section 424(a).

5.4 Exercisability and Term. Each Stock Option Agreement shall specify the date or event when all or any installment of the Option is to become vested and/or exercisable. The Stock Option Agreement shall also specify the term of the Option; provided that, except to the extent necessary to comply with applicable foreign law, the term of an Option shall in no event exceed 10 years from the date of grant. A Stock Option Agreement may provide for accelerated vesting and/or exercisability upon certain specified events and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's Service.

5.5 Death of Optionee. After an Optionee's death, any vested and exercisable Options held by such Optionee may be exercised by his or her beneficiary or beneficiaries. Each Optionee may designate one or more beneficiaries for this purpose by filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Optionee's death. If no beneficiary was designated or if no designated beneficiary survives the Optionee, then any vested and exercisable Options held by the Optionee may be exercised by his or her estate.

5.6 Modification or Assumption of Options. Within the limitations of the Plan, the Administrator may modify, reprice, extend or assume outstanding options or may accept the cancellation of outstanding options (whether granted by the Company or by another issuer) in return for the grant of new Options for the same or a different number of shares and at the same or a different exercise price or in return for the grant of a different type of Award. The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair his or her rights or obligations under such Option.

5.7 Buyout Provisions. The Administrator may at any time (a) offer to buy out for a payment in cash or cash equivalents an Option previously granted or (b) authorize an Optionee to elect to cash out an Option previously granted, in either case at such time and based upon such terms and conditions as the Administrator shall establish.

5.8 Payment for Option Shares. The entire Exercise Price of Common Shares issued upon exercise of Options shall be payable in cash or cash equivalents at the time when such Common Shares are purchased. In addition, the Administrator may, in its sole discretion and to the extent permitted by applicable law, accept payment of all or a portion of the Exercise Price through any one or a combination of the following forms or methods:

(a) Subject to any conditions or limitations established by the Administrator, by surrendering, or attesting to the ownership of, Common Shares that are already owned by the Optionee with a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Common Shares as to which such Option will be exercised;

(b) By delivering (on a form prescribed by the Company) an irrevocable direction to a securities broker approved by the Company to sell all or part of the Common Shares being purchased under the Plan and to deliver all or part of the sales proceeds to the Company;

(c) Subject to such conditions and requirements as the Administrator may impose from time to time, through a net exercise procedure; or

(d) Through any other form or method consistent with applicable laws, regulations and rules.

ARTICLE 6. STOCK APPRECIATION RIGHTS.

6.1 SAR Agreement. Each grant of a SAR under the Plan shall be evidenced by a SAR Agreement between the Optionee and the Company. Such SAR shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various SAR Agreements entered into under the Plan need not be identical.

6.2 Number of Shares. Each SAR Agreement shall specify the number of Common Shares to which the SAR pertains, which number shall adjust in accordance with Article 9.

6.3 Exercise Price. Each SAR Agreement shall specify the Exercise Price, which shall in no event be less than 100% of the Fair Market Value of a Common Share on the date of grant. The preceding sentence shall not apply to a SAR that is a Substitute Award granted in a manner that would satisfy the requirements of Code Section 409A.

6.4 Exercisability and Term. Each SAR Agreement shall specify the date when all or any installment of the SAR is to become vested and exercisable. The SAR Agreement shall also specify the term of the SAR; provided that except to the extent necessary to comply with applicable foreign law, the term of a SAR shall not exceed 10 years from the date of grant. A SAR Agreement may provide for accelerated vesting and exercisability upon certain specified events and may provide for expiration prior to the end of its term in the event of the termination of the Optionee's Service.

6.5 Exercise of SARs. Upon exercise of a SAR, the Optionee (or any person having the right to exercise the SAR after his or her death) shall receive from the Company (a) Common Shares, (b) cash or (c) a combination of Common Shares and cash, as the Administrator shall determine. The amount of cash and/or the Fair Market Value of Common Shares received upon exercise of SARs shall, in the aggregate, not exceed the amount by which the Fair Market Value (on the date of surrender) of the Common Shares subject to the SARs exceeds the Exercise Price. If, on the date when a SAR expires, the Exercise Price is less than the Fair Market Value on such date but any portion of such SAR has not been exercised or surrendered, then such SAR shall automatically be deemed to be exercised as of such date with respect to such portion. A SAR Agreement may also provide for an automatic exercise of the SAR on an earlier date.

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6.6 Death of Optionee. After an Optionee's death, any vested and exercisable SARs held by such Optionee may be exercised by his or her beneficiary or beneficiaries. Each Optionee may designate one or more beneficiaries for this purpose by filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Optionee's death. If no beneficiary was designated or if no designated beneficiary survives the Optionee, then any vested and exercisable SARs held by the Optionee at the time of his or her death may be exercised by his or her estate.

6.7 Modification or Assumption of SARs. Within the limitations of the Plan, the Administrator may modify, reprice, extend or assume outstanding SARs or may accept the cancellation of outstanding SARs (whether granted by the Company or by another issuer) in return for the grant of new SARs for the same or a different number of shares and at the same or a different exercise price or in return for the grant of a different type of Award. The foregoing notwithstanding, no modification of a SAR shall, without the consent of the Optionee, impair his or her rights or obligations under such SAR.

ARTICLE 7. RESTRICTED SHARES.

7.1 Restricted Stock Agreement. Each grant of Restricted Shares under the Plan shall be evidenced by a Restricted Stock Agreement between the recipient and the Company. Such Restricted Shares shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Restricted Stock Agreements entered into under the Plan need not be identical.

7.2 Payment for Awards. Restricted Shares may be sold or awarded under the Plan for such consideration as the Administrator may determine, including (without limitation) cash, cash equivalents, property, cancellation of other equity awards, full-recourse promissory notes, past services and future services, and such other methods of payment as are permitted by applicable law.

7.3 Vesting Conditions. Each Award of Restricted Shares may or may not be subject to vesting and/or other conditions as the Administrator may determine. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Restricted Stock Agreement. Such conditions, at the Administrator's discretion, may include one or more Performance Goals. A Restricted Stock Agreement may provide for accelerated vesting upon certain specified events.

7.4 Voting and Dividend Rights. The holders of Restricted Shares awarded under the Plan shall have the same voting, dividend and other rights as the Company's other stockholders, unless the Administrator otherwise provides. A Restricted Stock Agreement, however, may require that any cash dividends paid on Restricted Shares (a) be accumulated and paid when such Restricted Shares vest, or (b) be invested in additional Restricted Shares. Such additional Restricted Shares shall be subject to the same conditions and restrictions as the shares subject to the Stock Award with respect to which the dividends were paid. In addition, unless the Administrator provides otherwise, if any dividends or other distributions are paid in Common Shares, such Common Shares shall be subject to the same restrictions on transferability and forfeitability as the Restricted Shares with respect to which they were paid.

ARTICLE 8. STOCK UNITS.

8.1 Stock Unit Agreement. Each grant of Stock Units under the Plan shall be evidenced by a Stock Unit Agreement between the recipient and the Company. Such Stock Units shall be subject to all applicable terms of the Plan and may be subject to any other terms that are not inconsistent with the Plan. The provisions of the various Stock Unit Agreements entered into under the Plan need not be identical.

8.2 Payment for Awards. To the extent that an Award is granted in the form of Stock Units, no cash consideration shall be required of the Award recipients.

8.3 Vesting Conditions. Each Award of Stock Units may or may not be subject to vesting, as determined by the Administrator. Vesting shall occur, in full or in installments, upon satisfaction of the conditions specified in the Stock Unit Agreement. Such conditions, at the Administrator's discretion, may include one or more Performance Goals. A Stock Unit Agreement may provide for accelerated vesting upon certain specified events.

8.4 Voting and Dividend Rights. The holders of Stock Units shall have no voting rights. Prior to settlement or forfeiture, Stock Units awarded under the Plan may, at the Administrator's discretion, provide for a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all cash dividends paid on one Common Share while the Stock Unit is outstanding. Dividend equivalents may be converted into additional Stock Units. Settlement of dividend equivalents may be made in the form of cash, in the form of Common Shares, or in a combination of both. Prior to distribution, any dividend equivalents shall be subject to the same conditions and restrictions as the Stock Units to which they attach.

8.5 Form and Time of Settlement of Stock Units. Settlement of vested Stock Units may be made in the form of (a) Common Shares, (b) cash or (c) any combination of both, as determined by the Administrator. The actual number of Stock Units eligible for settlement may be larger or smaller than the number included in the original Award, based on predetermined performance factors, including Performance Goals. Methods of converting Stock Units into cash may include (without limitation) a method based on the average Fair Market Value of Common Shares over a series of trading days. Vested Stock Units shall be settled in such manner and at such time(s) as specified in the Stock Unit Agreement. Until an Award of Stock Units is settled, the number of such Stock Units shall be subject to adjustment pursuant to Article 9.

8.6 Death of Recipient. Any Stock Units that become payable after the recipient's death shall be distributed to the recipient's beneficiary or beneficiaries. Each recipient of Stock Units under the Plan may designate one or more beneficiaries for this purpose by filing the prescribed form with the Company. A beneficiary designation may be changed by filing the prescribed form with the Company at any time before the Award recipient's death. If no beneficiary was designated or if no designated beneficiary survives the Award recipient, then any Stock Units that become payable after the recipient's death shall be distributed to the recipient's estate.

8.7 Modification or Assumption of Stock Units. Within the limitations of the Plan, the Administrator may modify or assume outstanding stock units or may accept the cancellation of outstanding stock units (whether granted by the Company or by another issuer) in return for the grant of new Stock Units for the same or a different number of shares or in return for the grant of a different type of Award. The foregoing notwithstanding, no modification of a Stock Unit shall, without the consent of the Participant, impair his or her rights or obligations under such Stock Unit.

8.8 Creditors' Rights. A holder of Stock Units shall have no rights other than those of a general creditor of the Company. Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Stock Unit Agreement.

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ARTICLE 9. ADJUSTMENTS; DISSOLUTIONS AND LIQUIDATIONS; CORPORATE TRANSACTIONS.

9.1 Adjustments. In the event of a subdivision of the outstanding Common Shares, a declaration of a dividend payable in Common Shares, a combination or consolidation of the outstanding Common Shares (by reclassification or otherwise) into a lesser number of Common Shares or any other increase or decrease in the number of issued Common Shares effected without receipt of consideration by the Company, proportionate adjustments shall automatically be made to the following:

- (a) The number and kind of shares available for issuance under Article 3, including the numerical share limits in Sections 3.1, 3.2 and 3.5;
- (b) The number and kind of shares covered by each outstanding Option, SAR and Stock Unit; or
- (c) The Exercise Price applicable to each outstanding Option and SAR, and the repurchase price, if any, applicable to Restricted Shares.

In the event of a declaration of an extraordinary dividend payable in a form other than Common Shares in an amount that has a material effect on the price of Common Shares, a recapitalization, a spin-off or a similar occurrence, the Administrator may make such adjustments as it, in its sole discretion, deems appropriate to the foregoing.

Any adjustment in the number of shares subject to an Award under this Article 9 shall be rounded down to the nearest whole share, although the Administrator in its sole discretion may make a cash payment in lieu of a fractional share. Except as provided in this Article 9, a Participant shall have no rights by reason of any issuance by the Company of stock of any class or securities convertible into stock of any class, any subdivision or consolidation of shares of stock of any class, the payment of any stock dividend or any other increase or decrease in the number of shares of stock of any class.

9.2 Dissolution or Liquidation. To the extent not previously exercised or settled, Options, SARs and Stock Units shall terminate immediately prior to the dissolution or liquidation of the Company.

9.3 Corporate Transactions. In the event that the Company is a party to a merger, consolidation, or a Change in Control (other than one described in Section 14.5(d)), all Common Shares acquired under the Plan and all Awards outstanding on the effective date of the transaction shall be treated in the manner described in the definitive transaction agreement (or, in the event the transaction does not entail a definitive agreement to which the Company is party, in the manner determined by the Administrator, with such determination having final and binding effect on all parties), which agreement or determination need not treat all Awards (or portions thereof) in an identical manner. Unless an Award Agreement provides otherwise, the treatment specified in the transaction agreement or by the Administrator may include (without limitation) one or more of the following with respect to each outstanding Award:

- (a) The continuation of such outstanding Award by the Company (if the Company is the surviving entity);
- (b) The assumption of such outstanding Award by the surviving entity or its parent, provided that the assumption of an Option or a SAR shall comply with applicable tax requirements;
- (c) The substitution by the surviving entity or its parent of an equivalent award for such outstanding Award (including, but not limited to, an award to acquire the same consideration paid to the holders of Common Shares in the transaction), provided that the substitution of an Option or a SAR shall comply with applicable tax requirements;
- (d) The cancellation of the unvested portion (after taking into account any vesting occurring at or prior to the effective time of the transaction) of any such outstanding Award without payment of any consideration;

(e) The cancellation of such Award and a payment to the Participant with respect to each share subject to the portion of the Award that is vested or becomes vested as of the effective time of the transaction equal to the excess of (A) the value, as determined by the Administrator in its absolute discretion, of the property (including cash) received by the holder of a Common Share as a result of the transaction, over (if applicable) (B) the per-share Exercise Price of such Award (such excess, if any, the “**Spread**”). Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving entity or its parent having a value equal to the Spread. In addition, any escrow, holdback, earn-out or similar provisions in the transaction agreement may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Common Shares, but only to the extent the application of such provisions does not adversely affect the status of the Award as exempt from Code Section 409A. If the Spread applicable to an Award (whether or not vested) is zero or a negative number, then the Award may be cancelled without making a payment to the Participant. In the event that a Stock Unit is subject to Code Section 409A, the payment described in this clause (e) shall be made on the settlement date specified in the applicable Stock Unit Agreement, provided that settlement may be accelerated in accordance with Treasury Regulation Section 1.409A-3(j)(4); or

(f) The assignment of any reacquisition or repurchase rights held by the Company in respect of an Award of Restricted Shares to the surviving entity or its parent, with corresponding proportionate adjustments made to the price per share to be paid upon exercise of any such reacquisition or repurchase rights.

If (I) the Company is subject to a transaction described in this Section 9.3 before a Participant’s continuous Service terminates and (II) an outstanding Award is not continued, assumed or substituted in accordance with clause (a), (b) or (c) above, then a Participant who is entitled under an Award agreement, employment agreement or Company policy to vesting acceleration (a “**Vesting Arrangement**”) that could be triggered as of a date following the effective time of the transaction as a result of a qualifying termination of Service shall be deemed to be vested, to the extent provided in the relevant Vesting Arrangement, as if all triggering events had occurred as of the effective time of the transaction with respect to any such unvested Award that would otherwise terminate at or immediately prior to the effective time irrespective of whether or not a qualifying Service termination has occurred. It is intended that the previous sentence shall apply to Participants whose Vesting Arrangement provides for “double trigger” vesting acceleration and such Participants could be subjected to a Service termination triggering the acceleration after closing of the transaction at a time when the unvested portion of an Award will no longer exist.

Any action taken under this Section 9.3 shall either preserve an Award’s status as exempt from Code Section 409A or comply with Code Section 409A.

ARTICLE 10. OTHER AWARDS.

10.1 Performance Cash Awards. A Performance Cash Award is a cash award that may be granted subject to the attainment of specified Performance Goals during a Performance Period. A Performance Cash Award may also require the completion of a specified period of continuous Service. The length of the Performance Period, the Performance Goals to be attained during the Performance Period, and the degree to which the Performance Goals have been attained shall be determined conclusively by the Administrator. Each Performance Cash Award shall be set forth in a written agreement or in a resolution duly adopted by the Administrator which shall contain provisions determined by the Administrator and not inconsistent with the Plan. The terms of various Performance Cash Awards need not be identical.

Appendix B

10.2 Awards Under Other Plans. The Company may grant awards under other plans or programs. Such awards may be settled in the form of Common Shares issued under this Plan. Such Common Shares shall be treated for all purposes under the Plan like Common Shares issued in settlement of Stock Units and shall, when issued, reduce the number of Common Shares available under Article 3.

ARTICLE 11. LIMITATION ON RIGHTS.

11.1 Retention Rights. Neither the Plan nor any Award granted under the Plan shall be deemed to give any individual a right to remain a Service Provider. The Company and its Parents and Subsidiaries reserve the right to terminate the Service of any Service Provider at any time, with or without cause, subject to applicable laws, the Company's certificate of incorporation and by-laws and a written employment agreement (if any).

11.2 Stockholders' Rights. Except as set forth in Sections 7.4 or 8.4 above, a Participant shall have no dividend rights, voting rights or other rights as a stockholder with respect to any Common Shares covered by his or her Award prior to the time when a stock certificate for such Common Shares is issued or, if applicable, the time when he or she becomes entitled to receive such Common Shares by filing any required notice of exercise and paying any required Exercise Price. No adjustment shall be made for cash dividends or other rights for which the record date is prior to such time, except as expressly provided in the Plan.

11.3 Regulatory Requirements. Any other provision of the Plan notwithstanding, the obligation of the Company to issue Common Shares under the Plan shall be subject to all applicable laws, rules and regulations and such approval by any regulatory body as may be required. The Company reserves the right to restrict, in whole or in part, the delivery of Common Shares pursuant to any Award prior to the satisfaction of all legal requirements relating to the issuance of such Common Shares, to their registration, qualification or listing or to an exemption from registration, qualification or listing. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed necessary by the Company's counsel to be necessary to the lawful issuance and sale of any Common Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Common Shares as to which such requisite authority will not have been obtained.

11.4 Transferability of Awards. The Administrator may, in its sole discretion, permit transfer of an Award in a manner consistent with applicable law. Unless otherwise determined by the Administrator, Awards shall be transferable by a Participant only by (a) beneficiary designation, (b) a will or (c) the laws of descent and distribution. An ISO may only be transferred by will or by the laws of descent and distribution and may be exercised during the lifetime of the Optionee only by the Optionee or by the Optionee's guardian or legal representative.

11.5 Other Conditions and Restrictions on Common Shares. Any Common Shares issued under the Plan shall be subject to such forfeiture conditions, rights of repurchase, rights of first refusal, other transfer restrictions and such other terms and conditions as the Administrator may determine. Such conditions and restrictions shall be set forth in the applicable Award Agreement and shall apply in addition to any restrictions that may apply to holders of Common Shares generally. In addition, Common Shares issued under the Plan shall be subject to such conditions and restrictions imposed either by applicable law or by Company policy, as adopted from time to time, designed to ensure compliance with applicable law or laws with which the Company determines in its sole discretion to comply including in order to maintain any statutory, regulatory or tax advantage.

ARTICLE 12. TAXES.

12.1 General. It is a condition to each Award under the Plan that a Participant or his or her successor shall make arrangements satisfactory to the Company for the satisfaction of any federal, state, local or foreign withholding tax obligations that arise in connection with any Award granted under the Plan. The Company shall not be required to issue any Common Shares or make any cash payment under the Plan unless such obligations are satisfied.

12.2 Share Withholding. To the extent that applicable law subjects a Participant to tax withholding obligations, the Administrator may permit such Participant to satisfy all or part of such obligations by having the Company withhold all or a portion of any Common Shares that otherwise would be issued to him or her or by surrendering all or a portion of any Common Shares that he or she previously acquired. Any payment of taxes by assigning Common Shares to the Company may be subject to restrictions including any restrictions required by SEC, accounting or other rules.

12.3 Reserved.

12.4 Section 409A Matters. Except as otherwise expressly set forth in an Award Agreement, it is intended that Awards granted under the Plan either be exempt from, or comply with, the requirements of Code Section 409A. To the extent an Award is subject to Code Section 409A (a “**409A Award**”), the terms of the Plan, the Award and any written agreement governing the Award shall be interpreted to comply with the requirements of Code Section 409A so that the Award is not subject to additional tax or interest under Code Section 409A, unless the Administrator expressly provides otherwise. A 409A Award shall be subject to such additional rules and requirements as specified by the Administrator from time to time in order for it to comply with the requirements of Code Section 409A. In this regard, if any amount under a 409A Award is payable upon a “separation from service” to an individual who is considered a “specified employee” (as each term is defined under Code Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the Participant’s separation from service or (ii) the Participant’s death, but only to the extent such delay is necessary to prevent such payment from being subject to Code Section 409A(a)(1).

12.5 Limitation on Liability. Neither the Company nor any person serving as Administrator shall have any liability to a Participant in the event an Award held by the Participant fails to achieve its intended characterization under applicable tax law.

ARTICLE 13. FUTURE OF THE PLAN.

13.1 Term of the Plan. The Plan, as amended and restated, will become effective upon its approval by the Company’s stockholders within 12 months after the date the amended and restated Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws. The Plan will continue in effect until terminated earlier under Section 13.2 of the Plan, but no ISOs may be granted after 10 years from the date the Plan is adopted by the Board.

13.2 Amendment or Termination. The Board may, at any time and for any reason, amend or terminate the Plan. No Awards shall be granted under the Plan after the termination thereof. The termination of the Plan, or any amendment thereof, shall not affect any Award previously granted under the Plan.

13.3 Stockholder Approval. To the extent required by applicable law, the Plan will be subject to the approval of the Company’s stockholders within 12 months of its adoption date. An amendment of the Plan shall be subject to the approval of the Company’s stockholders only to the extent required by applicable laws, regulations or rules.

Appendix B

ARTICLE 14. DEFINITIONS.

14.1 “Administrator” means the Board or any Committee administering the Plan in accordance with Article 2.

14.2 “Award” means any award granted under the Plan, including as an Option, a SAR, a Restricted Share, a Stock Unit or a Performance Cash Award.

14.3 “Award Agreement” means a Stock Option Agreement, an SAR Agreement, a Restricted Stock Agreement, a Stock Unit Agreement or such other agreement evidencing an Award granted under the Plan.

14.4 “Board” means the Company’s Board of Directors, as constituted from time to time.

14.5 “Change in Control” means:

(a) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total voting power represented by the Company’s then-outstanding voting securities;

(b) The consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets;

(c) The consummation of a merger or consolidation of the Company with or into any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) more than fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation; or

(d) Individuals who are members of the Board (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the members of the Board over a period of 12 months; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member shall, for purposes of this Plan, be considered as a member of the Incumbent Board.

A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company’s incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company’s securities immediately before such transaction. In addition, if a Change in Control constitutes a payment event with respect to any Award which provides for a deferral of compensation and is subject to Code Section 409A, then notwithstanding anything to the contrary in the Plan or applicable Award Agreement the transaction with respect to such Award must also constitute a “change in control event” as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Code Section 409A.

14.6 “Code” means the Internal Revenue Code of 1986, as amended.

14.7 “Committee” means a committee of one or more members of the Board, or of other individuals satisfying applicable laws, appointed by the Board to administer the Plan.

14.8 “Common Share” means one share of the Class A common stock of the Company. For purposes of Section 3.1, the Common Shares that may be added to the Plan from the Predecessor Plans shall refer to shares of Class B common stock remaining available under the Predecessor Plans or subject to awards granted under the Predecessor Plans; provided, however, that such shares of Class B common stock will become shares of Class A common stock for purposes of Awards granted pursuant to the Plan and that no Awards in respect of Class B common stock shall be granted under this Plan.

14.9 “Company” means Veeva Systems Inc., a Delaware corporation.

14.10 “Consultant” means a consultant or adviser who provides bona fide services to the Company, a Parent or a Subsidiary as an independent contractor and who qualifies as a consultant or advisor under Instruction A.1.(a)(1) of Form S-8 under the Securities Act. Only to the extent that the issuance of shares to an entity may be registered on Form S-8 under the Securities Act, a Consultant may be an entity.

14.11 “Employee” means a common-law employee of the Company, a Parent or a Subsidiary.

14.12 “Exchange Act” means the Securities Exchange Act of 1934, as amended.

14.13 “Exercise Price,” in the case of an Option, means the amount for which one Common Share may be purchased upon exercise of such Option, as specified in the applicable Stock Option Agreement. “Exercise Price,” in the case of a SAR, means an amount, as specified in the applicable SAR Agreement, which is subtracted from the Fair Market Value of one Common Share in determining the amount payable upon exercise of such SAR.

14.14 “Fair Market Value” means the closing price of a Common Share on any established stock exchange or a national market system on the applicable date or, if the applicable date is not a trading day, on the last trading day prior to the applicable date, as reported in a source that the Administrator deems reliable. If Common Shares are not traded on an established stock exchange or a national market system, the Fair Market Value shall be determined by the Administrator in good faith on such basis as it deems appropriate. The Administrator’s determination shall be conclusive and binding on all persons. In addition, for purposes of determining the fair market value of shares for any reason other than the determination of the exercise price of Options or SARs, fair market value will be determined by the Administrator in a manner compliant with Applicable Laws and applied consistently for such purpose. Note that the determination of fair market value for purposes of tax withholding may be made in the Administrator’s sole discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

14.15 “IPO Date” means the effective date of the registration statement filed by the Company with the Securities and Exchange Commission for its initial offering of Common Shares to the public.

14.16 “ISO” means an incentive stock option described in Code Section 422(b).

14.17 “NSO” means a stock option not described in Code Sections 422 or 423.

14.18 “Option” means an ISO or NSO granted under the Plan and entitling the holder to purchase Common Shares.

14.19 “Optionee” means an individual or estate holding an Option or SAR.

14.20 “Outside Director” means a member of the Board who is not an Employee.

14.21 “Parent” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

14.22 “Participant” means an individual or estate holding an Award.

14.23 “Performance Cash Award” means an award of cash granted under Section 10.1 of the Plan.

Appendix B

14.24 “Performance Goal” means a goal established by the Administrator for the applicable Performance Period based on one or more of the performance criteria set forth in Appendix A. Depending on the performance criteria used, a Performance Goal may be expressed in terms of overall Company performance or the performance of a business unit, division, Subsidiary or an individual. A Performance Goal may be measured either in absolute terms or relative to the performance of one or more comparable companies or one or more relevant indices. The Administrator may adjust the results under any performance criterion to exclude any of the following events that occurs during a Performance Period: (a) asset writedowns, (b) litigation, claims, judgments or settlements, (c) the effect of changes in tax laws, accounting principles or other laws or provisions affecting reported results, (d) accruals for reorganization and restructuring programs, (e) extraordinary, unusual or non-recurring items, (f) exchange rate effects for non-U.S. dollar denominated net sales and operating earnings, or (g) statutory adjustments to corporate tax rates.

14.25 “Performance Period” means a period of time selected by the Administrator over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant’s right to a Performance Cash Award or an Award of Restricted Shares or Stock Units that vests based on the achievement of Performance Goals. Performance Periods may be of varying and overlapping duration, at the discretion of the Administrator.

14.26 “Plan” means this Veeva Systems Inc. 2013 Equity Incentive Plan, as amended from time to time.

14.27 “Restricted Share” means a Common Share awarded under the Plan.

14.28 “Restricted Stock Agreement” means the agreement between the Company and the recipient of a Restricted Share that contains the terms, conditions and restrictions pertaining to such Restricted Share.

14.29 “SAR” means a stock appreciation right granted under the Plan.

14.30 “SAR Agreement” means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to his or her SAR.

14.31 “Securities Act” means the Securities Act of 1933, as amended.

14.32 “Service” means service as an Employee, Outside Director or Consultant.

14.33 “Service Provider” means any individual who is an Employee, Outside Director or Consultant.

14.34 “Stock Award” means any award of an Option, a SAR, a Restricted Share or a Stock Unit under the Plan.

14.35 “Stock Option Agreement” means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to his or her Option.

14.36 “Stock Unit” means a bookkeeping entry representing the equivalent of one Common Share, as awarded under the Plan.

14.37 “Stock Unit Agreement” means the agreement between the Company and the recipient of a Stock Unit that contains the terms, conditions and restrictions pertaining to such Stock Unit.

Appendix B

14.38 “Subsidiary” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

14.39 “Substitute Awards” means Awards or Common Shares issued by the Company in assumption of, or substitution or exchange for, Awards previously granted, or the right or obligation to make future awards, in each case by a corporation acquired by the Company with which the Company combines to the extent permitted by NASDAQ Marketplace Rule 5635 or any successor thereto.

Appendix B

APPENDIX B PERFORMANCE CRITERIA

The Administrator may establish Performance Goals derived from one or more of the following criteria when it makes Awards of Restricted Shares or Stock Units that vest entirely or in part on the basis of performance or when it makes Performance Cash Awards:

- Annual contract subscription fee value (net of associated third party royalties/payments or gross)
- Bookings (annual or total contract value)
- Calculated bookings (i.e., revenue plus change in short-term deferred value)
- Cash margin
- Collections
- Consulting utilization rates
- Customer retention rates from an acquired accompany, business unit or division
- DSO
- Earnings per share
- Headcount
- Market share
- Net income before interest and tax
- Operating cash flow
- Operating income
- Operating margin
- Product release timelines
- Product or research and development related measures
- Return on investment and cash flow return on investment
- Return on equity
- Revenue
- Revenue backlog
- Sales results
- Technical system performance measures (e.g., system availability)
- Working capital
- Other measures of performance selected by the Administrator
- Annual contract subscription fee value
- Cash flow and free cash flow
- Cash position
- Committed annual recurring revenue (CARR)
- Cost of goods sold
- Customer renewals (measured in terms of revenue or customer count)
- Customer satisfaction or customer referenceability
- Deferred revenue
- Gross margin
- Internal rate of return
- Margin contribution
- Net income
- Net income before interest, tax, depreciation and amortization
- Operating expenses
- Personnel retention or personnel hiring measures
- Product defect measures
- Return on capital
- Return on assets
- Return on sales
- Revenue conversion from an acquired company, business unit or division
- Revenue per employee
- Technical support incident measures
- Total stockholder return

Any criteria used may be:

- Measured in absolute terms or on a per share basis
- Measured in terms of growth or as a percentage or percentage change
- Compared to another company or companies (including relative to a peer group or index)
- Measured against the market as a whole and/or according to applicable market indices
- Measured against the performance of the Company as a whole or a segment of the Company or a particular product line, line of business or geography
- Measured on a pre-tax or post-tax basis (if applicable)
- Measured on a GAAP or non-GAAP basis, as established by the administrator in advance.

The attainment of performance goals may be measured solely on a corporate, subsidiary or business unit basis, or a combination thereof. Performance criteria may reflect absolute entity performance or a relative comparison of entity performance to the performance of a peer group of entities or other external measure of the selected performance criteria. The Administrator may adjust the results under any performance criterion to exclude any of the following events that occurs during a performance measurement period: (a) asset write-downs, (b) litigation, claims, judgments or settlements, (c) the effect of changes in tax law, accounting principles or other such laws or provisions affecting reported results, (d) accruals for reorganization and restructuring programs and (e) any extraordinary, unusual or non-recurring items.

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

FORM 10-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended January 31, 2022
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____.
Commission File Number: 001-36121



Veeva Systems Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-8235463
(IRS Employer
Identification No.)

4280 Hacienda Drive
Pleasanton, California, 94588

(Address of principal executive offices)

(Registrant's telephone number, including area code) (925) 452-6500

(Former name, former address and former fiscal year, if changed since last report) N/A

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, par value \$0.00001 per share	VEEV	The New York Stock Exchange

Indicate by a check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer Accelerated filer
Non-accelerated filer 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 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of voting stock held by non-affiliates of the Registrant on the last business day of the Registrant's most recently completed second fiscal quarter, which was July 31, 2021, based on the closing price of \$332.71 for shares of the Registrant's Class A common stock as reported by the New York Stock Exchange on July 30, 2021, the last trading day of the second fiscal quarter, was approximately \$46.2 billion. Shares of Class A common stock or Class B common stock held by each executive officer, director, and their affiliated holders have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of February 28, 2022, there were 139,594,253 shares of the Registrant's Class A common stock outstanding and 14,764,740 shares of the Registrant's Class B common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement for the 2022 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Form 10-K to the extent stated herein. The proxy statement will be filed by the Registrant with the Securities and Exchange Commission within 120 days after the end of the Registrant's fiscal year ended January 31, 2022.

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Pursuant to Part IV, Item 16, a summary of Form 10-K content follows, including hyperlinked cross-references (in the EDGAR filing). This allows users to easily locate the corresponding items in this annual report on Form 10-K where the disclosure is fully presented. The summary does not include certain Part III information that will be incorporated by reference from the Proxy Statement for the 2022 Annual Meeting of Stockholders, which will be filed within 120 days after our fiscal year ended January 31, 2022.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report on Form 10-K contains forward-looking statements that are based on our beliefs and assumptions and on information currently available to us. Forward-looking statements include information concerning our possible or assumed future results of operations and expenses, business strategies and plans, trends, market sizing, competitive position, industry environment, potential growth opportunities, and product capabilities among other things. Forward-looking statements include all statements that are not historical facts and, in some cases, can be identified by terms such as “aim,” “anticipates,” “believes,” “could,” “estimates,” “expects,” “goal,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “seeks,” “should,” “strive,” “will,” “would,” or similar expressions and the negatives of those terms.

Forward-looking statements are based on our current views and expectations and involve known and unknown risks, uncertainties and other factors—including those described in “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and elsewhere in this report—that may cause our actual results, performance or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

Any forward-looking statements in this report are made only as of the date of this report. Except as required by law, we disclaim any obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

As used in this report, the terms “Veeva,” “Registrant,” “the Company,” “we,” “us,” and “our” mean Veeva Systems Inc. and its subsidiaries unless the context indicates otherwise.

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PART I.

ITEM 1. BUSINESS.

Overview

Veeva is the leading provider of industry cloud solutions for the global life sciences industry. We were founded in 2007 on the premise that industry-specific cloud solutions could best address the operating challenges and regulatory requirements of life sciences companies. Our solutions span cloud software, data, and business consulting and are designed to meet the unique needs of our customers and their most strategic business functions—from research and development (R&D) to commercialization. Our solutions help life sciences companies develop and bring products to market faster and more efficiently, market and sell more effectively, and maintain compliance with government regulations.

Customer success is one of our core values, and our focus on it has allowed us to deepen and expand our strategic relationships with customers over time. Because of our industry focus, we have a unique, in-depth perspective into the needs and best practices of life sciences companies and clinical research sites. This allows us to develop targeted solutions, quickly adapt to regulatory changes, and incorporate highly relevant enhancements into our existing solutions at a rapid pace.

Our goal is to become the most strategic technology partner to the life sciences industry and achieve long-term leadership with our solutions that support the R&D and commercial functions of life sciences companies. Our commercial solutions help life sciences companies achieve better, more intelligent engagement with healthcare professionals and healthcare organizations across multiple communication channels, and plan and execute more effective media and marketing campaigns. Our R&D solutions for the clinical, regulatory, quality, and safety functions help life sciences companies streamline their end-to-end product development processes to increase operational efficiency and maintain regulatory compliance throughout the product life cycle. Our solutions for clinical research sites enable regulatory documents and trial information to be managed in a modern cloud solution that is intended to accelerate the clinical research process for the life sciences industry overall.

We also bring the benefits of our content and data management solutions to customers in the consumer products and chemical industries. Our applications currently offered to companies in these industries are designed to help customers efficiently manage critical processes and content in a compliant way, and to enable secure collaboration across internal and external stakeholders, including outsourcing partners and vendors.

On February 1, 2021, after approval by our stockholders, we became a Delaware public benefit corporation (PBC). A PBC is a for-profit company operating under subchapter XV of the General Corporation Law of the State of Delaware (i) that has adopted a public benefit purpose intended to provide benefits beyond just stockholder financial returns, and (ii) whose directors have a fiduciary duty to balance the financial interests of stockholders, the best interests of other stakeholders materially affected by the company's conduct (which we believe includes customers, employees, partners, and the communities in which we operate), and the pursuit of the company's public benefit purpose. Our public benefit purpose, as reflected in our certificate of incorporation, is "to provide products and services that are intended to help make the industries we serve more productive, and to create high-quality employment opportunities in the communities in which we operate." We believe that operating as a PBC reflects our core values—**do the right thing, customer success, employee success, and speed**—and helps us maintain alignment with the principal industry we serve, life sciences, and its broad goal to improve health and extend lives.

Executing in the Veeva Way

Fundamental to our business model is what we call *The Veeva Way*. The Veeva Way is key to our disciplined approach to achieve our goal of long-term leadership in each of the product markets we serve.

We start with a focus on addressing *clear and correct target markets*. Those are large product markets in which the problem being addressed by our solution is strategic to the businesses of our customers and in which we

believe Veeva can become the leader over the long-term if we execute well. We embrace the concept of **running to complexity**, an approach in which we strive to solve the most important and challenging information technology problems our customers face. We also believe that addressing such problems has the potential for broader societal benefits, for instance, by making the therapeutic development process more efficient.

We focus on delivering **product excellence and innovation**. Our product development process begins with assembling and investing in strong product teams focused on building deep, best-in-class software and data solutions for every product market we serve. Through innovative cloud technology, we also aim to eliminate legacy systems, manual processes, and application silos by delivering unified suites of applications and data that support end-to-end business processes.

We strive to forge strong relationships with our customers and **focus on customer success**. When we enter a new product market, we begin with a small number of early adopter customers. We focus on learning from these early adopters and ensuring that they are successful with our products. Once successful, our early adopters have developed into vocal advocates, enabling our **reference selling** model.

Finally, our goal is to **drive strong growth and profitability** through highly efficient, targeted sales and marketing, disciplined product planning, and profitable professional services. Our strong growth and profitability have allowed us to make ongoing investments for continued product innovation in our existing markets and provides us with the resources to invest in new market opportunities.

Our Industry Cloud Solutions for Life Sciences

Our industry cloud solutions for the life sciences industry are grouped into two major areas—Veeva Commercial Cloud and Veeva Development Cloud—and are designed to address pharmaceutical, biotechnology, and medical device companies’ most pressing strategic needs in their commercial and R&D operations. For financial reporting purposes, revenues associated with our Veeva Commercial Cloud and Veeva Claims solutions are classified as “Commercial Solutions” revenues, and revenues associated with our Veeva Development Cloud, Veeva RegulatoryOne, and Veeva QualityOne solutions are classified as “R&D Solutions” revenues.

Veeva Commercial Cloud is a suite of software, data and analytics solutions built specifically for life sciences companies to more efficiently and effectively commercialize their products. Veeva Commercial Cloud includes solutions for the sales, medical affairs, and marketing functions of a life sciences company:

- **Veeva CRM and Veeva Medical CRM** enable customer-facing employees—including life sciences sales representative and medical science liaisons—to manage, track, and optimize engagement with healthcare professionals with a single, integrated solution. With **Veeva CRM**, customers have an end-to-end solution across all key channels, including face-to-face, email, and virtual engagement, that supports the life sciences industry’s unique commercial business processes and regulatory compliance requirements with highly specialized functionality. The following applications can be purchased to enhance and extend **Veeva CRM**:
 - **Veeva CRM MyInsights** provides a tailored CRM user experience that enables field teams to make data-driven decisions for more personalized engagement.
 - **Veeva CRM Approved Email** enables the management, delivery, and tracking of emails from field representatives to healthcare professionals, while maintaining regulatory compliance.
 - **Veeva CRM Engage** platform enables digital engagement through compliant video meetings, phone calls, contactless in-person interactions, or chat. It is embedded in **Veeva CRM** for ease of use, regulatory compliance, and access to important industry-specific processes such as signature requests for samples or medical inquiries. The **Engage** mobile apps help healthcare professionals find the right people from across the industry to communicate and gain resources to better serve their patients.

- **Veeva CLM** provides closed loop marketing capabilities for life sciences sales representatives to present digital marketing content on a mobile device, such as an iPad, during in-person interactions with healthcare professionals.
- **Veeva Align** enables life sciences companies to perform fast, accurate territory alignments. Through native integration with **Veeva CRM**, **Veeva Align** delivers seamless field collaboration to increase accuracy and minimize manual effort.
- **Veeva Digital Events** includes **Veeva CRM Events Management** which enables the planning, management, and execution of group meetings with healthcare professionals, and tracks and manages spending to meet transparency reporting requirements. Veeva Events Services provides event support for life sciences companies of all sizes in the United States.
- **Veeva Vault for Commercial Content Management** is a unified suite of cloud-based, enterprise content and data management applications. The Veeva Vault applications primarily used by the commercial and medical departments of life sciences companies to manage content include:
 - **Veeva Vault PromoMats** is an end-to-end content and digital asset management (DAM) solution through which life sciences companies can collaborate, review, distribute, and update commercial content and manage assets. Built-in DAM capabilities provide a central hub to store, search, and share compliant content, with workflows for edits and approval, enabling global content management and reuse.
 - **Veeva Vault MedComms** enables life sciences companies to streamline the creation, approval, and delivery of medical content and create and maintain a single, validated source of medical content across multiple channels and geographies. Integrated medical inquiry management allows medical affairs teams to centralize medical inquiries and content to deliver verbal and written communications to healthcare professionals and patients, including approved answers to questions received through a call center or company website.
- **Veeva Data and Analytics** solutions include:
 - **Veeva Link** provides strategic market insights and real-time customer intelligence on key scientific experts, leaders, and influencers. Veeva Link associates these global experts with millions of actions, including scholarly publications, clinical trials, medical congresses, associations, and social media activity. This helps life sciences companies better understand the full impact of medical activities, identify new experts and HCPs with whom they should connect, and drive more relevant, coordinated engagements.
 - **Veeva Crossix** provides pharmaceutical brands a best-in-class analytics platform to maximize media investments and drive greater marketing effectiveness. Patented **Crossix SafeMine** technology connects health data and non-health data, including consumer and media data for U.S. patients, in an accurate, privacy-safe way. **Crossix DIFA** uses that data to enable real-time measurement and optimization of complex, cross-channel media campaigns aimed at patients and healthcare professionals.
 - **Veeva Data Cloud** provides longitudinal U.S. patient data for both retail and specialty distribution channels and prescriber data for launch planning, patient segmentation, commercial analytics, artificial intelligence, territory design, and targeting. We expect to make our Veeva Data Cloud product for subscription sales data available in early 2023. All of these healthcare data sets support the industry's need for a modern solution for more precise targeting. **Veeva Data Cloud** is powered by **Veeva Crossix** privacy-safe processes and an expanding health data set.
 - **Veeva OpenData** provides healthcare professional and healthcare organization data that includes demographic information, license information and status, specialty information, affiliations, and other key data that is crucial to customer engagement and compliance. In the

life sciences industry, this is referred to as customer reference data. *Veeva OpenData Explorer* gives users the ability to access comprehensive customer reference data through a web-based portal. We also offer outsourced data stewardship services to our customers.

- *Veeva Nitro* is a data science and analytics platform that connects commercial data sources for actionable insights and agile decision making. With an industry-specific data model and standard data connectors, Nitro enables life sciences companies to more easily unify their most important data sources, such as prescription, sales, formulary, and claims data.
- *Veeva Network* is an industry-specific, customer master software solution that de-duplicates, standardizes, and cleanses healthcare professional and healthcare organization data from multiple systems and data sources to arrive at a single, consolidated customer master record. *Veeva Network* comes pre-configured with a data model that is specific to life sciences as well as country, market, and regional data specifications, within a single system to support global harmonization.

Veeva Development Cloud includes application suites for the clinical, regulatory, quality, and safety functions of life sciences companies, all built on our proprietary **Veeva Vault Platform**. Veeva Vault's unique ability to handle content and data allows us to build content and data-centric applications to help customers streamline end-to-end business processes and eliminate manual processes and siloed systems. Veeva Vault can be deployed one application at a time or as an integrated solution with multiple applications that enables our customers to unify and manage important documents and related data in a single, global system.

Veeva Development Cloud solutions include:

- *Veeva Digital Trials Platform* advances clinical trial execution by providing a complete and connected technology ecosystem. The *Veeva Digital Trials Platform* is comprised of our comprehensive application suites for clinical operations and clinical data management and pre-built connections to our applications for clinical research sites and patient engagement. The platform is designed to enable seamless execution and flow of data between clinical trial stakeholders—including patients, research sites, contract research organizations (CROs), and trial sponsors—for faster, more efficient trials that achieve higher data accuracy and increased patient diversity. The Veeva Digital Trials Platform includes:
 - *Veeva Vault Clinical Suite* transforms clinical operations and clinical data management with the most comprehensive suite of clinical solutions on a single cloud platform. Life sciences companies can increase visibility, streamline end-to-end processes, and improve how sponsors, CROs, and sites work together throughout the clinical trial process. The *Veeva Vault Clinical Suite* includes:
 - *Veeva Vault Clinical Data Management Suite (CDMS)* helps sponsors and CROs design and run trials with tools to speed the build process and eliminate manual steps.
 - *Veeva Vault EDC* is an electronic data capture application that enables complex, multi-arm adaptive trials and mid-study design amendments without downtime. Vault Coder codes medical terms quickly and accurately within *Vault EDC*.
 - *Veeva CDB* (clinical database), planned for availability in 2022, is an application for aggregating, cleaning, reporting, and exporting data. This solution provides a complete and concurrent view across study data, whether managed internally or by CRO partners.
 - *Veeva RTSM* (randomization and trial supply management) supports the most complex study designs with flexible control over trial supply, with advanced tools to minimize drug wastage.

- **Veeva Vault Clinical Operations Suite** unifies clinical operations applications to accelerate trial execution and deliver real-time visibility. Veeva also offers fit-for-purpose solutions for clinical research sites and patients to reduce administrative burden and make patient participation easier in clinical trials.
 - **Veeva Vault Study Startup** helps life sciences companies more efficiently manage the process of activating investigator sites for clinical trials.
 - **Veeva Vault eTMF** is an electronic trial master file application that manages the repository of documents for active and archived clinical trials for improved inspection readiness, visibility, and control.
 - **Veeva Vault CTMS** is a clinical trial management application that helps unify information and documentation across sponsors, contract research organizations, and investigators to reduce complexity, increase transparency, and speed time to market. Veeva Vault Payments is an application for use with *Vault CTMS* that helps manage the payment and reimbursement process to clinical research sites.
 - **Veeva Site Connect** automates the flow of clinical trial information between Veeva Vault clinical applications used by sponsors and CROs, and clinical research sites using *Veeva SiteVault* for better collaboration and faster clinical trials.
- **Veeva Site and Patient Engagement Applications** include our applications intended to make clinical trial participation easier for patients, and streamline study execution for research sites and trial sponsors.
 - **Veeva SiteVault** is an application for clinical research sites that reduces the administrative burden of managing documents in a system that supports regulatory and HIPAA requirements. Veeva offers *SiteVault* to clinical research sites free of charge to help them manage regulatory documentation and run connected studies with sponsors that are using the *Vault Clinical Suite*. A fully configurable, for-charge version, called *SiteVault Enterprise*, includes open APIs for integrations, customized reports, and tailored workflows.
 - **Veeva eConsent** simplifies the set-up, completion, and review of consent for clinical trial participants, reducing administrative burden and helping sites and study teams ensure compliance.
 - **MyVeeva for Patients** is a single, intuitive application that clinical research sites use to digitally connect with patients. It is expected to provide a single point of access for clinical trial documents, actions, and communication, and enable patients to view study information and stay in touch with their clinical research site. Available on the app now is *eConsent*, with virtual visits, patient adherence, and ePRO (electronic patient reported outcome) planned for release in the future.
- **Veeva Vault RIM** is a suite of applications that provides fully integrated regulatory information management (RIM) capabilities on a single cloud platform.
 - **Veeva Vault Registrations** enables life sciences companies to manage, track, and report product and registration information worldwide, including registration status, variations, health authority questions and commitments, and certification requests.
 - **Veeva Vault Submissions** brings together submission content planning and authoring in a single application to help life sciences companies gather and organize documents and content, according to industry-accepted guidelines, in a regulatory submission to a healthcare authority, such as the U.S. Food and Drug Administration (FDA).
 - **Veeva Vault Submissions Archive** stores published submissions and correspondence in a secure, globally accessible repository.

- ***Veeva Vault Submissions Publishing*** provides an integrated solution for dossier publishing that helps speed the preparation and processing time of regulatory submissions.
- ***Veeva Vault Quality*** is the industry’s first unified suite of quality applications for life sciences, contract manufacturers, and suppliers to seamlessly manage quality processes and content in a single platform for greater visibility and control.
 - ***Veeva Vault QMS*** is a quality management solution that provides best practice processes for deviations, internal and external audits, complaints, lab investigations, change controls, corrective and preventative actions, and proactive management initiatives.
 - ***Veeva Vault QualityDocs*** enables the creation, review, approval, distribution, and management of controlled documents, such as standard operating procedures, manufacturing recipes, and specifications.
 - ***Veeva Vault Station Manager*** provides manufacturing operators up-to-date documents and videos, including critical work instructions and procedures, directly through tablets located at manufacturing stations on the manufacturing floor.
 - ***Veeva Vault LIMS*** (Laboratory Information Management System) is planned for availability in 2022 to optimize Quality Control (QC) labs for real-time batch release. It will connect with *Vault QualityDocs*, *Vault QMS*, and *Vault Training* to increase productivity, efficiency, and compliance.
 - ***Veeva Vault Validation Management*** is planned for availability in 2022 to modernize validation processes by driving faster, more efficient test execution while maintaining compliance. Seamless integration with *Vault QualityDocs* and *Vault QMS* will connect key artifacts, discrepancies, and change control, improving transparency and data accessibility.
 - ***Veeva Vault Training*** improves GxP training efficiency and effectiveness, ensuring role-based qualifications and training compliance (for example, training to comply with industry-specific good manufacturing practices (GMP)). Companies can efficiently design, deliver, and track training content so the right people are trained on the right policies and procedures. *Veeva LearnGxP* is a comprehensive eLearning library (from the acquisition of *Learnaboutgmp*, a leading provider of accredited GxP training for life sciences) with hundreds of assets to help organizations develop programs that reduce cost, and improve training outcomes.
- ***Veeva Vault Safety*** is a unified suite of applications that helps the pharmacovigilance and safety departments increase efficiency and maintain compliance in the management of end-to-end safety processes. The collection, management, and real-time oversight of adverse events occurs in a single system, including:
 - ***Veeva Vault SafetyDocs*** centrally manages pharmacovigilance content for greater operational efficiency and compliance. It enables collaboration within teams and across clinical, quality, regulatory, and other organizations within life sciences companies.
 - ***Veeva Vault Safety.AI*** is an artificial intelligence application that automates case intake to reduce the time and effort of manual data entry for more efficient case processing.
 - ***Veeva Vault Signal*** unifies signal management processes from identification through risk evaluation and mitigation so pharmacovigilance teams can easily manage safety signals with greater visibility across the entire signal workflow.

Our Cloud Solutions for Medical Devices and Diagnostics (MedTech) Companies

Veeva MedTech Suite offers unified and connected cloud software solutions to get medical devices and diagnostics to patients faster. *Veeva MedTech* solutions include *Veeva Vault* products within the clinical, regulatory, quality, and commercial content management categories described above to help speed the total

product development lifecycle for our MedTech customers. We have also announced our intent to build *Veeva MedTech CRM* on the Vault Platform to meet the need for a deep, industry-specific solution. Availability is planned for early adopters in late 2022.

Our Cloud Solutions for the Consumer Products and Chemical (CP&C) Industries

Our initial applications for customers outside of life sciences address specific content and data management processes within the CP&C industries. *Veeva QualityOne* is a robust quality management, document management, and training solution. *Veeva RegulatoryOne* helps companies manage regulatory submission content. *Veeva Claims* addresses the end-to-end product and marketing claims management process.

Veeva Business Consulting

We offer Veeva Business Consulting services through dedicated teams that are distinct from our professional services and support organization. Veeva Business Consulting provides strategic consulting services and solutions that are often enabled by our unique industry-wide perspective and proprietary data. Engagements typically focus on a particular customer success initiative, strategic analysis, or business process change like commercial strategy, digital engagement, commercial content management, field optimization, and commercial insights and analytics.

Expanding from our current commercial focus, Business Consulting is adding services to support the R&D functions of life sciences companies as well. We are building a team that is working with early customers to accelerate their capabilities and improve business processes.

Professional Services and Support

We offer professional services to help customers maximize the value of our solutions. Our service teams possess industry expertise, project management capabilities, and deep technical acumen that we believe our customers highly value. Our professional services teams work with our systems integrator partners to deliver projects. We offer the following professional services:

- implementation and deployment planning and project management;
- requirements analysis, solution design and configuration;
- systems environment management and deployment services;
- services focused on advancing or transforming business and operating processes related to Veeva solutions;
- technical consulting services related to data migration and systems integrations;
- training on our solutions; and
- ongoing managed services, such as outsourced systems administration.

We organize our professional services teams by specific expertise so that they can provide advice and support for best industry practices in the research and development and commercial departments of our customers.

Our global systems integrator partners also deliver implementation and selected support services to customers who wish to utilize them. Our systems integrator partners include Accenture, Cognizant Technology Solutions, Deloitte Consulting, and other life sciences specialty firms.

Our Customers

As of January 31, 2022, we served 1,205 customers. For an explanation of how we define current customers, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Components of Results of Operations.” We deliver solutions to companies throughout the life sciences industry, including pharmaceutical, biotechnology, and medical device companies, contract sales organizations, and contract

research organizations. Our life sciences customers range from the largest global pharmaceutical and biotechnology companies such as Bayer AG, Boehringer Ingelheim GmbH, Eli Lilly and Company, Gilead Sciences, Inc., Merck Sharp & Dohme Corp., and Novartis Pharma AG, to emerging growth pharmaceutical and biotechnology companies, including Alkermes Inc., Alnylam Pharmaceuticals, Inc., bluebird bio, Inc., Idorsia Pharmaceuticals Ltd, and Moderna Therapeutics Inc. We also deliver solutions to companies in the CP&C industries.

Our Human Capital Resources

As of January 31, 2022, we had a world-wide employee population of 5,482 employees, up by 976 from the previous year. Our employees in the United States are not represented by a labor union; however, in certain foreign locations, local workers' councils represent our employees. We have not experienced any work stoppages, and we consider our relations with our employees to be very good.

Our workforce is diverse in many respects. As of January 31, 2022, 42% of our global employee population self-identified as female, and as of December 31, 2021, approximately 39% of our U.S. workforce self-identified as members of underrepresented racial or ethnic groups.

We use a combination of base salary and equity to compensate our employees. We also offer a range of benefits to our employees, including comprehensive healthcare and other wellness programs. We believe our compensation and benefits programs are competitive.

While we experience intense competition for talent and in our fiscal year ended January 31, 2022 we experienced employee attrition higher than our historical norms, we believe we have been effective at attracting and retaining talented employees.

Research and Development

Our R&D organization is responsible for the design, development, and testing of our solutions and applications. Based on customer feedback and needs, we focus our efforts on developing new solutions functionality, applications, and core technologies and further enhancing the usability, functionality, reliability, performance, and flexibility of existing solutions and applications.

Sales and Marketing

We sell our solutions through our direct sales organization. In large life sciences companies, the R&D and commercial business functions commonly have separate technology and business decision makers. Accordingly, we market and sell our solutions to align with the distinct characteristics of those decision makers. We have distinct R&D and commercial sales teams, which we further segment to focus on selling to large global life sciences companies and smaller life sciences companies. We also have a distinct sales team for our sales efforts to companies in the CP&C industries.

Technology Infrastructure and Operations

Our solutions utilize a pod-based architecture that allows for scalability, operational simplicity, and security. Our products are hosted in data centers located in the United States, the United Kingdom, the European Union, Japan, and South Korea. Our products used only within China are hosted in data centers located in China. We utilize third parties to provide our computing infrastructure and manage the infrastructure on which our solutions operate. For example, for Veeva CRM and certain of our multichannel CRM applications, we utilize the hosting infrastructure provided by salesforce.com. For our Veeva Vault applications, Veeva Network applications, and certain other Veeva Commercial Cloud applications, we utilize Amazon Web Services.

Our infrastructure providers employ advanced measures to ensure physical integrity and security, including redundant power and cooling systems, fire and flood prevention mechanisms, continual security coverage, biometric readers at entry points and anonymous exteriors. We also implement various disaster recovery

measures such that data loss would be minimized in the event of a single data center disaster. We architect our solutions using redundant configurations to minimize service interruptions. We continually monitor our solutions for any sign of failure or pending failure, and we take preemptive action to attempt to minimize or prevent downtime.

Our technology is based on multitenant architectures that apply common, consistent management practices for all customers using our solutions. We enable multiple customers to share the same version of our solutions while securely partitioning their respective data. Portions of our multichannel customer relationship management applications are built on the Salesforce Platform of salesforce.com inc. Our Veeva Vault applications, Veeva Network, and portions of our other Commercial Cloud applications are built upon our own proprietary platforms. Certain of our other applications rely on technology platforms provided by Amazon Web Services. For example, Veeva Nitro, our commercial data warehouse application, utilizes Amazon Redshift, and Veeva CRM Engage Meeting utilizes Zoom.

Quality and Compliance Program

Veeva maintains a quality management system certified to ISO9001 to ensure process controls conform to established industry standards across our regulated product offerings. To comply with IT healthcare regulations, certain capabilities such as robust audit trail tracking, compliant electronic signature capture, data encryption, and secure access controls must be designed for and embedded in our solutions. In addition to design requirements, our solutions must be thoroughly tested to comply with the regulations that apply to electronic record keeping systems for the life sciences industry, which include:

Regulation	Regulation Description
21 CFR 820.75	U.S. FDA device regulation on system validation
21 CFR 211.68	U.S. FDA pharma GMP regulation on system validation
21 CFR 11	U.S. FDA requirement for maintenance of electronic records
EU Annex 11	EU Good Manufacturing Processes (GMP) requirement for maintenance of electronic records
21 CFR 203	Drug sample tracking as required by the Prescription Drug Marketing Act
PFSB Notification, No. 0401022 (Japan)	Use of Electromagnetic Records and Electronic Signatures for Approval of, or License for, Drugs
OECD No. 17	Application of Good Laboratory Practice (GLP) Principles to Computerised Systems
ICH E6(R2)	Good Clinical Practice (GCP) Validation Principles

Security Program

Veeva maintains an information security management system certified to ISO 27001 and managed by our Veeva security team to ensure security controls conform to established standards across both product and infrastructure components. Our solution undergoes internal vulnerability testing prior to release, and we employ third parties to perform penetration and vulnerability tests on our solutions on at least an annual basis. We also obtain independent third-party audit opinions related to security and availability annually, such as SOC 2 Type 2 reports and ISO 27001 attestation reports. We also require role-based security and security awareness training and have defined security incident response processes.

Privacy Program

Veeva maintains a global privacy program aligned to applicable laws such as the California Consumer Privacy Act (CCPA), the California Privacy Rights Act (CPRA), the European Union’s General Data Protection Regulation (GDPR), and the U.S. Health Insurance Portability and Accountability Act (HIPAA). We have a Chief Privacy Officer, who collaborates with our Chief Information Security Officer and business and product leaders throughout our organization. Veeva maintains an active EU-U.S. Privacy Shield certification and a Swiss-U.S. Privacy Shield certification; however, we currently rely on the EU Standard Contractual Clauses as

our alternative legal data transfer mechanism. Veeva is also registered as a data broker as required by the California Attorney General. In addition, Veeva maintains privacy policies and procedures and role-based privacy awareness training. For more information about our privacy practices, please visit veeva.com/privacy.

Competition

The markets for our solutions are global, rapidly evolving, highly competitive, and subject to changing regulations, advancing technology, and shifting customer needs. In new sales cycles, we generally compete with other cloud-based solutions from providers that make applications geared toward the life sciences industry. The principal such competitor for our Veeva Commercial Cloud applications is IQVIA Inc., which offers a CRM application built on the Salesforce Platform and other applications. Our data and data analytics products, including Veeva OpenData, Veeva Link, Veeva Crossix, and Veeva Data Cloud, compete with IQVIA, Ipsos Group S.A., Definitive Health Corp., and smaller data and data analytics providers. No single vendor offers products that compete with all of our Veeva Vault applications, but IQVIA, Dassault Systèmes, OpenText Corporation, Oracle Corporation, Honeywell International Inc., and other smaller application providers offer applications that compete with certain of our Veeva Vault applications.

Our Commercial Cloud and Development Cloud application suites also compete to replace client server-based legacy solutions offered by companies such as Oracle, Microsoft Corporation, and other smaller application providers. Our customers may also choose to use cloud-based applications or platforms that are not life sciences specific—such as Box, Inc., Amazon Web Services, or Microsoft—for certain of the functions our applications provide.

We sell certain of our Veeva Vault applications to companies outside the life sciences industry. In this segment of our business, we compete with solutions such as those offered by OpenText, Microsoft, Sparta Systems Inc. (recently acquired by Honeywell International Inc.), EtQ Management Consultants, LLC, Oracle, and Box, and custom-built software developed by third-party vendors or in-house by our potential customers.

Our business consulting and professional services offerings compete with a range of professional services firms.

Some of our actual and potential competitors have advantages over us, such as longer operating histories, significantly greater financial, technical, marketing or other resources, stronger brand and business recognition, larger intellectual property portfolios, and agreements with a broader set of system integrators and other partners. We expect competition to intensify in the future, and we may face competition from new market entrants as well.

We believe the principal competitive factors in our market include the following:

- level of customer satisfaction;
- regulatory compliance verification and functionality;
- domain expertise with respect to life sciences;
- ease of deployment and use of solutions and applications;
- breadth and depth of solution and application functionality;
- brand awareness and reputation;
- modern and adaptive technology platform;
- capability for customization, configurability, integration, security, scalability and reliability of applications;
- total cost of ownership;
- ability to innovate and respond to customer needs rapidly;
- size of customer base and level of user adoption;

- ability to secure the rights to load and process third party proprietary data licensed by customers; and
- ability to integrate with legacy enterprise infrastructures and third-party applications.

We believe that we generally compete favorably on the basis of these factors.

Intellectual Property

We rely on a combination of patents, trade secrets, copyrights and trademarks, as well as contractual protections, to establish and protect our intellectual property rights. We have developed a process for seeking patent protection for our technology innovations. The table below provides a summary of our issued patents and pending patent applications as of January 31, 2022:

Issued U.S. patents (expiring between May 2027 and January 2039)	45
Issued international patents (expiring between April 2025 and June 2037)	11
U.S. and international pending patent applications	57

Our patents and patent applications cover technology within the following of our product categories: Veeva Commercial Cloud, Veeva Vault Platform, Veeva Vault Clinical, Veeva Vault RIM, Veeva Vault CDMS, and Veeva Vault Safety. We plan to continue expanding our patent portfolio. We require our employees, consultants, and other third parties to enter into confidentiality and proprietary rights agreements, and we control access to software, documentation, and other proprietary information. Although we rely on our intellectual property rights, as well as contractual protections to establish and protect our proprietary rights, we believe that factors such as the technological and creative skills of our personnel, creation of new features and functionality and frequent enhancements to our applications are essential to establishing and maintaining our technology leadership position as a provider of technology solutions to the life sciences industry.

Despite our efforts to protect our proprietary technology and our intellectual property rights, unauthorized parties may attempt to copy or obtain and use our technology to develop applications with the same functionality as our application. Policing unauthorized use of our technology and intellectual property rights is difficult, and protection of our rights through civil enforcement mechanisms may be expensive and time consuming.

Companies in our industry, as well as non-practicing entities, often own a number of patents, copyrights, trademarks, and trade secrets, and frequently enter into litigation based on allegations of infringement, misappropriation, or other violations of intellectual property or other rights. We are currently engaged in legal proceedings with competitors in which the competitors are asserting trade secret misappropriation and other claims, and we may face new allegations in the future that we have infringed the patents, trademarks, copyrights, trade secrets, and other intellectual property rights of other competitors or non-practicing entities. We expect that we and others in our industry will continue to be subject to third-party infringement claims by competitors as the functionality of applications in different industry segments overlaps, and by non-practicing entities. Any of these third parties might make a claim of infringement against us at any time. For example, see the description of our current litigations in note 15 of the notes to our consolidated financial statements.

Corporate Information

Our website address is <http://www.veeva.com>. Information contained on our website is not incorporated by reference into this Form 10-K, and you should not consider information contained on our website to be part of this Form 10-K or in deciding whether to purchase shares of our Class A common stock. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge on the Investors portion of our website at <http://ir.veeva.com> as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

ITEM 1A. RISK FACTORS.

Investing in our Class A common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below and in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” together with all of the other information in this report, including our consolidated financial statements and related notes, before investing in our Class A common stock. The risks and uncertainties described below are not the only ones we face. If any of the following risks actually occurs, our business, financial condition, results of operations, and prospects could be materially and adversely affected. In that event, the price of our Class A common stock could decline and you could lose part or all of your investment.

Summary of Risk Factors

The below is a summary of principal risks to our business and risks associated with ownership of our stock. It is only a summary. You should read the more detailed discussion of risks set forth below and elsewhere in this report for a more complete discussion of the risks listed below and other risks.

- If our security measures are breached or unauthorized access to customer data is otherwise obtained, our solutions may be perceived as not being secure, customers may reduce or stop the use of our solutions, and we may incur significant liabilities.
- The markets in which we participate are highly competitive, and if we do not compete effectively, our business and operating results could be adversely affected.
- If our newer solutions are not successfully adopted by new and existing customers, the growth rate of our revenues and operating results will be adversely affected.
- We expect our revenue growth rates to decline in future periods and, as our costs increase, we may not be able to sustain the same level of profitability we have achieved in the past.
- Difficulty attracting and retaining highly skilled employees could adversely affect our business and efforts to attract and retain such employees may increase our expenses.
- Our revenues are relatively concentrated within a small number of key customers, and the loss of one or more of such key customers could cause our revenues to decline.
- Nearly all of our revenues are generated by sales to customers in the life sciences industry, and factors that adversely affect this industry could also adversely affect us.
- Unique and uncertain macroeconomic and geopolitical factors, including as a result of the Russian invasion of Ukraine and continuing uncertainty surrounding the effects of COVID-19, may cause instability and volatility in the global financial markets and disruptions within the life sciences industry that may negatively impact our business and our stock price.
- If the third-party providers of healthcare professional and healthcare organization data and prescription drug sales data, like IQVIA for instance, do not allow our customers to upload and use such data in our solutions, the demand for our solutions may decrease, and our business may be negatively impacted.
- We rely on third-party providers for computing infrastructure, secure network connectivity, and other technology-related services needed to deliver our cloud solutions, and any disruption in the services provided by them could adversely affect our business and subject us to liability.
- Because key and substantial portions of our multichannel CRM applications are built on salesforce.com’s Salesforce Platform, we are dependent upon salesforce.com to provide these solutions to our customers and we are bound by the restrictions of our agreement with salesforce.com, which limits the markets to which we may sell our Veeva CRM solution.

- We are currently being sued by third parties for alleged misappropriation of trade secrets. We may suffer damages, which could be significant, or other harm from these lawsuits and we may be sued for infringement or misappropriation of third-party intellectual property in the future.
- Our conversion to a PBC may not result in the benefits that we anticipate, requires our directors to balance the interest of stockholders with other interests, and may subject us to legal uncertainty and other risks.
- Until its expiration on October 15, 2023, the dual-class structure of our common stock has the effect of concentrating voting control with certain individuals and their affiliates, which will limit or preclude the ability of our investors to influence corporate matters.

Risks Related to Our Business

If our security measures are breached or compromised or unauthorized access to customer data is otherwise obtained, our solutions may be perceived as not being secure, customers may reduce or stop their use of our solutions, and we may incur significant liabilities.

Our solutions involve the storage and transmission of our customers' proprietary information (including personal or identifying information regarding their employees and the medical professionals whom their sales personnel contact, and sensitive proprietary data related to the clinical trial, regulatory submission and sales and marketing processes for medical treatments), personal information of medical professionals, personal information (which may include personal health information) of patients and clinical trial participants, and other sensitive information. For example, Veeva Crossix processes third-party health and non-health data for U.S. patients. Additionally, we maintain and process other confidential, proprietary, and sensitive business information, including personal information relating to our employees and contractors and confidential information relating to our solutions and business. Unauthorized access or other security breaches or incidents, as a result of third-party action (e.g., cyber-attacks, or the introduction into our networks or systems of ransomware or other malware), employee or contractor error or malfeasance, product defect, or otherwise, could result in the loss of information, inappropriate access to or use, unavailability, modification, destruction, or other processing of information, loss of intellectual property, service interruption, service degradation, outages, service level credits, claims, demands, litigation, regulatory investigations and other proceedings, indemnity obligations, damage to our reputation, and other liability. It is possible that our risk of cyber-attack and other sources of security breaches and incidents may be elevated as a result of Russia's invasion of Ukraine due to an increase in cyber-attack attempts on us, our customers, our partners, or our technology infrastructure providers. While we maintain and continue to improve our security measures, we may be unable to adequately anticipate security threats or to implement adequate preventative measures, in part, because the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target. Moreover, our efforts to detect, prevent, and remediate known or unknown security vulnerabilities, including those arising from third-party hardware or software in our supply chain, may be insufficient to prevent security breaches or incidents resulting from such vulnerabilities, and may result in additional direct or indirect costs and liabilities and time of management and technical personnel. We may be required to expend significant capital and financial resources to protect against the foregoing threats and to alleviate problems caused by actual or perceived security breaches or incidents. Additionally, we and our service providers may face difficulties or delays in identifying, remediating, and otherwise responding to any cybersecurity attack or other security breach or incident. Any or all of these circumstances or issues, or the perception that any of them have occurred or are present (including any actual or perceived cyberattacks or other security breaches or incidents), could adversely affect our ability to attract new customers, cause existing customers to elect to not renew their subscriptions, result in reputational damage and harm to our market position, or subject us to third-party claims, demands, and lawsuits, regulatory investigations, proceedings, fines, and penalties, mandatory notifications and disclosures, or other action or liability, which could adversely affect our operating results and financial condition. Our insurance may not be adequate to cover losses associated with such events, and such insurance may not cover all of the types of costs, expenses, and losses we could incur to respond to and remediate a security breach or incident.

The markets in which we participate are highly competitive, and if we do not compete effectively, our business and operating results could be adversely affected.

The markets for our solutions are highly competitive. In new sales cycles within our largest product categories, we generally compete with other cloud-based solutions from providers that make applications geared toward the life sciences industry. The principal such competitor for our Commercial Solutions is IQVIA Holdings Inc., which offers a CRM application built on the Salesforce Platform, various data products, and other applications. Our data and data analytics products, including Veeva OpenData, Veeva Link, Veeva Crossix, and Veeva Data Cloud, compete with IQVIA, Ipsos Group S.A., Definitive Health Corp., and smaller data and data analytics providers. IQVIA, Dassault Systèmes (through its Medidata business line), OpenText Corporation, Oracle Corporation, Honeywell International Inc., and other smaller application providers offer applications that compete with certain of our Veeva R&D applications. Our Veeva Commercial Cloud and Veeva R&D applications also compete to replace client server-based legacy solutions offered by companies such as Oracle, Microsoft Corporation, and other smaller application providers. Our customers may also choose to use cloud-based applications or platforms that are not life sciences specific—such as Box.com, Amazon Web Services, or Microsoft—for certain of the functions our applications provide. Our business consulting and professional services offerings compete with a range of professional services firms, including, at times, some of our partners. With the introduction of new technologies, we expect competition to intensify in the future, and we may face competition from new market entrants as well.

Some of our actual and potential competitors have advantages over us, such as longer operating histories, significantly greater financial, technical, marketing or other resources, stronger brand and business recognition, larger intellectual property portfolios, and agreements with a broader set of system integrators and other partners. We also continue to be subject to litigation from our competitors. For example, as disclosed elsewhere in this report, we are in active litigation with IQVIA and Medidata.

If our competitors' products, services, or technologies become more accepted than our solutions, if they are successful in bringing their products or services to market earlier than we are, if their products or services are more technologically capable than ours, or if customers replace our solutions with custom-built software, then our revenues could be adversely affected. Pricing pressures and increased competition could result in reduced sales, reduced margins, losses, or a failure to maintain or improve our competitive market position, any of which could adversely affect our business. For all of these reasons, we may not be able to compete favorably against our current and future competitors.

If our newer solutions are not successfully adopted by new and existing customers, the growth rate of our revenues and operating results will be adversely affected.

Our continued growth and profitability will depend on our ability to successfully develop and sell new solutions. It is uncertain whether these newer solutions will continue to grow as a percentage of revenues at a pace significant enough to support our expected overall growth. For example, we have limited experience selling our Veeva Data Cloud offering for longitudinal patient data, our MyVeeva for Patients solution that will enable remote patient interactions for clinical trials, or our Veeva Engage Connect, a solution that will facilitate more efficient communications between health care professionals and life sciences companies. We cannot be certain that we will be successful with respect to newer solutions and markets. It may take us significant time, and we may incur significant expense, to effectively market and sell these solutions, develop other new solutions, or make enhancements to our existing solutions. If our newer solutions do not continue to gain traction in the market, or other solutions that we may develop and introduce in the future do not achieve market acceptance in a timely manner, the growth rate of our revenues and operating results will be adversely affected.

Difficulty attracting and retaining highly skilled employees could adversely affect our business and efforts to attract and retain such employees may increase our expenses.

To execute our growth plan, we must attract and retain highly skilled employees. Competition for such employees and potential employees is intense. We have experienced, and expect to continue to experience, difficulty in hiring and retaining employees with the appropriate level of qualifications, and we also have experienced, and expect to continue to experience, intense recruitment of our employees by competitors and other technology companies. These factors have been exacerbated by a general labor market shortage. We believe our customers have faced similar challenges. Staffing difficulties resulting from these labor market factors can negatively impact the timing of projects and the ability to staff projects.

Further, it takes time for newly hired employees to become productive. With respect to sales professionals, for instance, even if we are successful in attracting highly qualified personnel, it may take six to nine months or longer before they are fully trained and productive.

Many of the companies with which we compete for experienced employees have greater resources than we have and may offer compensation packages that are perceived to be better than ours. For example, we offer equity awards to a substantial majority of our job candidates and existing employees as part of their overall compensation package. If the perceived value of our equity awards declines, including as a result of declines in the market price of our Class A common stock or changes in perception about our future prospects, it may adversely affect our ability to recruit and retain highly skilled employees. Additionally, changes in our compensation structure may be negatively received by employees and result in attrition or cause difficulty in the recruiting process. If we fail to attract new employees or fail to retain and motivate our current employees, our business and future growth prospects could be adversely affected.

In response to unusual inflationary pressure and the demand environment for skilled employees, we increased salaries for the majority of our employees by 5% effective September 1, 2021. Further, in light of the labor market conditions and inflationary pressure discussed above, we expect compensation increases in connection with our annual compensation review process, which takes place in the quarter ending April 30, 2022, to be higher than our historical norms. These factors are likely to increase our expenses.

Our revenues are relatively concentrated within a small number of key customers, and the loss of one or more of such key customers, or their failure to renew or expand user subscriptions, could slow the growth rate of our revenues or cause our revenues to decline.

In our fiscal years ended January 31, 2022, 2021, and 2020, our top 10 customers accounted for 31%, 36%, and 36% of our total revenues, respectively. We rely on our reputation and recommendations from key customers in order to promote our solutions to potential customers, which we call “reference selling.” The loss of any of our key customers, or a failure of one or more of them to renew or expand user subscriptions for some or all our products, could have a significant impact on the growth rate of our revenues, our reputation, and our ability to obtain new customers. In the event of an acquisition of one of our customers or a business combination between two of our customers, we have in the past and may in the future suffer reductions in user subscriptions or non-renewal of certain or all of their subscription orders. We are also likely to face increasing purchasing scrutiny at the renewal of large customer subscription orders, which may result in reductions in user subscriptions or increased pricing pressure. The business impact of any of these negative events could be particularly pronounced with respect to our largest customers.

Defects or disruptions in our solutions could result in diminished demand for our solutions, a reduction in our revenues, and subject us to substantial liability.

We have from time to time found defects in our solutions, and new defects may be detected in the future. In addition, we have experienced, and may in the future experience, service disruptions, degradations, outages, and other performance problems. These types of problems may be caused by a variety of factors, including human or software errors, viruses, cyber-attacks, fraud, spikes in customer usage, problems associated with our third-party computing infrastructure and network providers, infrastructure changes, and denial of service issues.

Service disruptions may result from errors we make in delivering, configuring, or hosting our solutions, or designing, installing, expanding, or maintaining our computing infrastructure. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. It is also possible that such problems could result in losses of customer data.

Since our customers use our solutions for important aspects of their business, any errors, defects, disruptions, service degradations, or other performance problems with our solutions, could hurt our reputation and may damage our customers' businesses. If that occurs, our customers may delay or withhold payment to us, cancel their agreements with us, elect not to renew, or make service credit claims, warranty claims, or other claims against us, and we could lose future sales. The occurrence of any of these events could result in diminishing demand for our solutions, a reduction of our revenues, an increase in our bad debt expense or in collection cycles for accounts receivable, or could require us to incur the expense of litigation or substantial liability.

We have experienced rapid growth, and if we fail to manage our growth effectively, we may be unable to execute our business plan.

We have experienced rapid growth and expansion of our operations. Our revenues, customer count, product and service offerings, countries of operation, facilities, and computing infrastructure needs have all increased significantly, and we expect them to increase in the future. We have also experienced rapid growth in our employee base. As we continue to grow, both organically and through acquisitions, we must effectively integrate, develop, and manage an increasing number of employees, including an increasing number of employees who, pursuant to our "Work Anywhere" policy, do not work from a Veeva office. We may find it challenging to maintain the same level of employee productivity while executing our growth plan, fostering collaboration, and maintaining the beneficial aspects of our culture, and any such failures could negatively affect our future success, including our ability to attract and retain highly qualified employees and to achieve our business objectives.

Our rapid growth has placed, and will continue to place, a significant strain on our management capabilities, administrative and operational infrastructure, facilities, IT, and other resources. We anticipate that additional investments in our computing infrastructure and facilities will be required to scale our operations. To effectively manage growth, we must continue to improve our key business applications, processes, and computing infrastructure; enhance information and communication systems; and ensure that our policies and procedures evolve to reflect our current operations and are appropriately communicated to and observed by employees. These enhancements and improvements will require additional investments and allocation of valuable time, effort, and expense. Failure to effectively manage growth could result in difficulty or delays in deploying our solutions, declines in quality or customer satisfaction, increases in costs, difficulties in introducing new features or other operational difficulties, and any of these difficulties could adversely impact our business performance and results of operations.

The continuing impact of COVID-19 may negatively impact our business and our stock price.

The worldwide outbreak of COVID-19 has had and continues to have a widespread and unpredictable worldwide impact on our business operations, the life sciences industry, healthcare systems, financial markets, and the global economy. While the impact of COVID-19 on our operational and financial performance has not been materially negative to date, the future impact is uncertain and will depend on future developments, including the duration and spread of the outbreak, government responses to the pandemic, the rate of vaccinations, the impact on our customers, the impact on our employees, the extent of further adverse impacts to the economy, and the scale and pace of economic recovery and resumption of normal business activities, including the rollout of COVID-19 vaccines, the lifting of restrictions on movement, and the results of outbreaks and variants, all of which cannot be predicted with certainty.

In response to the COVID-19 outbreak, we shifted most of our customer, employee, and industry events to virtual-only experiences. We have also adopted a "Work Anywhere" policy, which generally gives employees the flexibility to work in an office or at home on any given day, with certain job-specific restrictions. Many of

our customers continue to have travel restrictions and remote work measures, which may limit our ability to sell or provide professional services to them in the future. We continue to monitor and evaluate the impact of COVID-19 on our business, including when larger in-person events should resume. We expect to resume large in-person customer, employee, and industry events during the fiscal year ending January 31, 2023 but our plans could be disrupted. Certain of our businesses were negatively impacted by COVID-19 in the past, and certain of our businesses may be negatively impacted by COVID-19 in the future. We may also experience requests from customers for lengthened payment terms or less favorable billing terms that could adversely impact our financial performance. Such requests to date have not been significant but may increase in the future. Due to our subscription-based business model, the effect of COVID-19, and any impact to our sales efforts, may not be fully reflected in our results of operations until future periods, if at all.

Certain impacts of the COVID-19 pandemic and resulting changes in business practice may be enduring over the long term and may result in significant changes in business practice within the technology industry, the life sciences industry, and the world economy generally. For example, the extent to which remote work will remain common practice or become increasingly prevalent after the COVID-19 pandemic ends is not certain and may have significant impacts on hiring practices, management practices, expense structures and investments, and other aspects of our business and the businesses of our customers. Similarly, the extent to which virtual meetings and interactions continue to be used or preferred in lieu of in-person interactions may significantly change business practices for us and our customers, and, in turn, may impact demand for our products and services. For example, if our customers reduce sales representatives in response to an increasing preference for virtual meetings with doctors, demand for our core CRM application may decline. In the quarter ended October 31, 2020, we disclosed that we expected life sciences companies to reduce the number of sales representatives that they employ by roughly 10%. We currently expect most of these reductions to take place during our fiscal year ending January 31, 2023, with some reductions still occurring in our fiscal year ending January 31, 2024. Such reductions could negatively impact sales of our solutions, including Veeva CRM and certain of our other Commercial Solutions, but we cannot be certain such reductions will happen or of the timing or magnitude of such reductions. At the same time, demand for our products that enable virtual interactions with doctors and clinical trial participants may increase. We cannot accurately predict how such changes may impact Veeva's results over the long term.

In addition, the stock market has been unusually volatile during certain periods of the COVID-19 pandemic and such volatility may continue. During certain periods of the COVID-19 pandemic, our stock price has declined significantly, and such declines may happen again.

We may acquire other companies or technologies, which could divert our management's attention, result in additional dilution to our stockholders, and otherwise disrupt our operations and adversely affect our operating results.

We have in the past acquired and may in the future seek to acquire or invest in businesses, solutions, or technologies that we believe could complement or expand our solutions, enhance our technical capabilities or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable acquisitions, whether or not they are completed.

We have limited experience in acquiring other businesses. We may not be able to successfully integrate the acquired personnel, operations, and technologies or effectively manage the combined business following the acquisition. We also may not achieve the anticipated benefits from the acquired business due to a number of factors, including:

- inability to integrate or benefit from acquired technologies or services in a profitable manner;
- costs, liabilities, or accounting charges associated with the acquisition;
- difficulty integrating the privacy, data security, and accounting systems, operations, and personnel of the acquired business;

- difficulties and additional expenses associated with supporting legacy products and hosting infrastructure of the acquired business;
- difficulty converting the customers of the acquired business onto our solutions and contract terms, including due to disparities in the revenue, licensing, support, or professional services model of the acquired company;
- diversion of management’s attention from other business concerns;
- problems arising from differences in applicable accounting standards or practices of the acquired business (for instance, non-U.S. businesses may not be accustomed to preparing their financial statements in accordance with U.S. GAAP) or difficulty identifying and correcting deficiencies in the internal controls over financial reporting of the acquired business;
- adverse effects to business relationships with our existing business partners and customers as a result of the acquisition;
- difficulty in retaining key personnel of the acquired business;
- use of substantial portions of our available cash to consummate the acquisition;
- use of resources that are needed in other parts of our business;
- significant changes beyond our control to the worldwide economic environment that could negatively impact our underlying assumptions and expectations for performance of the acquired business; and
- the possibility of investigation by, or the failure to obtain required approvals from, governmental authorities on a timely basis, if at all, under various regulatory schemes, including competition laws, which could, among other things, delay or prevent us from completing a transaction, subject the transaction to divestiture after the fact, or otherwise restrict our ability to realize the expected financial or strategic goals of the acquisition.

Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our operating results. In addition, if an acquired business fails to meet our expectations, our operating results, business, and financial position may suffer.

Moreover, a significant portion of the purchase price of companies we acquire may be allocated to acquired intangible assets and goodwill, which we must assess for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process, which could adversely affect our results of operations. Acquisitions may also result in purchase accounting adjustments, write-offs or restructuring charges, which may negatively affect our results.

Our sales cycles can be long and unpredictable, and our sales efforts require considerable investment of resources. If our sales cycle lengthens or we invest substantial resources pursuing unsuccessful sales opportunities, our operating results and growth would be harmed.

Our sales process entails planning discussions with prospective customers, analyzing their existing solutions, and identifying how these potential customers could use and benefit from our solutions. The sales cycle for a new customer, from the time of prospect qualification to the completion of the first sale, may span 12 months or longer. Sales cycles for our newer applications or in newer markets or industries are also lengthy and difficult to predict. We spend substantial time, effort, and expense in our sales efforts without any assurance that our efforts will result in the sale of our solutions. In addition, our sales cycle can vary substantially from customer to customer because of various factors, including the discretionary nature of potential customers’ purchasing and budget decisions, the announcement or planned introduction of new solutions by us or our competitors, and the purchasing approval processes of potential customers. If our sales cycle lengthens or we invest substantial resources pursuing unsuccessful sales opportunities, our operating results and growth would be harmed.

Catastrophic events could disrupt our business and adversely affect our operating results.

Our corporate headquarters are located in Pleasanton, California and our primary third-party hosted computing infrastructure is located in the United States, the European Union, Japan, and South Korea. The west coast of the United States, Japan, and South Korea each contain active earthquake zones. Additionally, we rely on our network and third-party infrastructure and enterprise applications, internal technology systems, and our website, for our development, marketing, operational support, hosted services, and sales activities. In the event of a major earthquake, hurricane, actual or threatened public health emergency (e.g., COVID-19), or other catastrophic event such as fire, power loss, telecommunications failure, cyber-attack, war (including the recent Russian invasion of Ukraine), or terrorist attack, we may be unable to continue our operations at full capacity or at all and may experience system interruptions, reputational harm, delays in our solution development, lengthy interruptions in our services, breaches of data security, loss of key employees, and loss of critical data, all of which could have an adverse effect on our future operating results.

Our core Veeva CRM application has achieved substantial market penetration of pharmaceutical and biotechnology companies. If our efforts to sustain or further increase the use and adoption of our core CRM application do not succeed, the growth of our Commercial Solutions revenues may be negatively impacted.

In our fiscal year ended January 31, 2022, we derived approximately 59% of our subscription services revenues and approximately 56% of our total revenues from our Commercial Solutions. A significant percentage of our Commercial Solutions subscription services revenues are derived from subscriptions for our core CRM application, and we have realized substantial sales penetration among pharmaceutical and biotechnology companies for our core Veeva CRM application. If we are not able to sell additional user subscriptions for our core CRM application, if we fail to renew existing subscriptions for our core CRM application, or if subscription levels for our core CRM application are reduced at renewal (as a result of reductions in sales representatives that use our solutions, change in demand for our solutions, or for other reasons), the growth of our Commercial Solutions revenues may be negatively impacted. In the quarter ended October 31, 2020, we disclosed that we expected life sciences companies to reduce the number of sales representatives that they employ by roughly 10%. We currently expect most of these reductions to take place during our fiscal year ending January 31, 2023, with some reductions still occurring in our fiscal year ending January 31, 2024. Such reductions could negatively impact sales of Veeva CRM and certain of our other Commercial Solutions, but we cannot be certain such reductions will happen or of the timing or magnitude of such reductions.

Changes in our senior management team or other key personnel could have a negative effect on our ability to execute our business strategy.

Our success depends in a large part upon the continued service of our senior management team or other key personnel. In particular, our founder and Chief Executive Officer, Peter P. Gassner, is critical to our vision, strategic direction, culture, products, and technology. We do not maintain key-man insurance for Mr. Gassner or any other member of our senior management team. In addition, in the past several years we have experienced changes to our senior leadership team. Such leadership transitions can be inherently difficult to manage, and an unsuccessful transition may cause disruption to our business. In addition, change in the senior management team may create uncertainty among investors and employees or candidates concerning Veeva's future direction and performance. Any disruption in our operations or uncertainty around our ability to execute could have an adverse effect on our business, financial condition, or results of operations.

Our business could be adversely affected if our customers are not satisfied with the professional or technical support services provided by us or our partners.

Our business depends on our ability to satisfy our customers, both with respect to our solutions and the professional services that are performed in connection with the implementation of our solutions, including training our customers' employees on our solutions. Professional services may be performed by us, by a third party, or by a combination of the two. If a customer is not satisfied with the quality of work performed by us or a third party or with the solutions delivered, then we could incur additional costs to address the situation, we

may be required to issue credits or refunds for pre-paid amounts related to unused services, the profitability of that work might be impaired, and the customer's dissatisfaction with our services could damage our ability to expand the number of solutions subscribed to by that customer. Moreover, negative publicity related to our customer relationships, regardless of its accuracy, may further damage our business by affecting our ability to compete for new business with current and prospective customers.

Once our solutions are deployed, our customers depend on our support organization to resolve technical issues relating to our solutions. We may be unable to sufficiently accommodate short-term increases in customer demand for technical support services to our customers' satisfaction. Increased customer demand for our technical support services, without corresponding revenues, could increase costs and adversely affect our operating results. In addition, our sales process is highly dependent on the reputation of our solutions and business and on positive recommendations from our existing customers. Any failure to maintain high-quality technical support, or a market perception that we do not maintain high-quality support, could adversely affect our reputation, our ability to sell our solutions to existing and prospective customers, and our business and operating results.

Sales to customers outside the United States or with international operations expose us to risks inherent in international sales.

In our fiscal year ended January 31, 2022, customers outside North America accounted for approximately 42% of our total revenues. A key element of our growth strategy is to further expand our international operations and worldwide customer base. Operating in international markets requires significant resources and management attention and subjects us to regulatory, economic, and political risks that are different from those in the United States. We have limited operating experience in some international markets, and we cannot assure you that our expansion efforts into additional international markets will be successful. Our experience in the United States and other international markets in which we already have a presence may not be relevant to our ability to expand in other markets. Our international expansion efforts may not be successful in creating further demand for our solutions outside of the United States or in effectively selling our solutions in the international markets we enter.

While we do not currently have locations or employees in Russia and our revenues from sales to Russian entities is limited, some of our customers have users of our products in Russia that support their Russian operations and we maintain a small office and staff in Belarus. As noted below, the Russian invasion of Ukraine poses particular risk to those aspects of our international business.

The risks we face in doing business internationally that could adversely affect our business, include:

- the need and expense to localize and adapt our solutions for specific countries, including translation into foreign languages, and ensuring that our solutions enable our customers to comply with local laws and regulations;
- data privacy and data sovereignty laws which require that customer data be stored and processed in a designated territory;
- difficulties in staffing and managing foreign operations;
- different pricing environments, longer sales cycles and longer accounts receivable payment cycles, and collections issues;
- new and different sources of competition;
- weaker protection for intellectual property and other legal rights than in the United States and practical difficulties in enforcing intellectual property and other rights outside of the United States;
- laws and business practices favoring local competitors;

- compliance challenges related to the complexity of multiple, conflicting and changing governmental laws and regulations, including those related to employment, tax, privacy and data protection, and anti-bribery;
- increased financial accounting and reporting burdens and complexities;
- difficulties in repatriating funds without adverse tax consequences or restrictions on the transfer of funds more generally, including as a result of sanctions arising from the Russian invasion of Ukraine, which may limit our ability to receive payment from Russian banks or limit our ability to fund our operations in Belarus through Russian banks;
- adverse tax consequences, including the potential for required withholding taxes;
- fluctuations in the exchange rates of foreign currency in which our foreign revenues or expenses may be denominated;
- changes in diplomatic relations and trade policy, including the status of relations between the United States and other countries, including China, Russia, or Belarus, and the implementation of or changes to trade sanctions, tariffs, and embargoes, including if the United States and other countries were to impose more significant general sanctions against Russia or Belarus in response to the recent invasion of Ukraine, which could ban the use of our products by companies or users in Russia or Belarus;
- public health crises, such as epidemics and pandemics, including COVID-19; and
- unstable regional and economic political conditions or war in the markets in which we operate, including as a result of the Russian invasion of Ukraine.

Some of our business partners also have international operations and are subject to the risks described above. Even if we are able to successfully manage the risks of international operations, our business may be adversely affected if our business partners are not able to successfully manage these risks, which could adversely affect our business.

Our estimate of the market size for our solutions we have provided publicly may prove to be inaccurate, and even if the market size is accurate, we cannot assure you that our business will serve a significant portion of the market.

Our estimate of the market size for our solutions that we have provided publicly, sometimes referred to as total addressable market (TAM), is subject to significant uncertainty and is based on assumptions and estimates, including our internal analysis and industry experience, which may not prove to be accurate. These estimates are, in part, based upon the size of the general application areas we target. Our ability to serve a significant portion of this estimated market is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. For example, in order to address the entire TAM we have identified, we must continue to enhance and add functionality to our existing solutions and introduce new solutions. Accordingly, even if our estimate of the market size is accurate, we cannot assure you that our business will serve a significant portion of this estimated market for our solutions.

Risks Related to the Principal Industry We Serve

Nearly all of our revenues are generated by sales to customers in the life sciences industry, and factors that adversely affect this industry, including mergers within the life sciences industry or regulatory changes, could also adversely affect us.

Nearly all of our sales are to customers in the life sciences industry. Demand for our solutions could be affected by factors that affect the life sciences industry, including:

- *The changing regulatory environment of the life sciences industry*—Changes in regulations could negatively impact the business environment for our life sciences customers. Healthcare laws and regulations are rapidly evolving and may change significantly in the future. In particular, legislation or regulatory changes regarding the pricing of drugs and other healthcare treatments sold by life sciences companies, including the extent to which the U.S. government or other governments may establish or negotiate prescription drug prices, has continued to be a topic of discussion by political leaders and regulators in the United States and elsewhere. Significant changes in drug pricing policy or regulation could result in life sciences companies reducing the number of sales representatives that use our products or otherwise reduce demand for our products.
- *Consolidation of companies within the life sciences industry*—Consolidation within the life sciences industry has accelerated in recent years, and this trend could continue. We have in the past, and may in the future, suffer reductions in user subscriptions or non-renewal of customer subscription orders due to industry consolidation. We may not be able to expand sales of our solutions and services to new customers enough to counteract any negative impact of company consolidation on our business. In addition, new companies that result from such consolidation may decide that our solutions are no longer needed because of their own internal processes or alternative solutions. As these companies consolidate, competition to provide solutions and services will become more intense and establishing relationships with large industry participants will become more important. These industry participants may also try to use their market power to negotiate price reductions for our solutions. If consolidation of our larger customers occurs, the combined company may represent a larger percentage of business for us and, as a result, we are likely to rely more significantly on revenue from the combined company to continue to achieve growth. In addition, if large life sciences companies merge, it would have the potential to reduce per-unit pricing for our solutions for the merged companies or to reduce demand for one or more of our solutions as a result of potential personnel reductions over time.
- *Bankruptcy within the life sciences industry*—Life sciences companies, and in particular early-stage companies with pre-commercial treatments in clinical trials, may be unsuccessful and may subsequently declare bankruptcy. If our customers declare bankruptcy or otherwise dissolve, they may terminate their agreements with us or we may not be able to recoup the full payment of fees owed to us.
- *Changes in market conditions and practices within the life sciences industry*—The expiration of key patents, the implications of precision medicine treatments, changes in the practices of prescribing physicians and patients, changes with respect to payer relationships, the policies and preferences of healthcare professionals and healthcare organizations with respect to the sales and marketing efforts of life sciences companies, changes in the regulation of the sales and marketing efforts and pricing practices of life sciences companies, and other factors such as the impact of COVID-19, could lead to a significant reduction in sales representatives that use our solutions or otherwise change the demand for our solutions. In the quarter ended October 31, 2020, we disclosed that we expected life sciences companies to reduce the number of sales representatives that they employ by roughly 10%. We currently expect most of these reductions to take place during our fiscal year ending January 31, 2023, with some reductions still occurring in our fiscal year ending January 31, 2024. Such reductions could negatively impact sales of our solutions, including Veeva CRM and certain of our other Commercial Solutions. We cannot be certain such

reductions will happen or of the magnitude of such reductions. Changes in public perception regarding the practices of the life sciences industry may result in political pressure to increase the regulation of life sciences companies in one or more of the areas described above, which may negatively impact demand for our solutions.

- *Changes in global economic and geopolitical conditions that impact clinical trial activity, changes in the ability to sell healthcare treatments in certain locations, and the global availability of healthcare treatments provided by the life sciences companies to which we sell*—Our business depends on the overall economic health of our existing and prospective customers. The purchase of our solutions may involve a significant commitment of capital and other resources. If economic or geopolitical conditions, including the ability to market life sciences products or conduct clinical trials in key markets deteriorates or is disrupted, including as a result of the Russian invasion of Ukraine or resulting sanctions, or if the demand for life sciences products globally deteriorates for other reasons, our customers may delay or reduce their IT spending, particularly within the regions impacted by negative economic or geopolitical conditions. For example, it has been reported that a number of significant life sciences companies plan to scale back sales, operations and investments in Russia, including curtailing clinical trial activity in Russia. It is possible that clinical trial activity may be disrupted or delayed in the regions near Ukraine as clinical trial sites deal with the healthcare impact of the Russian invasion of Ukraine. This could result in reductions in sales of our solutions, longer sales cycles, reductions in subscription duration and value, slower adoption of new product offerings, and increased price competition.

Accordingly, our operating results and our ability to efficiently provide our solutions to life sciences companies and to grow or maintain our customer base could be adversely affected as a result of these factors and others that affect the life sciences industry generally.

Our solutions address heavily regulated functions within the life sciences industry, and failure to comply with applicable laws and regulations could lessen the demand for our solutions or subject us to significant claims and losses.

Our customers use our solutions for business activities that are subject to a complex regime of global laws and regulations, including requirements for maintenance of electronic records and electronic signatures, requirements regarding drug sample tracking and distribution, requirements regarding system validations, requirements regarding processing of health data, and other laws and regulations. Our customers expect to be able to use our solutions in a manner that is compliant with the regulations to which they are subject. Our efforts to provide solutions that comply with such laws and regulations are time-consuming and costly and include validation procedures that may delay the release of new versions of our solutions. As these laws and regulations change over time, we may find it difficult to adjust our solutions to comply with such changes.

In addition, many countries and self-regulatory bodies impose requirements regarding payments and transfers of value from life sciences companies to healthcare professionals. For example, our current and prospective customers may be required to comply with the U.S. federal legislation commonly referred to as the Physician Payments Sunshine Act, enacted as part of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, and its implementing regulations (Sunshine Act). The Sunshine Act requires certain manufacturers of drugs, devices, biologics, and medical supplies, with specific exceptions, to report annually to the government information related to certain payments and other transfers of value to physicians. Our solutions and services targeted at life sciences companies, including, for example, Veeva Digital Events, are used by our customers to assist with their reporting obligations under the Sunshine Act. If our solutions and services fail to assist our customers to meet such reporting obligations in a timely and accurate manner, demand for our solutions could decrease, which could adversely affect our business.

As we increase the number of products we offer and the number of countries in which we operate, the complexity of adjusting our solutions to comply with legal and regulatory changes will increase. If we are

unable to effectively manage this increased complexity or if we are not able to provide solutions that can be used in compliance with applicable laws and regulations, customers may be unwilling to use our solutions, and any such non-compliance could result in the termination of our customer agreements or claims arising from such agreements with our customers. Furthermore, we have in the past and may in the future be subject to inspections or audits by government agencies or other regulatory bodies to verify our customers' compliance with applicable laws, regulations, or GxP principles.

Additionally, any failure of our customers to comply with laws and regulations applicable to the functions for which they use our solutions could result in investigations by regulatory authorities, fines, penalties, or claims for substantial damages against our customers that may, in turn, harm our business or reputation. If such failure were allegedly caused by our solutions or services, our customers may make a claim for damages against us, regardless of our responsibility for the failure. We may be subject to investigations and lawsuits that, even if unsuccessful, could divert our resources and our management's attention and adversely affect our business and customer relationships, and our insurance coverage may not be sufficient to cover such claims against us.

Increasingly complex data protection and privacy regulations are burdensome, may reduce demand for our solutions, and non-compliance may impose significant liabilities.

Our customers use our solutions to collect, use, process, store, and disclose personal data or identifiable information regarding their employees, healthcare professionals, and patients (including potentially sensitive data such as health data). In many countries, governmental bodies have adopted or may adopt laws and regulations regarding the collection, use, processing, storage, and disclosure of personal data, making compliance an increasingly complex task.

For example, in the United States, the U.S. Department of Health and Human Services promulgated privacy and security rules under HIPAA that cover protected health information (PHI) by limiting use and disclosure and giving individuals the right to access, amend, and seek accounting of their PHI. Certain of our customers may be either business associates or covered entities under HIPAA. For example, while HIPAA generally is not applicable to pharmaceutical companies, some of our customers are clinical research sites, such as university hospitals, and may provide healthcare service as well as clinical research and may be required to comply with HIPAA. Therefore, in certain scenarios, HIPAA is applicable to PHI that is introduced into our solutions, and we must maintain a HIPAA compliance program.

Veeva Crossix provides analytics derived from de-identified third-party health and consumer data on U.S. residents that life sciences companies use for measurement of their advertising objectives. All PHI processed by Crossix for its measurement services is certified to satisfy HIPAA's de-identification standard. Certain states have signed into law or are intending to enact laws regarding requirements on de-identified information, and there is some uncertainty regarding those laws' conformity with the HIPAA de-identification standards. Compliance with state laws could require additional investment and management attention and may subject us to significant liabilities if we do not comply appropriately with new and potentially conflicting regulations.

In addition to government regulations, privacy advocates and other key industry players have established or may establish various new, additional, or different policies or self-regulatory standards, such as the prohibition of third-party cookies and other identifiers in certain digital environments that may place additional burdens or resource constraints on us, limit our ability to collect and use certain data, and limit our ability to generate certain analytics. Our customers may expect us to meet voluntary certifications or adhere to other standards established by third parties. Moreover, the continuing evolution of these standards might cause confusion for our customers and may have an impact on the solutions we offer, including our data products. If we are unable to maintain these certifications or meet these standards, it could reduce demand for our solutions and adversely affect our business and operating results. Under the California Consumer Privacy Act (CCPA) and the California Privacy Rights Act (CPRA), we are generally considered a "service provider" for our software solutions and a "business" for our data and analytics products. Several other states have signed into law or are intending to enact laws regarding requirements on personal information. There is also the potential for the U.S. federal

government to pass data privacy laws. These laws, regulations and legislative developments have potentially far-reaching consequences and may require us to modify our data management practices and to incur substantial expense in order to comply.

Under the European General Data Protection Regulation (GDPR), we act as a data controller for our data products, Veeva OpenData and Veeva Link, and a data processor with respect to our software solutions. Regarding data transfer, the European Court of Justice invalidated the EU-U.S. Privacy Shield Framework and we now rely solely on the EU Standard Contractual Clauses (SCCs) to ensure that our European customers have the appropriate legal mechanisms in place for their personal data to be accessed within the United States. Management has spent considerable time and resources to respond to customer inquiries as a result of this decision. Additionally, in June 2021, the European Commission issued revised SCCs, which are required to be implemented, and in February 2022, the United Kingdom's Information Commissioner's Office issued new standard contractual clauses (the UK SCCs), to support personal data transfers out of the United Kingdom. If approved by the United Kingdom's Parliament, the UK SCCs will become effective in March 2022. We may be required to take additional steps to legitimize any personal data transfers impacted by these developments, be required to engage in new contract negotiations with third parties that aid in processing personal data on our behalf, and may be subject to increased costs of compliance and limitations on our service providers and us. There is also a trend toward countries enacting data localization or other country specific requirements which could be problematic to cloud software providers. Understanding and implementing country, industry, and customer specific requirements and certifications on top of our internationally recognized security certifications could require additional investment and management attention and may subject us to significant liabilities if we do not comply with applicable requirements. Compliance with global laws and regulations relating to privacy, data protection, and cybersecurity has and will continue to require valuable management and employee time and resources, and any actual or perceived failure to comply with these laws and regulations could include severe penalties and could reduce demand for our solutions. Additionally, other countries outside of the EU have enacted or are considering enacting similar cross-border data transfer restrictions and laws requiring local data residency. For example, in 2021, China adopted the Personal Information Protection Law (PIPL), together with the Cybersecurity Law (CSL) and the Data Security Law (DSL), which have required and will continue to require significant investment and resources to develop our position and provide compliant solutions for our customers. Further, the United Kingdom's exit from the EU, and ongoing developments in the United Kingdom, have created uncertainty with regard to data protection regulation in the United Kingdom. Although the European Commission adopted an adequacy decision for the United Kingdom in June 2021 that allows for the continued flow of personal data from the EU to the United Kingdom, this decision may be revoked or modified and will need to be renewed after four years from the date of adoption.

Customers expect that our solutions can be used in compliance with data protection and data privacy laws and regulations. The functional and operational requirements and costs of compliance with such laws and regulations may adversely impact our business, and failure to enable our solutions to comply with such laws and regulations could lead to regulatory investigations and other proceedings, significant fines, penalties, and other relief imposed by regulators, and claims, demands, and litigation by our customers or third parties, which may result in substantial damages and other liabilities. Additionally, all of these domestic and international legislative and regulatory initiatives could adversely affect our customers' ability or desire to collect, use, process, store, and disclose personal information and health data using our solutions, or to license data products from us, which could reduce demand for our solutions.

Risks Related to Our Reliance on Third Parties

If the third-party providers of healthcare professional and healthcare organization data and prescription drug sales data do not allow our customers to upload and use such data in our solutions, the demand for our solutions may decrease, and our business may be negatively impacted.

Many of our customers license healthcare professional and healthcare organization data and data regarding the sales of prescription drugs from third parties such as IQVIA. In order for our customers to upload such data to the Veeva CRM, Veeva Network Customer Master, Veeva Nitro, and other Veeva applications, such third-party

data providers typically must consent to such uploads and often require that we enter into agreements regarding our obligations with respect to such data, which include confidentiality obligations and intellectual property rights with respect to such third-party data. We have experienced delays and difficulties in our negotiations with such third-party data providers in the past, and we expect to experience difficulties in the future. For instance, IQVIA currently will not consent that customers using its healthcare professional or healthcare organization data may upload such data to Veeva Network Customer Master and this has negatively affected sales and customer adoption of Veeva Network Customer Master. To date, IQVIA has also restricted customers from uploading any of its data to Veeva Nitro and Veeva Andi, and has denied use of its data with certain other Veeva applications and for certain other use cases. In addition, IQVIA has stated publicly that it will deny all customer requests for use of new IQVIA data types in Veeva applications, including, as examples, real world data, real world evidence, and genomics. Similarly, sales and customer adoption of Veeva OpenData has been negatively impacted by certain restrictions on the use of IQVIA data during customer transitions from IQVIA data to Veeva OpenData. If third-party data providers, particularly IQVIA, do not consent to the uploading and use of their data in our solutions, delay consent, or fail to offer reasonable conditions for the upload and use of their data in our solutions, our sales efforts, solution implementations, and productive use of our solutions by customers, which have been harmed by such actions in the past, may continue to be harmed. Restrictions on the ability of our customers to use third-party data in our solutions may also decrease demand for our solutions or may cause customers to consider purchasing solutions that are not subject to the same restrictions. If these third-party data limitations persist, our business may be negatively impacted.

We rely on third-party providers—including salesforce.com and Amazon Web Services—for computing infrastructure, secure network connectivity, and other technology-related services needed to deliver our cloud solutions. Any disruption in the services provided by such third-party providers could adversely affect our business and subject us to liability.

Our solutions are hosted from and use computing infrastructure provided by third parties, including salesforce.com with respect to Veeva CRM and certain of our multichannel CRM applications, Amazon Web Services with respect to applications on the Veeva Vault platform and certain Commercial Solutions, and, to a lesser extent, other computing infrastructure service providers.

We do not own or control the operation of the third-party facilities or equipment used to provide the services described above. Our computing infrastructure service providers have no obligation to renew their agreements with us on commercially reasonable terms or at all. If we are unable to renew these agreements on commercially reasonable terms, we may be required to transition to a new provider and we may incur significant costs and possible service interruption in connection with doing so. In addition, such service providers could decide to close their facilities or change or suspend their service offerings without adequate notice to us. Moreover, any financial difficulties, such as bankruptcy, faced by such service providers may have negative effects on our business, the nature and extent of which are difficult to predict. Since we cannot easily switch computing infrastructure service providers, any disruption with respect to our current providers would impact our operations and our business could be adversely impacted.

Problems faced by our computing infrastructure service providers could adversely affect the experience of our customers. For example, salesforce.com and Amazon Web Services have experienced significant service outages in the past and may do so again in the future. Additionally, our failure to manage or react to an increase in customer demand could have an adverse effect on our business. A rapid expansion of our business or an increase in customer demand could affect our service levels or cause our systems to fail. Our agreements with third-party computing infrastructure service providers may not entitle us to corresponding service level credits to those we offer to our customers. Any changes in third-party service levels at our computing infrastructure service providers or any related disruptions or performance problems with our solutions could result in lengthy interruptions in our services, damage our customers' stored files, or result in potential losses of customer data, any of which could adversely affect our reputation. Interruptions in our services might reduce our revenues, cause us to issue refunds to customers for prepaid and unused subscriptions, subject us to service level credit claims and potential liability, or adversely affect our renewal rates.

Because key and substantial portions of our multichannel CRM applications are built on salesforce.com's Salesforce Platform, we are dependent upon salesforce.com to provide these solutions to our customers and we are bound by the restrictions of our agreement with salesforce.com, which limits the markets to which we may sell our Veeva CRM solution.

Our Veeva CRM application and certain portions of the multichannel CRM applications that complement our Veeva CRM application are developed on or utilize the Salesforce Platform of salesforce.com, and we are dependent upon the continued use of the Salesforce Platform as combined with the proprietary aspects of our multichannel CRM applications.

Our agreement with salesforce.com expires on September 1, 2025. However, salesforce.com has the right to terminate the agreement in certain circumstances, including in the event of a material breach of the agreement by us, or that salesforce.com is subjected to third-party intellectual property infringement claims based on our solutions (except to the extent based on the Salesforce Platform) or our trademarks and we do not remedy such infringement in accordance with the agreement. Also, if we are acquired by specified companies, salesforce.com may terminate the agreement upon notice of not less than 12 months. If salesforce.com terminates our agreement under these circumstances, our customers will be unable to access Veeva CRM and certain other of our multichannel CRM applications. A termination of the agreement would cause us to incur significant time and expense to acquire rights to, or develop, a replacement CRM platform, and we may not be successful in these efforts. Even if we were to successfully acquire or develop a replacement CRM platform, some customers may decide not to adopt the replacement platform and may decide to use a different CRM solution. If we were unsuccessful in acquiring or developing a replacement CRM platform or acquired or developed a replacement CRM platform that our customers do not adopt, our business, operating results and brand may be adversely affected.

Also, if either party elects not to renew the agreement at the end of its September 1, 2025 term or if the agreement is terminated by us as a result of salesforce.com's breach, the agreement provides for a five-year wind-down period in which we would be able to continue providing the Salesforce Platform as combined with the proprietary aspects of our solutions to our existing customers but would be limited with respect to the number of additional subscriptions we could sell to our existing customers. After the wind-down period, we would no longer be able to use the Salesforce Platform.

Our agreement with salesforce.com provides that we can use the Salesforce Platform as combined with our proprietary Veeva CRM application to sell sales automation solutions only to drug makers in the pharmaceutical and biotechnology industries for human and animal treatments, which does not include the medical device industry or products for non-drug departments of pharmaceutical and biotechnology companies. Sales of the Salesforce Platform in combination with our Veeva CRM application to additional industries would require the review and approval of salesforce.com. Our inability to freely sell our Veeva CRM application outside of drug makers in the pharmaceutical and biotechnology industries may adversely impact our growth.

While our agreement with salesforce.com, subject to certain exceptions including pre-existing arrangements, provides that salesforce.com will not position, develop, promote, invest in, or acquire applications directly competitive to the Veeva CRM application for sales automation that directly target drug makers in the pharmaceutical and biotechnology industry or the pharma/biotech industry, our remedy for a breach of this commitment by salesforce.com would be to terminate the agreement, or continue the agreement but be released from our minimum order commitments from the date of salesforce.com's breach forward. While our agreement with salesforce.com also restricts salesforce.com from competing with us with respect to sales opportunities for sales automation solutions for the pharmaceutical and biotechnology industry unless such competition has been pre-approved by salesforce.com's senior management based on certain criteria specified in the agreement, and imposes certain limits on salesforce.com from entering into new arrangements after March 3, 2014 that are similar to ours with other parties with respect to sales automation applications for the pharmaceutical and biotechnology industry, it does not restrict a salesforce.com customer's ability (or the ability of salesforce.com on behalf of a specific salesforce.com customer) to customize or configure the Salesforce Platform, and our remedy for a breach of these restrictions by salesforce.com would be to terminate the agreement, or continue the

agreement but be released from our minimum order commitments from the date of salesforce.com's breach forward. Some current or potential customers of ours may choose to build custom solutions using the Salesforce Platform rather than buying our solutions.

Also, in 2019, salesforce.com announced a strategic partnership with Alibaba, a Chinese company, through which Alibaba will become the exclusive provider of Salesforce in mainland China, Hong Kong, Macau, and Taiwan. The timeframe and exact parameters of changes to salesforce.com offerings in the listed regions has not been announced. Our existing agreement with salesforce.com allows us to sell our CRM solutions to drug makers in the pharmaceutical and biotechnology industries in mainland China, Hong Kong, Macau, and Taiwan, and our right to do so is not impacted by the Alibaba partnership. However, our ability to offer our CRM solutions from data centers located in the listed regions may be limited if salesforce.com does not operate data centers in the listed regions in the future and we do not contract for such data center services from Alibaba. If our inability to offer our CRM solutions from data centers located in the listed regions negatively impacts the performance of our solutions in those regions or causes legal compliance concerns, or if customers in the listed regions prefer their CRM solutions to be hosted from local data centers, our business may be negatively affected.

We employ third-party licensed software and software components for use in or with our solutions, and the inability to maintain these licenses or the presence of errors or security vulnerabilities in the software we license could limit the functionality of our products and result in increased costs or reduced service levels, which would adversely affect our business.

In addition to our employment of the Salesforce Platform through our agreement with salesforce.com, our solutions incorporate or use certain third-party software and software components obtained under licenses from other companies. We also use third-party software and tools in the development process for our solutions to manage and monitor our computing infrastructure, and to provide professional services and support our customers. For example, our Veeva CRM Engage Meeting application uses a purpose-built partner tool from Zoom Video Communications, Inc., which is critical to the application's functionality. We anticipate that we will continue to rely on such third-party software and development tools in the future. Although we believe that there are commercially reasonable alternatives to the third-party software we currently license, this may not always be the case, or it may be difficult or costly to replace. In addition and although we maintain a supplier security evaluation process, if the third-party software we use has errors, security vulnerabilities, or otherwise malfunctions, the functionality of our solutions may be negatively impacted, our customers may experience reduced service levels, and our business may suffer.

Our solutions utilize open source software, and any failure to comply with the terms of one or more of these open source licenses could adversely affect our business.

Our solutions include software covered by open source licenses. The terms of various open source licenses have not been interpreted by U.S. courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market our solutions. It is possible under the terms of certain open source licenses, if we combine our proprietary software with open source software in a certain manner, that we could be required to release the source code of our proprietary software and make our proprietary software available under open source licenses. In the event that portions of our proprietary software are determined to be subject to an open source license, we could be required to publicly release the affected portions of our source code, re-engineer all or a portion of our solutions, or otherwise be limited in the licensing of our solutions, each of which could reduce or eliminate the value of our solutions. In addition to risks related to license requirements, use of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Many of the risks associated with the use of open source software cannot be eliminated and could adversely affect our business.

Risks Related to Our Financial Performance, How We Contract with Customers, and the Financial Position of Our Business

Our historic growth rates of total revenues and subscription services revenues should not be viewed as indicative of our future performance.

While we have experienced significant revenue growth in prior periods, it is not indicative of our future revenue growth. We expect our longer-term revenue growth rate will decline. In our fiscal years ended January 31, 2022, 2021, and 2020, our total revenues grew by 26%, 33%, and 28%, respectively, as compared to total revenues from the prior fiscal years. In our fiscal years ended January 31, 2022, 2021, and 2020, our subscription services revenues grew by 26%, 32%, and 29%, respectively, as compared to subscription services revenues from the prior fiscal years. Please note that our total revenues and subscription services revenues for the fiscal year ended January 31, 2020 only included revenue contribution from Crossix and Physicians World in the fourth quarter of that fiscal year. Our total revenues and subscription services revenue growth rates have declined in the past, and we expect them to decline again in the future. If we are unable to maintain consistent revenue growth, it may adversely impact our profitability and the value of our Class A common stock.

Our results may fluctuate from period to period, which could prevent us from meeting our own guidance or security analyst or investor expectations.

Our results of operations, including our revenues, gross margin, operating margin, profitability, cash flows, calculated billings, and deferred revenue, as well as other metrics we may report, may vary from period to period for a variety of reasons, including those listed elsewhere in this “Risk Factors” section, and period-to-period comparisons of our operating results may not be meaningful. Accordingly, our quarterly results should not be relied upon as an indication of future performance. Additionally, from time to time, we issue guidance and provide commentary regarding our expectations for certain future financial results and other metrics on both a near-term and long-term basis. Our guidance is based upon a number of assumptions and estimates that are subject to significant business, economic, and competitive uncertainties that are beyond our control and are based upon assumptions about future business and accounting decisions that may change or be wrong. Our guidance may prove to be incorrect, and actual results may differ from our guidance. Fluctuations in our results or failure to achieve our guidance or security analyst or investor expectations, even if not materially, could cause the price of our Class A common stock to decline substantially, and our investors could incur substantial losses.

The majority of our subscription agreements with our customers are for a term of one year. If our existing customers do not renew their subscriptions, or do not buy additional solutions and user subscriptions from us, or renew at lower aggregate fee levels, our business and operating results will suffer.

We derive a significant portion of our revenues from the renewal of existing subscription orders. The majority of our customers’ orders for subscription services have one-year terms. Our customers have no obligation to renew their subscriptions after their orders expire. Thus, securing the renewal of our subscription orders and selling additional solutions and user subscriptions is critical to our future operating results. Factors that may affect the renewal rate for our solutions and our ability to sell additional solutions and user subscriptions include:

- the price, performance, and functionality of our solutions;
- the effectiveness of our professional services;
- the strength of our business relationships with our customers;
- the availability, price, performance, and functionality of competing solutions and services;
- our ability to develop complementary solutions, applications, and services;
- the stability, performance, and security of our hosting infrastructure and hosting services; and
- the business environment of our customers and, in particular, acquisitions of or business combinations between our customers or other business developments that may result in reductions in user subscriptions.

In addition, our customers may negotiate terms less advantageous to us upon renewal, which could reduce our revenues from these customers. As a customer's total spend on Veeva solutions increases, we expect purchasing scrutiny at renewal to increase as well, which may result in reductions in user subscriptions or increased pricing pressure. Other factors that are not within our control may contribute to a reduction in our subscription services revenues. For instance, our customers may reduce their number of sales representatives, which would result in a corresponding reduction in the number of user subscriptions needed for some of our solutions and thus a lower aggregate renewal fee, or our customers may discontinue clinical trials for which our solutions are being used. If our customers fail to renew their subscription orders, renew their subscription orders with less favorable terms or at lower fee levels, or fail to purchase new solutions, applications, or professional services from us, our revenues may decline or our future revenues may be constrained.

As our costs increase, we may not be able to sustain the level of profitability we have achieved in the past.

We expect our future expenses to increase as we continue to invest in and grow our business. We expect to incur significant future expenditures related to:

- developing new solutions and enhancing our existing solutions, including additional data acquisition costs associated with our Veeva Data Cloud offering and investment in our product development teams;
- improving the technology infrastructure, scalability, availability, security, and support for our solutions;
- sales and marketing, including expansion of our direct sales organization and global marketing programs;
- expansion of our professional services organization;
- pending, threatened, or future legal proceedings, certain of which are described in Part I, Item 3. "Legal Proceedings" and note 15 of the notes to our consolidated financial statements, and which we expect to continue to result in significant expense for the foreseeable future;
- international expansion;
- acquisitions and investments; and
- general operations, IT systems, facilities, and administration, including legal and accounting expenses.

Additionally, in response to unusual inflationary pressure and the demand environment for skilled employees, we increased salaries for the majority of our employees by 5% effective September 1, 2021, which increases our expenses. If our efforts to increase revenues and manage our expenses are not successful, or if we incur costs, damages, fines, settlements, or judgments as a result of other risks and uncertainties described in this report, we may not be able to sustain or increase our historical levels of profitability.

Our revenues and gross margin from professional services fees are volatile and may not increase from quarter to quarter or at all.

We derive a significant portion of our revenue from professional services fees. Our professional services revenues fluctuate from quarter to quarter as a result of the requirements, complexity, and timing of our customers' implementation projects. Generally, a customer's ongoing need for professional services decreases as the implementation and full deployment of our solutions is completed. Our customers may also choose to use third parties rather than us for certain professional services related to our solutions. As a result of these and other factors, our professional services revenues may not increase on a quarterly basis in the future or at all. Additionally, the gross margin generated from professional services fees fluctuates based on a number of factors which may vary from period to period, including the average billable hours worked by our billable professional

services personnel, our average hourly rates for professional services and the margin on professional services subcontracted to our third-party systems integrator partners. As a result of these and other factors, the gross margin from our professional services may not increase on a quarterly basis in the future or at all.

Because we recognize subscription services revenues ratably over the term of an order for our subscription services, it may be difficult to evaluate our future financial performance.

We generally recognize subscription services revenues ratably over the term of an order under our subscription agreements. As a result, a substantial majority of our quarterly subscription services revenues are generated from subscription agreements entered into during prior periods. Consequently, a decline in new subscriptions in any quarter may not affect our results of operations in that quarter but could reduce our revenues in future quarters. Additionally, the timing of renewals or non-renewals of a subscription agreement during any quarter may only affect our financial performance in future quarters. For example, the non-renewal of a subscription agreement late in a quarter will have minimal impact on revenues for that quarter but will reduce our revenues in future quarters.

Accordingly, the effect of significant declines in sales and customer acceptance of our solutions may not be reflected in our short-term results of operations, which would make these reported results less indicative of our future financial results. By contrast, a non-renewal occurring early in a quarter may have a significant negative impact on revenues for that quarter and we may not be able to offset a decline in revenues due to the non-renewal with revenues from new subscription agreements entered into in the same quarter.

With respect to certain of our software products, we regularly enter into orders with multi-year terms, some of which may have fee structures that ramp over the term of the order. The difference between the fees invoiced in the first year of a multi-year ramping order and the last year of such an order can sometimes be significant. When such multi-year orders are non-cancellable (other than for cause), we recognize the total contracted revenue ratably over the multi-year term of the order. As a result, in the initial year of such orders, we will recognize more revenue than the fees we invoice for the same period, and in the last year of such orders, we will recognize less revenue than the fees we invoice for the same period. In this scenario, we may also be exposed to impaired contract assets if, for example, a customer terminates a multi-year order with ramping fees for cause. By contrast, when a multi-year order with ramping fees includes a right of termination without cause during the term of the order, the revenue recognized in any year of the order will be consistent with the fees invoiced in the same year. Therefore, our reported revenue in any quarter or year may not correspond to the amounts we are entitled to bill in the same period and may not be a precisely accurate indication of the actual health of our business at the time revenue is reported.

Deferred revenue and change in deferred revenue may not be accurate indicators of our future financial results.

Our subscription orders are generally billed at the beginning of the subscription period in annual or quarterly increments, which means the annualized value of such orders may not be completely reflected in deferred revenue at any single point in time. Many of our customers, including many of our large customers, are billed on a quarterly basis and therefore a substantial portion of the value of contracts billed on a quarterly basis will not be reflected in our deferred revenue at the end of any given quarter. Also, particularly with respect to our Commercial Solutions orders, because the term of orders for additional end users or applications is commonly less than one year, the annualized value of such orders may not be completely reflected in deferred revenue at any single point in time. We have also agreed from time to time, and may agree in the future, to allow customers to change the renewal dates of their orders to, for example, align more closely with a customer's annual budget process or to align with the renewal dates of other orders placed by other entities within the same corporate control group, or to change payment terms from annual to quarterly, or vice versa. Such changes typically result in an order of less than one year to align all orders to the desired renewal date and, thus, may result in a lesser increase to deferred revenue than if the adjustment had not occurred. Additionally, changes in renewal dates may change the fiscal quarter in which deferred revenue associated with a particular order is booked. Accordingly, we do not believe that changes on a quarterly basis in deferred revenue, unbilled accounts

receivable, or calculated billings, a metric commonly cited by financial analysts, are accurate indicators of the underlying momentum of our business or future revenues. We believe that our subscription revenue guidance and calculated billings guidance for the full fiscal year are the best indicators of the momentum of our business or future revenues. Please note that we define the term calculated billings for any period to mean revenue for the period plus the change in deferred revenue from the immediately preceding period minus the change in unbilled accounts receivable from the immediately preceding period. However, many companies that provide cloud-based software report changes in deferred revenue or calculated billings as key operating or financial metrics, and it is possible that analysts or investors may view these metrics as important. Thus, any changes in our deferred revenue balances or deferred revenue trends, or in the future, our unbilled accounts receivable balances or trends, could adversely affect the market price of our Class A common stock.

Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, value added or similar transactional taxes, and we could be subject to liability with respect to past or future sales, which could adversely affect our results of operations.

We do not collect sales and use, value added or similar transactional taxes in all jurisdictions in which we have sales but no physical presence, based on our determination that such taxes are not applicable or that we are not required to collect such taxes with respect to the jurisdiction. Sales and use, value added and similar tax laws and rates vary greatly by jurisdiction. Certain jurisdictions in which we do not collect and remit such taxes may assert that such taxes are applicable, which could result in tax assessments, penalties and interest, and we may be required to collect such taxes in the future. Such tax assessments, penalties and interest or future requirements, including based on changes in tax laws, may adversely affect our results of operations. We believe that our financial statements reflect adequate reserves to cover such a contingency, but there can be no assurances in that regard.

Unanticipated changes in our effective tax rate and additional tax liabilities, including as a result of our international operations or implementation of new tax rules, could harm our future results.

We are subject to income taxes in the United States and various foreign jurisdictions. Our domestic and international tax liabilities are subject to the allocation of expenses in differing jurisdictions and complex transfer pricing regulations administered by taxing authorities in these jurisdictions. Tax rates may change as a result of factors outside of our control or relevant taxing authorities may disagree with our determinations as to the income and expenses attributable to specific jurisdictions. In addition, changes in tax and trade laws, treaties or regulations, or their interpretation or enforcement, have become more unpredictable and may become more stringent, which could have a material adverse effect on our tax position. Forecasting our estimated annual effective tax rate is complex and subject to uncertainty, and there may be material differences between our forecasted and actual tax rates. Moreover, increases in our effective tax rate would reduce our profitability.

Our tax provision could also be impacted by changes in accounting principles and changes in U.S. federal and state or international tax laws applicable to multinational corporations. For example, the Tax Cuts and Jobs Act of 2017 eliminates the option to deduct research and development expenditures currently and requires taxpayers to capitalize and amortize them over five or fifteen years. Although Congress is considering legislation that would defer the amortization requirement to later years, we have no assurance that the provision will be so deferred, repealed or otherwise modified. If the requirement is not modified, it will significantly impact our tax liabilities beginning in fiscal 2023. We made significant judgments and assumptions in the interpretation of this new law and in our calculations reflected in our financial statements. In addition, the current U.S. administration has released various tax legislation proposals. If enacted, these changes could increase our effective tax rate and have an adverse effect on our results of operations.

Any changes in taxing jurisdictions' administrative interpretations, decisions, policies, and positions could also impact our tax liabilities. The overall tax environment has made it increasingly challenging for multinational corporations to operate with certainty about taxation in many jurisdictions. The Organisation for Economic Co-operation and Development (OECD), which represents a coalition of member countries, is supporting changes to numerous long-standing tax rules, including changes to the practice of shifting profits among

affiliated entities located in different tax jurisdictions. For example, on October 8, 2021, the OECD announced an international agreement with more than 130 countries to implement a global minimum effective corporate tax rate of 15% for certain large multinational companies starting in 2023. The agreement also introduced rules that would result in the reallocation of certain taxing rights from multinational companies from their home countries to the markets where they have business activities and earn profits—regardless of physical presence—and could impact certain tax measures in the European Union, such as the Digital Tax Service described below. Certain countries in the European Union, as well as India, have enacted or are proposing various forms of non-income based taxes, such as a Digital Service Tax. Generally, such a tax is based on a percentage of gross revenue associated with digital service transactions. We continue to monitor the developments and tax implications surrounding changes in the global tax environment. The increasingly complex global tax environment could have a material adverse effect on our effective tax rate, results of operations, cash flows, and financial condition.

Finally, we have been, and may be in the future, subject to income tax audits throughout the world. We believe our income, employment, and transactional tax liabilities are reasonably estimated and accounted for in accordance with applicable laws and principles, but an adverse resolution of one or more uncertain tax positions in any period could have a material impact on the results of operations for that period.

Currency exchange fluctuations may negatively impact our financial results.

Some of our international agreements provide for payment denominated in local currencies, and the majority of our local costs are denominated in local currencies. As we continue to expand our operations in countries outside the United States, an increasing proportion of our revenues and expenditures in the future may be denominated in foreign currencies. Fluctuations in the value of the U.S. dollar versus foreign currencies may impact our operating results when translated into U.S. dollars. Thus, our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Euro, British Pound Sterling, Japanese Yen, Chinese Yuan, and Canadian Dollar, and may be adversely affected in the future due to changes in foreign currency exchange rates. While we have limited currency exchange exposure to the Russian, Belarusian and Ukrainian currencies, we expect exchange rates with respect to these currencies to be volatile and other exchange rates may also be more volatile than normal as a result of the Russian invasion of Ukraine and related events. Changes in exchange rates may negatively affect our revenues, expenses, and other operating results as expressed in U.S. dollars in the future. Further, we have experienced and will continue to experience fluctuations in our net income as a result of transaction gains or losses related to revaluing certain current asset and current liability balances that are denominated in currencies other than the functional currency of the entities in which they are recorded.

We engage in the hedging of our foreign currency transactions and may, in the future, hedge selected significant transactions or net monetary exposure positions denominated in currencies other than the U.S. dollar. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.

If we are unable to implement and maintain effective internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports.

As a public company, we are required to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley Act) requires that we evaluate and determine the effectiveness of our internal controls over financial reporting and provide a management report on internal controls over financial reporting. The Sarbanes-Oxley Act also requires that our management report on internal controls over financial reporting be attested to by our independent registered public accounting firm.

We must continue to monitor and assess our internal control over financial reporting. If in the future we have any material weaknesses, we may not detect errors on a timely basis and our financial statements may be

materially misstated. Additionally, if in the future we are unable to comply with the requirements of the Sarbanes-Oxley Act in a timely manner, are unable to assert that our internal controls over financial reporting are effective, identify material weaknesses in our internal controls over financial reporting, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our Class A common stock could be adversely affected, and we could become subject to investigations by the NYSE, the SEC, or other regulatory authorities, which could require additional financial and management resources.

We have broad discretion in the use of our cash balances and may not use them effectively.

We have broad discretion in the use of our cash balances and may not use them effectively. The failure by our management to apply these funds effectively could adversely affect our business and financial condition. Pending their use, we may invest our cash balances in a manner that does not produce income or that loses value. Our investments may not yield a favorable return to our investors and may negatively impact the price of our Class A common stock.

Risks Related to Our Intellectual Property

We have been and may in the future be sued by third parties for alleged infringement of their proprietary rights or misappropriation of intellectual property, and we may suffer damages or other harm from such proceedings.

There is considerable patent and other intellectual property development activity in our industry. Our competitors, as well as a number of other entities and individuals including so-called non-practicing entities, or NPEs, may own or claim to own intellectual property relating to our solutions. From time to time, third parties may claim that we are infringing upon their intellectual property rights or that we have misappropriated their intellectual property. For example, since January 2017, we have been defending against assertions of trade secret misappropriation made by our competitors, Medidata and IQVIA, as described in note 15 of the notes to our consolidated financial statements. As competition in our market grows, the possibility of patent infringement and other intellectual property claims against us increases. In the future, we expect others to claim that our solutions and underlying technology infringe or violate their intellectual property rights. We may be unaware of the intellectual property rights that others may claim cover some or all of our technology or services. Any claims or litigation have caused and in the future could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our services, or require that we comply with other unfavorable terms. We may also be obligated to indemnify our customers or business partners or pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation and to obtain licenses, modify applications, or refund fees, which could be costly. Any litigation regarding our intellectual property could be costly and time-consuming and divert the attention of our management and key personnel from our business operations even if we were to ultimately prevail in such litigation.

Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand.

Our success and ability to compete depend in part upon our intellectual property. As of January 31, 2022, we have filed numerous domestic and foreign patent applications and have been issued 45 U.S. patents and 11 international patents. We also rely on copyright, trade secret and trademark laws, trade secret protection and confidentiality or license agreements with our employees, customers, partners and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate.

In order to protect our intellectual property rights, we may be required to spend significant resources to maintain, monitor and protect these rights. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss

of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Negative publicity related to a decision by us to initiate such enforcement actions against a customer or former customer, regardless of its accuracy, may adversely impact our other customer relationships or prospective customer relationships, harm our brand and business and could cause the market price of our Class A common stock to decline. Our failure to secure, protect and enforce our intellectual property rights could adversely affect our brand and our business.

Risks Related to Our Status as a Public Benefit Corporation and Ownership of Our Class A Common Stock

Our conversion to a Delaware public benefit corporation may not result in the benefits that we anticipate, requires our directors to balance the interest of stockholders with other interests, and may subject us to legal uncertainty and other risks.

On February 1, 2021, after approval by our stockholders, we became a Delaware public benefit corporation (PBC). There are a very limited number of publicly traded PBCs, we are the first publicly traded company to convert to a PBC, and we are the largest publicly traded company, as measured by revenue or market capitalization, to operate as a PBC. As a PBC, we have unique legal obligations. We are required to adopt and include in our certificate of incorporation a public benefit purpose that is intended to have positive effects on a category of persons, entities or communities other than stockholder financial interest. Our public benefit purpose is to provide products and services that are intended to help make the industries we serve more productive, and to create high-quality employment opportunities in the communities in which we operate. Further, as a PBC, our Board is required to balance our stockholders' pecuniary (financial) interests, the best interests of those materially affected by our conduct, and pursuit of our public benefit purpose. We have identified those materially affected by our conduct (which we refer to as stakeholders) as including our customers, our employees, our partners, and the communities in which we operate.

We believe that operating as a PBC is beneficial to our business and consistent with the long-term interests of stockholders, but the benefits we anticipate from operating as a PBC may not materialize within the timeframe we expect or at all, or there may be negative effects. Further, we may be unable or slow to achieve the public benefits we have identified or we may make balancing determinations that are ultimately harmful to our business or to stockholders, which could adversely affect our reputation, business, financial condition, and results of operations and cause our stock price to decline.

In the event of a conflict between the interests of our stockholders, our stakeholders, and our public benefit purpose, our directors must only make an informed and disinterested decision, and not such that no person of ordinary, sound judgment would approve. Our directors have significant latitude under this standard and there is no guarantee that a conflict would be resolved in favor of our stockholders. This balancing obligation may allow our directors to make decisions that they could not have made pursuant to the fiduciary duties applicable prior to our PBC conversion, and such decisions may not maximize short-term stockholder value. For instance, in a sale of control transaction, our board of directors would be required to consider and balance the factors listed above and might choose to accept an offer that does not maximize short-term stockholder value due to its consideration of other factors.

Further, there is limited legal precedent or guidance regarding how to administer our obligation to balance the interests of stockholders, stakeholders, and the pursuit of our public benefit purpose. While we expect that, in large part, traditional Delaware corporation law principles and the application of those principles in case law—including those related to self-dealing, conflicts of interest, and the application of the business judgment rule—will continue to apply with respect to Delaware PBCs, there is currently limited case law involving PBCs, which may create legal uncertainty or additional litigation risk until additional case law develops. Stockholders of a Delaware PBC (if they, individually or collectively, own at least the lesser of two percent of the company's outstanding shares or shares with a market value of at least \$2 million) may file suit to enforce the balancing obligation. Any such lawsuit might be a distraction to our management and board of directors, and could be costly, which may have an adverse impact on our financial condition and results of operations.

As a PBC, we are required to disclose to stockholders a report at least biennially on that includes our assessment of our success in achieving our specific public benefit purpose, and we have committed to providing this report annually and making it publicly available. If we are not timely or are unable to provide this report, or if the report is not viewed favorably, our reputation and status as a public benefit corporation may be harmed.

While we do not view the additional reporting obligations of a PBC to be onerous, Delaware's PBC statute may be amended in the future to require more explicit or burdensome periodic reporting requirements and that could increase our expenses. In addition, if the public perceives that we are not successful in our public benefit purpose, or that our pursuit of our public benefit purpose is having a negative effect on the financial interests of our stockholders, that perception could negatively affect our reputation, which could adversely affect our business and results of operations.

Our Class A common stock price has been and will likely continue to be volatile.

The trading price of our Class A common stock has been and will likely continue to be volatile for the foreseeable future. In addition, the trading prices of the securities of technology companies have been highly volatile. Accordingly, the market price of our Class A common stock is likely to be subject to wide fluctuations in response to numerous factors, many of which are beyond our control. In addition to those risks described in this "Risk Factors" section, other factors could impact the value of our common stock, including:

- fluctuations in the valuation of companies perceived by investors to be comparable to us, such as high-growth or cloud companies, or in valuation metrics, such as our price to revenues ratio;
- overall performance of the stock market;
- changes in our financial, operating or other metrics, regardless of whether we consider those metrics as reflective of the current state or long-term prospects of our business, and how those results compare to securities analyst expectations, including whether those results fail to meet, exceed, or significantly exceed securities analyst expectations;
- changes in the forward-looking estimates of our financial, operating, or other metrics, how those estimates compare to securities analyst expectations, or changes in recommendations by securities analysts that follow our Class A common stock;
- announcements of customer additions and customer cancellations or delays in customer purchases;
- the net increase in the number of customers, either independently or as compared to published expectations of industry, financial or other analysts that cover us;
- announcements by us or by our competitors of technological innovations, new solutions, enhancements to services, strategic alliances or significant agreements;
- announcements by us or by our competitors of mergers or other strategic acquisitions or rumors of such transactions;
- the economy as a whole and market conditions within our industry and the industries of our customers;
- macroeconomic and geopolitical factors and instability and volatility in the global financial markets, including as a result of the Russian invasion of Ukraine and continuing uncertainty surrounding the effects of COVID-19;
- the operating performance and market value of other comparable companies;
- securities or industry analysts downgrading our Class A common stock or publishing inaccurate or unfavorable research about our business;
- trading activity by directors, executive officers (in particular our Chief Executive Officer who holds a significant portion of our outstanding common stock), and other significant stockholders, or the perception in the market that the holders of a large number of shares intend to sell their shares; and
- any other factors discussed herein.

In addition, if the market for technology stocks or the stock market in general experiences uneven investor confidence, the market price of our Class A common stock could decline for reasons unrelated to our business, operating results or financial condition. The market price of our Class A common stock might also decline in reaction to events that affect other companies within, or outside, our industry even if these events do not directly affect us. Some companies that have experienced volatility in the trading price of their stock have been the subject of securities class action litigation. If we are the subject of such litigation, it could result in substantial costs and a diversion of our management's attention and resources.

The dual-class structure of our common stock has the effect of concentrating voting control with certain individuals and their affiliates, which will limit or preclude the ability of our investors to influence corporate matters and could depress the market value of our Class A common stock.

Our Class B common stock has ten votes per share, and our Class A common stock has one vote per share. As of January 31, 2022, our founder and Chief Executive Officer, Peter Gassner, holds approximately 45.8% of the voting power of our outstanding capital stock and holders of our Class B common stock hold approximately 51.4% of the voting power of our outstanding capital stock in the aggregate. Holders of our Class B common stock collectively control a majority of the combined voting power of our common stock and, assuming no material sales of such shares, will be able to control matters submitted to our stockholders for approval until October 15, 2023, including the election of directors, amendments of our organizational documents and any merger, consolidation, sale of all or substantially all of our assets or other major corporate transaction. This concentrated control will limit or preclude our investors' ability to influence corporate matters while the dual class structure is in effect. In addition, this may prevent or discourage unsolicited acquisition proposals or offers for our capital stock or may adversely affect the market price of our Class A common stock.

S&P Dow Jones and FTSE Russell have announced changes to their eligibility criteria for inclusion of shares of public companies with multiple classes of stock on certain indices, including the S&P 500. While this has not affected the inclusion of Veeva's Class A common stock in these indices to date, eligibility criteria of these indices and others may change in the future. In addition, several stockholder advisory firms have announced their opposition to the use of multiple class structures. As a result, the dual-class structure of our common stock may prevent the inclusion of our Class A common stock in such indices and may cause stockholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices could result in a less active trading market for our Class A common stock. Any actions or publications by stockholder advisory firms or other third-party ratings agencies critical of our corporate governance practices, capital structure, or other business practices could also adversely affect the value of our Class A common stock. In addition, several stockholder advisory firms have announced their opposition to the use of multiple class structures, and have updated their policies, effective in calendar 2023, to provide for no-vote recommendations against directors of companies with multiple class structures.

We do not intend to pay dividends on our capital stock for the foreseeable future, so any returns will be limited to changes in the value of our Class A common stock.

We have never declared or paid any cash dividends on our capital stock. We currently anticipate that we will retain future earnings for the development, operation, and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, our ability to pay cash dividends on our capital stock may be prohibited or limited by the terms of any future debt financing arrangement. Any return to stockholders will therefore be limited to the increase, if any, of the price of our Class A common stock.

Provisions in our certificate of incorporation and bylaws and Delaware law might discourage, delay or prevent a change in control of our company or changes in our management and, therefore, depress the market price of our Class A common stock.

Our restated certificate of incorporation and amended and restated bylaws contain provisions that could depress the market price of our Class A common stock by acting to discourage, delay, or prevent a change in control of our company or changes in our management that the stockholders of our company may deem advantageous. These provisions among other things:

- provide for a dual-class common stock structure until October 15, 2023, which gives our Chief Executive Officer and certain of our holders and their respective affiliates the ability to control the outcome of all matters requiring stockholder approval, even if they own significantly less than a majority of the shares of our outstanding Class A and Class B common stock;
- permit our board of directors to establish the number of directors;
- provide that directors may only be removed with the approval of 66-2/3% of our stockholders;
- require super-majority voting to amend some provisions in our restated certificate of incorporation and amended and restated bylaws;
- authorize the issuance of “blank check” preferred stock that our board of directors could use to implement a stockholder rights plan;
- eliminate the ability of our stockholders to call special meetings of stockholders;
- require our board of directors to consider and balance our stockholders’ pecuniary (financial) interests, the best interests of those materially affected by our conduct, and the pursuit of our public benefit purpose, which may, in turn, allow our board of directors to make a decision about a change of control transaction that does not maximize short-term stockholder value;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- provide that the board of directors is expressly authorized to make, alter, or repeal our amended and restated bylaws; and
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

In addition, Section 203 of the Delaware General Corporation Law may discourage, delay, or prevent a change in control of our company. Section 203 imposes certain restrictions on merger, business combinations, and other transactions between us and holders of 15% or more of our common stock.

Our certificate of incorporation and bylaws provide for exclusive forums for certain disputes between us and our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a breach of fiduciary duty, any action asserting a claim against us arising pursuant to the Delaware General Corporation Law or any action asserting a claim against us that is governed by the internal affairs doctrine. Our bylaws also provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the sole and exclusive forum for any action asserting a claim arising pursuant to the Securities Act, such a provision known as a “Federal Forum Provision.” Any person or entity purchasing or otherwise acquiring any interest in our shares of capital stock shall be deemed to have notice of and consented to these provisions.

These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees and may discourage these types of lawsuits. Alternatively, if a court were to find the choice of forum provision contained in our certificate of incorporation or bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results, and financial condition.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES.

We own our Pleasanton, California corporate headquarters, which currently accommodates our principal executive and significant portions of our product development, engineering, marketing, finance, and legal organizations. We expect that our corporate headquarters will support the overall growth of our business for the near term.

We also lease offices in various locations, including North America, Europe, Asia Pacific, and Latin America. We expect to expand our facilities capacity in certain field locations during our fiscal year ending January 31, 2023 and may further expand our facilities capacity after January 31, 2023 as our employee base grows. We believe that we will be able to obtain additional space on commercially reasonable terms. See note 11 of the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K for more information about our lease commitments.

ITEM 3. LEGAL PROCEEDINGS.

From time to time, we may be involved in legal proceedings and subject to claims incident to the ordinary course of business. For information regarding certain current legal proceedings, see note 15 of the notes to our consolidated financial statements, which is incorporated herein by reference. In addition to the legal proceedings referenced in note 15, we are involved in the following additional legal proceedings which may be material to our business.

California Non-Compete Matter

On July 17, 2017, we filed a complaint in the Superior Court of the State of California in the County of Alameda against Medidata, IQVIA, and Sparta Systems, Inc. (Veeva Systems Inc. v. Medidata Solutions, Inc., Quintiles IMS Incorporated, IMS Software Services, LTD., and Sparta Systems, Inc., Case No. RG17868081). Our lawsuit seeks declaratory and injunctive relief concerning the use of non-compete, confidentiality, and non-disparagement agreements by these companies. Since the original complaint was filed, there has been extensive motion practice. Among other things, Medidata and Sparta appealed the superior court's decisions finding that the case may proceed as to some causes of action, and Veeva cross-appealed the superior court's ruling that certain causes of action were barred under California law. On March 10, 2022, the California Court of Appeal affirmed the decision of the superior court, ruling that certain of Veeva's claims may proceed and certain of its claims may not. This decision is not yet final.

On October 31, 2019, as to Veeva's claims against IQVIA, the trial court's earlier dismissal was reversed by the court of appeals and the case was reassigned to a new trial court judge. On February 26, 2020, IQVIA answered our complaint. Discovery is proceeding.

Although the results of legal proceedings and claims cannot be predicted with certainty, we believe we are not currently a party to any other legal proceedings, the outcome of which, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows, or

financial position. Regardless of the outcome, such proceedings can have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors, and there can be no assurances that favorable outcomes will be obtained.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES.

Market Price of Class A Common Stock

Our Class A common stock is listed on the New York Stock Exchange under the symbol "VEEV."

Stockholders

As of January 31, 2022, we had 11 holders of record of our Class A common stock and 33 holders of record of our Class B common stock. The actual number of holders of Class A common stock is greater than this number of record holders and includes stockholders who are beneficial owners but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Recent Sales of Unregistered Securities

None.

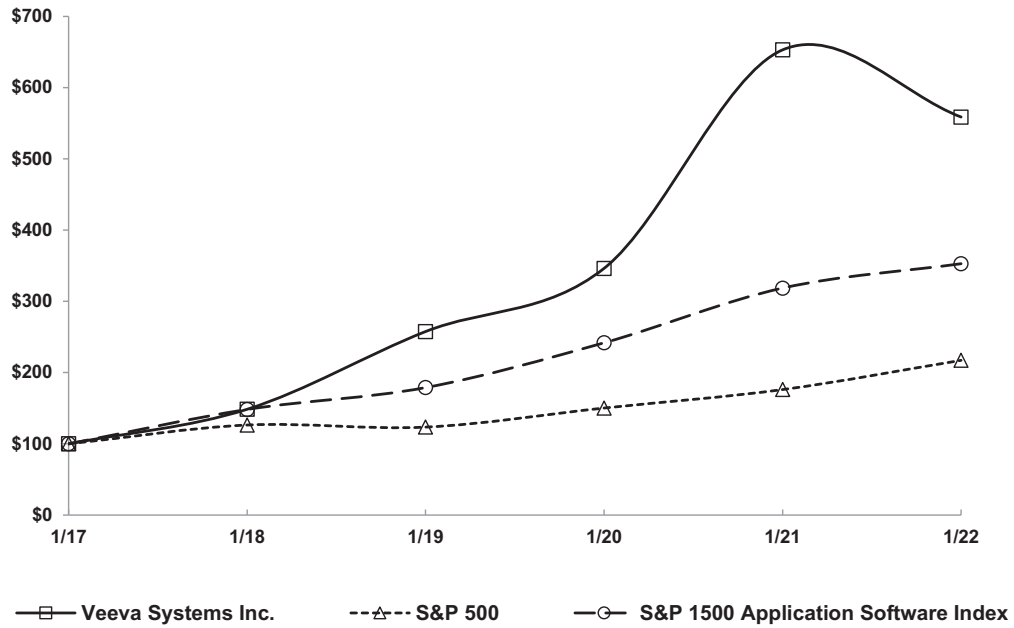
Stock Performance Graph

This performance graph shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), or incorporated by reference into any of our other filings under the Exchange Act or the Securities Act except to the extent we specifically incorporate it by reference into such filing.

This chart compares the cumulative total return on our common stock with that of the S&P 500 Index and the S&P 1500 Application Software Index. The chart assumes \$100 was invested at the close of market on January 31, 2017 in the Class A common stock of Veeva Systems Inc., the S&P 500 Index, and the S&P 1500 Application Software Index and assumes the reinvestment of any dividends. The stock price performance on the following graph is not necessarily indicative of future stock price performance.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Veeva Systems Inc., the S&P 500 Index,
and S&P 1500 Application Software Index



*\$100 invested on 1/31/17 in stock or index, including reinvestment of dividends.
Fiscal year ending January 31.

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	January 31,					
	2017	2018	2019	2020	2021	2022
Veeva Systems Inc.	100.00	148.50	257.64	346.35	653.06	558.80
S&P 500	100.00	126.41	123.48	150.26	176.18	217.21
S&P 1500 Application Software Index	100.00	148.30	178.97	241.85	318.66	352.87

ITEM 6. [RESERVED].

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and notes thereto appearing elsewhere in this report. In addition to historical consolidated financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties, and assumptions. Our actual results could differ materially from those anticipated by these forward-looking statements as a result of many factors. We discuss factors that we believe could cause or contribute to these differences below and elsewhere in this report, including those set forth under "Risk Factors" and "Special Note Regarding Forward-Looking Statements."

Overview

Veeva is the leading provider of industry cloud solutions for the global life sciences industry. We were founded in 2007 on the premise that industry-specific cloud solutions could best address the operating challenges and regulatory requirements of life sciences companies. Our offerings span cloud software, data, analytics, professional services, and business consulting and are designed to meet the unique needs of our customers and their most strategic business functions—from research and development to commercialization. Our solutions help life sciences companies develop and bring products to market faster and more efficiently, market and sell more effectively, and maintain compliance with government regulations.

In our fiscal year ended January 31, 2022, we derived approximately 59% and 41% of our subscription services revenues and 56% and 44% of our total revenues from our Commercial Solutions and R&D Solutions, respectively. For the fiscal year ended January 31, 2021, we derived approximately 63% and 37% of our subscription services revenues and 61% and 39% of our total revenues from our Commercial Solutions and R&D Solutions, respectively. The contribution of subscription services revenues and total revenues associated with our R&D Solutions are expected to continue to increase as a percentage of subscription services revenues and total revenues in the future. We also offer certain of our R&D Solutions to industries outside the life sciences industry primarily in North America and Europe.

For our fiscal years ended January 31, 2022, 2021, and 2020, our total revenues were \$1,851 million, \$1,465 million, and \$1,104 million, respectively, representing year-over-year growth in total revenues of 26% in our fiscal year ended January 31, 2022, and 33% in our fiscal year ended January 31, 2021. For our fiscal years ended January 31, 2022, 2021, and 2020, our subscription services revenues were \$1,484 million, \$1,179 million, and \$896 million, respectively, representing year-over-year growth in subscription services revenues of 26% in our fiscal year ended January 31, 2022, and 32% in our fiscal year ended January 31, 2021. Please note that our total revenues and subscription services revenues for our fiscal year ended January 31, 2020 only included revenue contribution from the acquired Crossix and Physicians World businesses in the fourth quarter of that fiscal year. We expect the growth rate of our total revenues and subscription services revenues to decline in the future. We generated net income of \$427 million, \$380 million, and \$301 million for our fiscal years ended January 31, 2022, 2021, and 2020, respectively.

As of January 31, 2022, 2021, and 2020, we served 1,205, 993, and 861, customers, respectively. As of January 31, 2022, 2021, and 2020, we had 653, 572 and 523 Commercial Solutions customers, respectively, and 860, 664, and 538 R&D Solutions customers, respectively. These customer count totals are net of customer attrition during each period. The combined customer counts for Commercial Solutions and R&D Solutions exceed the total customer count in each year because some customers subscribe to products in both areas. Commercial Solutions consist of our cloud software, data, and analytics products built specifically to more efficiently and effectively commercialize our customers' products. R&D Solutions consist of our clinical, quality, regulatory, and safety products. Many of our applications for R&D are used by smaller, earlier stage, pre-commercial companies, some of which may not reach the commercialization stage. Thus, the potential number of R&D Solutions customers is higher than the potential number of Commercial Solutions customers.

Prior to the fiscal quarter ended October 31, 2021, we grouped our revenues into two product areas: Commercial Cloud and Vault. During the fiscal quarter ended October 31, 2021, we changed the product areas

under which we group revenues to Commercial Solutions and R&D Solutions to better align with how we manage our business and to reflect the principal functions served by our products. Specifically, revenues attributable to Vault PromoMats and Vault MedComms, applications used for commercial operations, are now reflected in Commercial Solutions. Prior period revenue balances have been adjusted to reflect the current period presentation of our product areas. There were no changes to the aggregate amounts reported within our consolidated statements of comprehensive income.

Our Conversion to PBC

On February 1, 2021, we became a Delaware public benefit corporation (PBC), and we amended our certificate of incorporation to include the following public benefit purpose: “to provide products and services that are intended to help make the industries we serve more productive, and to create high-quality employment opportunities in the communities in which we operate.” When making decisions, our directors have a fiduciary duty to balance the financial interests of stockholders, the best interests of other stakeholders materially affected by our conduct (including customers, employees, partners, and the communities in which we operate), and the pursuit of our public benefit purpose. For more information on our conversion to a PBC and associated risks, see “Risk Factors.”

The Continuing Impact of the COVID-19 Pandemic

The worldwide outbreak of COVID-19 has had and continues to have a widespread and unpredictable worldwide impact on our business operations, the life sciences industry, healthcare systems, financial markets, and the global economy. While the impact of COVID-19 on our operational and financial performance has not been materially negative to date, the future impact is uncertain and will depend on future developments, including the duration and spread of the outbreak, government responses to the pandemic, the rate of vaccinations, the impact on our customers, the impact on our employees, the extent of further adverse impacts to the economy, and the scale and pace of economic recovery and resumption of normal business activities, including the rollout of COVID-19 vaccines, the lifting of restrictions on movement, and the results of outbreaks and variants, all of which cannot be predicted with certainty.

In response to the COVID-19 outbreak, we shifted most of our customer, employee, and industry events to virtual-only experiences. We have also adopted a “Work Anywhere” policy, which generally gives employees the flexibility to work in an office or at home on any given day, with certain job-specific restrictions. Many of our customers continue to have travel restrictions and remote work measures, which may limit our ability to sell or provide professional services to them in the future. We continue to monitor and evaluate the impact of COVID-19 on our business, including when larger in-person events should resume. We expect to resume large in-person customer, employee, and industry events during the fiscal year ending January 31, 2023 but our plans could be disrupted.

Certain of our businesses were negatively impacted by COVID-19 in the past, and certain of our businesses may be negatively impacted by COVID-19 in the future. We may also experience requests from customers for lengthened payment terms or less favorable billing terms that could adversely impact our financial performance. Such requests to date have not been significant but may increase in the future. Due to our subscription-based business model, the effect of COVID-19, and any impact to our sales efforts, may not be fully reflected in our results of operations until future periods, if at all.

At the same time, COVID-19 has necessitated the adoption of digital communication channels and remote working technology within the life sciences industry at a rapid pace. This transition has accelerated the use and adoption of certain of our applications, including Veeva CRM Engage Meeting and Veeva CRM Approved Email, and that may continue in the future with respect to these and other of our Commercial Solutions and R&D Solutions that enable remote interactions.

Certain impacts of the COVID-19 pandemic and resulting changes in business practice may be enduring over the long term and may result in significant changes in business practice within the technology industry, the life

sciences industry, and the world economy generally. For example, the extent to which remote work will remain common practice or become increasingly prevalent after the COVID-19 pandemic ends is not certain and may have significant impacts on hiring practices, management practices, expense structures and investments, and other aspects of our business and the businesses of our customers. Similarly, the extent to which virtual meetings and interactions continue to be used or preferred in lieu of in-person interactions may significantly change business practices for us and our customers, and, in turn, may impact demand for our products and services. For example, if our customers reduce sales representatives in response to an increasing preference for virtual meetings with doctors, demand for our core CRM application may decline. In the quarter ended October 31, 2020, we disclosed that we expected life sciences companies to reduce the number of sales representatives that they employ by roughly 10%. We currently expect most of these reductions to take place during our fiscal year ending January 31, 2023, with some reductions still occurring in our fiscal year ending January 31, 2024. Such reductions could negatively impact sales of our solutions, including Veeva CRM and certain of our other Commercial Solutions, but we cannot be certain such reductions will happen or of the timing or magnitude of such reductions. At the same time, demand for our products that enable virtual interactions with doctors and clinical trial participants may increase. We cannot accurately predict how such changes may impact Veeva's results over the long term.

Key Factors Affecting Our Performance

Investment in Growth.

We have invested and intend to continue to invest aggressively in expanding the breadth and depth of our product portfolio, including through acquisitions. We expect to continue to invest in research and development to expand existing solutions and build new solutions; in sales and marketing to promote our solutions to new and existing customers and in existing and expanded geographies and industries; in professional services and business consulting to help ensure customer success; and in other operational and administrative functions to support our expected growth. We expect that our headcount will increase as a result of these investments. We also expect our total operating expenses will continue to increase over time, which could have a negative impact on our operating margin.

Adoption of Our Solutions by Existing and New Customers.

Most of our customers initially deploy our solutions to a limited number of end users within a division or geography and may only initially deploy a limited set of our available solutions. Our future growth is dependent upon our existing customers' continued success and their renewals of subscriptions to our solutions, expanded deployment of our solutions within their organizations, and their purchase of subscriptions to additional solutions. Our growth is also dependent on the adoption of our solutions by new customers.

Subscription Services Revenue Retention Rate.

A key factor to our success is the renewal and expansion of our existing subscription agreements with our customers. We calculate our annual subscription services revenue retention rate for a particular fiscal year by dividing (i) annualized subscription revenue as of the last day of that fiscal year from those customers that were also customers as of the last day of the prior fiscal year by (ii) the annualized subscription revenue from all customers as of the last day of the prior fiscal year. Annualized subscription revenue is calculated by multiplying the daily subscription revenue recognized on the last day of the fiscal year by 365. This calculation includes the impact on our revenues from customer non-renewals, deployments of additional users or decreases in users, deployments of additional solutions or discontinued use of solutions by our customers, and price changes for our solutions. Historically, the impact of price changes on our subscription services revenue retention rate has been minimal. For our fiscal years ended January 31, 2022, 2021, and 2020, our subscription services revenue retention rate was 119%, 124%, and 121%, respectively.

Components of Results of Operations

Revenues

We derive our revenues primarily from subscription services fees and professional services fees. Subscription services revenues consist of fees from customers accessing our cloud-based software solutions and fees for our data solutions. Professional services and other revenues consist primarily of fees from implementation services, configuration, data services, training, and managed services related to our solutions and services related to our Veeva Business Consulting offering. For the fiscal year ended January 31, 2022, subscription services revenues constituted 80% of total revenues and professional services and other revenues constituted 20% of total revenues.

We generally enter into master subscription agreements with our customers and count each distinct master subscription agreement that has not been terminated or expired and that has orders for which we have recognized revenue in the quarter as a distinct customer for purposes of determining our total number of current customers as of the end of that quarter. We generally enter into a single master subscription agreement with each customer, although in some instances, affiliated legal entities within the same corporate family may enter into separate master subscription agreements. Conversely, affiliated legal entities that maintain distinct master service agreements may choose to consolidate their orders under a single master service agreement, and, in that circumstance, our customer count would decrease. Divisions, subsidiaries, and operating units of our customers often place distinct orders for our subscription services under the same master subscription agreement, and we do not count such distinct orders as new customers for purposes of determining our total customer count. For purposes of determining customers of Veeva Crossix that do not contract under a master subscription agreement, we count each entity that has a statement of work or services agreement and a recurring known payment obligation as a distinct customer if such entity is not otherwise a customer of ours. For Veeva Crossix, we do not count as distinct customers agencies contracting with us on behalf of brands within life sciences companies.

New subscription orders for our core Veeva CRM application generally have a one-year term. If a customer adds end users or additional Commercial Solutions to an existing order for our core Veeva CRM application, such additional orders will generally be coterminous with the anniversary date of the core Veeva CRM order, and as a result, orders for additional end users or additional Commercial Solutions will commonly have an initial term of less than one year.

Particularly with respect to our R&D Solutions, we have entered into a number of orders with multi-year terms. The fees associated with such orders are typically not based on the number of end-users and typically escalate over the term of such orders at a pre-agreed rate to account for, among other factors, implementation and adoption timing and planned increased usage by the customer. There are timing differences between billings and revenue recognition with respect to certain of our multi-year orders with escalating fees which will result in fluctuations in deferred revenue and unbilled accounts receivable balances. For instance, when the amounts we are entitled to invoice in any period pursuant to multi-year orders with escalating fees are less than the revenue recognized in accordance with relevant accounting standards, we will accrue an unbilled accounts receivable balance (a contract asset) related to such orders. In the same scenario, the net deferred revenue we would record in connection with such orders will be less because we will be recognizing more revenue earlier in the term of such multi-year orders.

Our subscription orders are generally billed at the beginning of the subscription period in annual or quarterly increments, which means the annualized value of such orders may not be completely reflected in deferred revenue at any single point in time. Also, particularly with respect to orders for our Commercial Solutions, because the term of orders for additional end users or applications is commonly less than one year, the annualized value of such orders may not be completely reflected in deferred revenue at any single point in time. We have also agreed from time to time, and may agree in the future, to allow customers to change the renewal dates of their orders to, for example, align more closely with a customer's annual budget process or to align with the renewal dates of other orders placed by other entities within the same corporate control group, or to change payment terms from annual to quarterly, or vice versa. Such changes typically result in an order of less

than one year as necessary to align all orders to the desired renewal date and, thus, may result in a lesser increase to deferred revenue than if the adjustment had not occurred. Additionally, changes in renewal dates may change the fiscal quarter in which deferred revenue associated with a particular order is booked. Accordingly, we do not believe that changes on a quarterly basis in deferred revenue, unbilled accounts receivable, or calculated billings, a metric commonly cited by financial analysts, are accurate indicators of future revenues for any given period of time. We define the term calculated billings for any period to mean revenue for the period plus the change in deferred revenue from the immediately preceding period minus the change in unbilled accounts receivable (contract asset) from the immediately preceding period.

Subscription services revenues are recognized ratably over the respective non-cancelable subscription term because of the continuous transfer of control to the customer. Our subscription services agreements are generally non-cancelable during the term, although customers typically have the right to terminate their agreements for cause in the event of material breach. Our agreements typically provide that orders will automatically renew unless notice of non-renewal is provided in advance. Subscription services revenues are affected primarily by the number of customers, the scope of the subscription purchased by each customer (for example, the number of end users or other subscription usage metric) and the number of solutions subscribed to by each customer.

We utilize our own personnel to perform our professional services and business consulting engagements with customers. In certain cases, we may utilize third-party subcontractors to perform professional services engagements. The majority of our professional services arrangements are billed on a time and materials basis and revenues are recognized over time based on time incurred and contractually agreed upon rates. Certain professional services and business consulting arrangements are billed on a fixed fee basis and revenues are typically recognized over time as the services are delivered based on time incurred. Data services and training revenues are generally recognized as the services are performed. Professional services revenues are affected primarily by our customers' demands for implementation services, configuration, data services, training, speakers bureau logistics, and managed services in connection with our solutions. Our business consulting revenues are affected primarily by our customers' demands for services related to a particular customer success initiative, strategic analysis, or business process change, and not a cloud software implementation.

Allocated Overhead

We accumulate certain costs such as building depreciation, office rent, utilities, and other facilities costs and allocate them across the various departments based on headcount. We refer to these costs as "allocated overhead."

Cost of Revenues

Cost of subscription services revenues for all of our solutions consists of expenses related to our computing infrastructure provided by third parties, including salesforce.com and Amazon Web Services, personnel related costs associated with hosting our subscription services and providing support, including our data stewards, data acquisition and third-party contractor costs related to the development of our data products, expenses associated with computer equipment and software, and allocated overhead. We intend to continue to invest additional resources in our subscription services to enhance our product offerings and increase our delivery capacity. We may add or expand computing infrastructure capacity in the future, migrate to new computing infrastructure service providers, make additional investments in the availability and security of our solutions, and make continued investments in data sources.

Cost of professional services and other revenues consists primarily of employee-related expenses associated with providing these services. The cost of providing professional services is significantly higher as a percentage of the related revenues than for our subscription services due to the direct labor costs and costs of third-party subcontractors.

Operating Expenses

Research and Development. Research and development expenses consist primarily of employee-related expenses, third-party consulting fees, hosted infrastructure costs, and allocated overhead. We continue to focus our research and development efforts on adding new features and applications and increasing the functionality and enhancing the ease of use of our cloud-based applications.

Sales and Marketing. Sales and marketing expenses consist primarily of employee-related expenses, sales commissions, marketing program costs, amortization expense associated with purchased intangibles related to our customer contracts, customer relationships and brand development, travel-related expenses and allocated overhead. Marketing program costs include advertising, customer events, corporate communications, brand awareness, and product marketing activities. Sales commissions are costs of obtaining customer contracts, which are capitalized and then amortized over a period of benefit that we have determined to be one to three years.

General and Administrative. General and administrative expenses consist of employee-related expenses for our executive, finance and accounting, legal, employee success, management information systems personnel, and other administrative employees. In addition, general and administrative expenses include fees related to third-party legal counsel, fees related to third-party accounting, tax and audit services, other corporate expenses, and allocated overhead.

Other Income, Net

Other income, net, consists primarily of transaction gains or losses on foreign currency, net of hedging costs, interest income, and amortization of premiums paid on investments.

Provision for Income Taxes

Provision for income taxes consists of federal and state income taxes in the United States and income taxes in certain foreign jurisdictions. See note 9 of the notes to our consolidated financial statements.

New Accounting Pronouncements Adopted in Fiscal 2022

Refer to note 1 of the notes to our consolidated financial statements for a full description of the recent accounting pronouncements adopted during the fiscal year ended January 31, 2022.

Recent Accounting Pronouncements

Reference Rate Reform

In March 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2020-04, Reference Rate Reform (Topic 848): *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides accounting relief from the future impact of the cessation of the London Interbank Offered Rate (“LIBOR”) by, among other things, providing optional expedients to treat contract modifications resulting from such reference rate reform as a continuation of the existing contract and for hedging relationships to not be de-designated resulting from such changes provided certain criteria are met. The guidance is effective beginning on March 12, 2020, and the amendments apply prospectively through December 31, 2022. We are currently in the process of incorporating fallback language in negotiated contracts and incorporating non-LIBOR reference rate and/or fallback language in new contracts to prepare for these changes. We do not expect the adoption of ASU 2020-04 to have a material impact on our consolidated financial statements.

Business Combinations

In October 2021, the FASB issued ASU No. 2021-08, *Business Combinations* (Topic 805): *Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured in accordance with Topic 606, *Revenue from Contracts with Customers*, as if the acquirer had originated the contracts. Under current

GAAP, such assets and liabilities are recognized by the acquirer at fair value on the acquisition date. The new standard is effective for our fiscal year beginning on February 1, 2023, with early adoption permitted. We are currently evaluating the accounting, transition, and disclosure requirements of this standard.

Results of Operations

The following tables set forth selected consolidated statements of operations data and such data as a percentage of total revenues for each of the periods indicated:

	Fiscal year ended January 31,	
	2022	2021
(in thousands)		
Consolidated Statements of Comprehensive Income Data:		
Revenues:		
Subscription services	\$1,483,976	\$1,179,486
Professional services and other	366,801	285,583
Total revenues	<u>1,850,777</u>	<u>1,465,069</u>
Cost of revenues ⁽¹⁾ :		
Cost of subscription services	224,911	184,589
Cost of professional services and other	278,767	224,339
Total cost of revenues	<u>503,678</u>	<u>408,928</u>
Gross profit	<u>1,347,099</u>	<u>1,056,141</u>
Operating expenses ⁽¹⁾ :		
Research and development	382,035	294,220
Sales and marketing	288,061	235,014
General and administrative	171,507	149,113
Total operating expenses	<u>841,603</u>	<u>678,347</u>
Operating income	505,496	377,794
Other income, net	<u>6,815</u>	<u>16,199</u>
Income before income taxes	512,311	393,993
Provision for income taxes	<u>84,921</u>	<u>13,995</u>
Net income	<u>\$ 427,390</u>	<u>\$ 379,998</u>

(1) Includes stock-based compensation as follows:

Cost of revenues:		
Cost of subscription services	\$ 4,795	\$ 4,840
Cost of professional services and other	36,293	27,698
Research and development	83,837	63,541
Sales and marketing	56,830	40,574
General and administrative	<u>52,881</u>	<u>48,348</u>
Total stock-based compensation	<u>\$234,636</u>	<u>\$185,001</u>

Fiscal Year Ended January 31, 2022 and 2021

The following is a discussion of our results of operations for the year ended January 31, 2022 compared to the year ended January 31, 2021. For a discussion of our results of operations for the year ended January 31, 2021 compared to the year ended January 31, 2020, please refer to Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended January 31, 2021, which is hereby incorporated by reference.

Revenues

	Fiscal year ended January 31,		% Change
	2022	2021	
	(dollars in thousands)		
Revenues:			
Subscription services	\$1,483,976	\$1,179,486	26%
Professional services and other	366,801	285,583	28%
Total revenues	<u>\$1,850,777</u>	<u>\$1,465,069</u>	26%
Percentage of revenues:			
Subscription services	80%	81%	
Professional services and other	20	19	
Total revenues	<u>100%</u>	<u>100%</u>	

Total revenues for the fiscal year ended January 31, 2022 increased \$386 million, of which \$304 million was from growth in subscription services revenues. The increase in subscription services revenues consisted of \$173 million of subscription services revenue attributable to R&D Solutions and \$132 million of subscription services revenue attributable to Commercial Solutions. The geographic mix of subscription services revenues was 57% from North America, 27% from Europe, and 16% from other locations, primarily Asia Pacific, for the fiscal year ended January 31, 2022, as compared to subscription services revenues of 56% from North America, 27% from Europe, and 17% from other locations, primarily Asia Pacific, for the fiscal year ended January 31, 2021.

Professional services and other revenues for the fiscal year ended January 31, 2022 increased \$81 million. The increase was primarily due to new customers requesting implementation and deployment related professional services and existing customers requesting professional services related to expanding deployments or the deployment of newly purchased solutions. The increased demand for professional services and the resulting increase in professional services revenues was weighted heavily towards implementation and deployments of our R&D Solutions. Demand for our Veeva Business Consulting services also contributed to the growth for the period. The geographic mix of professional services and other revenues was 61% from North America, 30% from Europe, and 9% from other locations, primarily Asia Pacific, for the fiscal year ended January 31, 2022 as compared to 62% from North America, 30% from Europe, and 8% from other locations, primarily Asia Pacific, for the fiscal year ended January 31, 2021.

Over time, we expect the proportion of our total revenues from professional services to decrease.

Costs and Expenses

	Fiscal year ended January 31,		% Change
	2022	2021	
(dollars in thousands)			
Cost of revenues:			
Cost of subscription services	\$ 224,911	\$ 184,589	22%
Cost of professional services and other	278,767	224,339	24%
Total cost of revenues	<u>\$ 503,678</u>	<u>\$ 408,928</u>	23%
Gross margin percentage:			
Subscription services	85%	84%	
Professional services and other	24%	21%	
Total gross margin percentage	73%	72%	
Gross profit	\$1,347,099	\$1,056,141	28%

Cost of revenues for the fiscal year ended January 31, 2022 increased \$95 million, of which \$40 million was related to cost of subscription services. The increase in cost of subscription services was primarily due to an increase of \$14 million in other computing infrastructure costs, the vast majority of which was for computing infrastructure provided by Amazon Web Services, and an increase of \$7 million in data acquisition costs related to the Veeva Data Cloud product offering. Additionally, there was an increase of \$6 million in costs of third-party contractors related to the development of our data products and an increase of \$5 million in fees paid to salesforce.com, driven by an increase in the number of end users of our Veeva CRM solutions, and an increase of \$5 million employee compensation-related costs. We expect cost of subscription services to increase in absolute dollars in the near term due to increased usage of our subscription services and increased data costs related to our Veeva Data Cloud offering.

Cost of professional services and other for the fiscal year ended January 31, 2022 increased \$54 million, primarily due to an increase of \$50 million in employee compensation-related costs (which includes an increase of \$9 million in stock-based compensation and the impact of a 5% increase in salaries that we implemented for the majority of our employees on September 1, 2021 in response to unusual inflationary pressure and the demand environment for skilled employees). We expect cost of professional services and other to increase in absolute dollars in the near term as we add personnel to our global professional services organization and as a result of compensation increases in response to labor market conditions and inflationary pressure.

Gross margin for the fiscal years ended January 31, 2022 and 2021 was 73% and 72%, respectively. The slight increase compared to the prior period is due primarily to a more favorable mix of products and services, including increased revenue from R&D Solutions products and services that have a higher gross margin profile.

Operating Expenses and Operating Margin

Operating expenses include research and development, sales and marketing, and general and administrative expenses. As we continue to invest in our growth through hiring, we expect operating expenses and stock-based compensation to increase in absolute dollars and to slightly increase as a percentage of revenue in the future.

Research and Development

	Fiscal year ended January 31,		% Change
	2022	2021	
	(dollars in thousands)		
Research and development	\$382,035	\$294,220	30%
Percentage of total revenues	21%	20%	

Research and development expenses for the fiscal year ended January 31, 2022 increased \$88 million, primarily due to an increase of \$83 million in employee compensation-related costs (which includes an increase of \$20 million in stock-based compensation). The increase in employee compensation-related costs is primarily driven by the increase in headcount during the period, as well as the 5% increase in salaries discussed above. The expansion of our headcount in research and development is to support development work for the products that we offer or may offer in the future.

We expect research and development expenses to increase in absolute dollars and as a percentage of revenue in the future, primarily due to higher headcount and compensation increases for the reasons discussed above as we continue to invest in our product offerings.

Sales and Marketing

	Fiscal year ended January 31,		% Change
	2022	2021	
	(dollars in thousands)		
Sales and marketing	\$288,061	\$235,014	23%
Percentage of total revenues	16%	16%	

Sales and marketing expenses for the fiscal year ended January 31, 2022 increased \$53 million, due to an increase in employee compensation-related costs (which includes an increase of \$16 million in stock-based compensation). The increase in employee compensation-related costs is primarily driven by the increase in headcount during the period, as well as the 5% increase in salaries discussed above.

We expect sales and marketing expenses to grow in absolute dollars in the future, primarily due to employee-related expenses as we increase our headcount to support our sales and marketing efforts associated with our product offerings, the impact of changes to our sales compensation plans, our continued expansion of our sales capacity across all our solutions, and as a result of compensation increases for the reasons discussed above. Additionally, we expect travel and entertainment costs to start to increase in the fiscal year ending January 31, 2023.

General and Administrative

	Fiscal year ended January 31,		% Change
	2022	2021	
	(dollars in thousands)		
General and administrative	\$171,507	\$149,113	15%
Percentage of total revenues	9%	10%	

General and administrative expenses for the fiscal year ended January 31, 2022 increased \$22 million, primarily due to an increase of \$13 million in employee compensation-related costs (which includes an increase of

\$5 million in stock-based compensation). The increase in employee compensation-related costs is primarily driven by the increase in headcount during the period, as well as the 5% increase in salaries discussed above. Additionally, there was an increase of \$5 million in professional services that primarily consisted of fees associated with on-going litigation.

We expect general and administrative expenses to continue to grow in absolute dollars in the future, primarily due to higher headcount, compensation increases for the reasons discussed above, investments in information technology infrastructure, and third-party fees, including fees associated with on-going litigation.

Other Income, Net

	Fiscal year ended January 31,		% Change
	2022	2021	
	(dollars in thousands)		
Other income, net	\$6,815	\$16,199	(58)%

Other income, net, for the fiscal year ended January 31, 2022 decreased \$9 million, primarily due to a decrease in interest income, net, of \$3 million, reflecting the lower interest rates on short-term investments, increases in amortization on investments of \$3 million, and increases of foreign currency loss of \$3 million.

We continue to experience foreign currency fluctuations primarily due to the impact resulting from the periodic re-measurement of our foreign currency balances that are denominated in currencies other than the functional currency of the entities in which they are recorded. Our results of operations are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Euro, Japanese Yen, Canadian Dollar, British Pound Sterling, Hungarian Forint, and Chinese Yuan. We may continue to experience favorable or adverse foreign currency impacts due to volatility in these currencies.

Provision for Income Taxes

	Fiscal year ended January 31,		% Change
	2022	2021	
	(dollars in thousands)		
Income before income taxes	\$512,311	\$393,993	30%
Provision for income taxes	\$ 84,921	\$ 13,995	507%
Effective tax rate	16.6%	3.6%	

The provision for income taxes differs from the tax computed at the U.S. federal statutory income tax rate due primarily to state taxes, tax credits, equity compensation, and foreign income subject to taxation in the United States. Future tax rates could be affected by changes in tax laws and regulations or by rulings in tax related litigation, as may be applicable. We will continue to identify and analyze other applicable changes in tax laws in the United States and abroad.

For the fiscal years ended January 31, 2022 and 2021, our effective tax rates were 16.6% and 3.6%, respectively. During the fiscal year ended January 31, 2022 as compared to the prior year period, our effective tax rate increased primarily due to a reduction in excess tax benefits related to equity compensation and an increase in valuation allowance within certain jurisdictions. We recognized such tax benefits in our provision for income taxes of \$56 million and \$81 million for the fiscal years ended January 31, 2022 and 2021, respectively.

Non-GAAP Financial Measures

In our public disclosures, we have provided non-GAAP measures, which we define as financial information that has not been prepared in accordance with generally accepted accounting principles in the United States, or GAAP. In addition to our GAAP measures, we use these non-GAAP financial measures internally for budgeting and resource allocation purposes and in analyzing our financial results.

For the reasons set forth below, we believe that excluding the following items provides information that is helpful in understanding our operating results, evaluating our future prospects, comparing our financial results across accounting periods, and comparing our financial results to our peers, many of which provide similar non-GAAP financial measures.

- Stock-based compensation expenses. We exclude stock-based compensation expenses primarily because they are non-cash expenses that we exclude from our internal management reporting processes. We also find it useful to exclude these expenses when we assess the appropriate level of various operating expenses and resource allocations when budgeting, planning, and forecasting future periods. Moreover, because of varying available valuation methodologies, subjective assumptions and the variety of award types that companies can use under FASB ASC Topic 718, we believe excluding stock-based compensation expenses allows investors to make meaningful comparisons between our recurring core business operating results and those of other companies.
- Amortization of purchased intangibles. We incur amortization expense for purchased intangible assets in connection with acquisitions of certain businesses and technologies. Amortization of intangible assets is a non-cash expense and is inconsistent in amount and frequency because it is significantly affected by the timing, size of acquisitions, and the inherent subjective nature of purchase price allocations. Because these costs have already been incurred and cannot be recovered, and are non-cash expenses, we exclude these expenses for internal management reporting processes. We also find it useful to exclude these charges when assessing the appropriate level of various operating expenses and resource allocations when budgeting, planning, and forecasting future periods. Investors should note that the use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well.
- Income tax effects on the difference between GAAP and non-GAAP costs and expenses. The income tax effects that are excluded relate to the imputed tax impact on the difference between GAAP and non-GAAP costs and expenses due to stock-based compensation and purchased intangibles for GAAP and non-GAAP measures.

Limitations on the Use of Non-GAAP Financial Measures

There are limitations to using non-GAAP financial measures because non-GAAP financial measures are not prepared in accordance with GAAP and may be different from non-GAAP financial measures provided by other companies.

The non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact upon our reported financial results. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which items are adjusted to calculate our non-GAAP financial measures. We compensate for these limitations by analyzing current and future results on a GAAP basis as well as a non-GAAP basis and also by providing GAAP measures in our public disclosures.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. We encourage investors and others to review our financial information in its entirety, not to rely on any single financial measure to evaluate our business, and to view our non-GAAP financial measures in conjunction with the most directly comparable GAAP financial measures.

The following table reconciles the specific items excluded from GAAP metrics in the calculation of non-GAAP metrics for the periods shown below:

	Fiscal year ended January 31,	
	2022	2021
	(in thousands)	
Operating income on a GAAP basis	\$505,496	\$ 377,794
Stock-based compensation expense	234,636	185,001
Amortization of purchased intangibles	18,520	20,007
Operating income on a non-GAAP basis	\$758,652	\$ 582,802
Net income on a GAAP basis	\$427,390	\$ 379,998
Stock-based compensation expense	234,636	185,001
Amortization of purchased intangibles	18,520	20,007
Income tax effect on non-GAAP adjustments ⁽¹⁾	(75,827)	(111,795)
Net income on a non-GAAP basis	\$604,719	\$ 473,211
Diluted net income per share on a GAAP basis	\$ 2.63	\$ 2.36
Stock-based compensation expense	1.45	1.15
Amortization of purchased intangibles	0.11	0.12
Income tax effect on non-GAAP adjustments ⁽¹⁾	(0.46)	(0.69)
Diluted net income per share on a non-GAAP basis	\$ 3.73	\$ 2.94

(1) For the fiscal years ended January 31, 2022 and 2021, we used an estimated annual effective non-GAAP tax rate of 21%

Liquidity and Capital Resources

	Fiscal year ended January 31,		
	2022	2021	2020
	(in thousands)		
Net cash provided by operating activities	\$ 764,463	\$ 551,246	\$ 437,375
Net cash used in investing activities	(346,152)	(333,634)	(516,910)
Net cash (used in) provided by financing activities	(4,140)	33,818	10,010
Effect of exchange rate changes on cash and cash equivalents	(4,657)	484	(2,856)
Net change in cash and cash equivalents	\$ 409,514	\$ 251,914	\$ (72,381)

Our principal sources of liquidity continue to be comprised of our existing cash, cash equivalents, and short-term investments, as well as cash flows generated from our operations. As of January 31, 2022, our cash, cash equivalents, and short-term investments totaled \$2.4 billion, of which \$97 million represented cash and cash equivalents held outside of the United States.

Our primary use of cash is payment of our operating costs, which consist primarily of employee-related expenses, such as compensation and benefits, as well as general operating expenses for marketing, facilities, and overhead costs. Long-term cash requirements for items other than normal operating expenses could include the following: the acquisition of businesses, software products, or technologies complementary to our business; and capital expenditures, including the purchase and implementation of internal-use software applications.

Our non-U.S. cash and cash equivalents have been earmarked for indefinite reinvestment in our operations outside the United States, except in certain designated jurisdictions that have an immaterial impact to our financial statements. As of January 31, 2022, we have not recorded any taxes, such as withholding taxes,

associated with the foreign earnings that are indefinitely reinvested outside of the United States. We believe our U.S. sources of cash and liquidity are sufficient to meet our business needs in the United States and do not expect that we will need to repatriate additional funds we have designated as indefinitely reinvested outside the United States. Under currently enacted tax laws, should our plans change and we were to choose to repatriate some or all of the funds we have designated as indefinitely reinvested outside the United States, such amounts may be subject to certain jurisdictional taxes.

We have financed our operations primarily through cash generated from operations. We believe our existing cash, cash equivalents, and short-term investments generated from operations will be sufficient to meet our working capital and capital expenditure needs over at least the next 12 months. Our future capital requirements will depend on many factors including our revenue growth rate, subscription renewal activity, the timing and extent of spending to support product development efforts, the expansion of sales and marketing activities, the ongoing investments in technology infrastructure, the introduction of new and enhanced solutions, and the continuing market acceptance of our solutions. We may in the future enter into arrangements to acquire or invest in complementary businesses, services and technologies, and intellectual property rights. We may be required to seek additional equity or debt financing for those arrangements or for other reasons. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, operating results, and financial condition would be adversely affected.

The following is a discussion of our cash flows for the year ended January 31, 2022 compared to the year ended January 31, 2021. For a discussion of our cash flows for the year ended January 31, 2021 compared to the year ended January 31, 2020, please refer to Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended January 31, 2021, which is hereby incorporated by reference.

Cash Flows from Operating Activities

Our largest source of operating cash inflows is cash collections from our customers for subscription services. We also generate significant cash flows from our professional services arrangements. The first quarter of our fiscal year is seasonally the strongest quarter for cash inflows due to the timing of our annual subscription billings and related collections. Our primary uses of cash from operating activities are for employee-related expenditures, expenses related to our computing infrastructure (including salesforce.com and Amazon Web Services), building infrastructure costs (including leases for office space), fees for third-party legal counsel and accounting services, and data acquisition costs. Note that our net income reflects the impact of excess tax benefits related to equity compensation.

Net cash provided by operating activities was \$764 million for the fiscal year ended January 31, 2022 compared to \$551 million provided by operating activities for the fiscal year ended January 31, 2021. The \$213 million increase in operating cash flow was primarily due to increased sales and the related cash collections. These increases were partially offset by larger operating expenses due to increases in headcount.

Our future cash flows from operating activities may be materially impacted as a result of the Tax Cuts and Jobs Act of 2017. The Tax Cuts and Jobs Act of 2017 eliminates the option to deduct research and development expenditures currently and requires taxpayers to capitalize and amortize them over five or fifteen years. Although Congress is considering legislation that would defer the amortization requirement to later years, we have no assurance that the provision will be so deferred, repealed or otherwise modified. If the requirement is not modified, it will materially reduce our cash flows beginning in fiscal 2023.

Cash Flows from Investing Activities

The cash flows from investing activities primarily relate to cash used for the purchase of marketable securities, net of maturities. We also use cash to invest in capital assets to support our growth.

Net cash used in investing activities was \$346 million for the fiscal year ended January 31, 2022 compared to \$334 million used in investing activities for the fiscal year ended January 31, 2021. The \$13 million increase in cash used in investing activities was primarily due to business acquisitions and an increase in investment in long-term assets of \$8 million and \$5 million, respectively.

Cash Flows from Financing Activities

The cash flows from financing activities relate primarily to stock option exercises offset by taxes paid on behalf of employees related to the net share settlement of RSUs. In June 2021, we began funding withholding taxes due on employee RSU awards by net share settlement, rather than our previous approach of requiring employees to either sell shares of our Class A common stock or pay the withholding taxes in cash to cover taxes due upon vesting of such awards.

Net cash used in financing activities was \$4 million for the fiscal year ended January 31, 2022 compared to \$34 million provided by financing activities for the fiscal year ended January 31, 2021. The \$38 million decrease is primarily related to \$55 million of cash used to pay employee taxes related to the net share settlement of RSUs, partially offset by an increase of \$52 million in proceeds from employee stock option exercises due to increased stock option activity during the period.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States (GAAP). In the preparation of these consolidated financial statements, we are required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related disclosures. On an ongoing basis, we evaluate our estimates and assumptions. Our actual results may differ from these estimates under different assumptions or conditions.

We believe that of our significant accounting policies, which are described in note 1 of the notes to the consolidated financial statements, the following accounting policies involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations.

Revenue Recognition

We derive our revenues primarily from subscription services and professional services. Some of our contracts with customers contain multiple performance obligations. The transaction price is allocated to the distinct performance obligations on a relative standalone selling price basis. Significant judgment is sometimes required in developing an estimate of the standalone selling price for each distinct performance obligation based on our overall pricing objectives, market conditions, and other factors, including other groupings such as customer type and geography. The standalone selling prices of our distinct performance obligations are reviewed on a periodic basis or when there are significant changes in facts and circumstances. Our pricing objectives, market conditions or other factors may change in the future resulting in changes to standalone selling prices that could impact the timing or amount of revenue recognition.

Business Combinations and Valuation of Acquired Intangible Assets

We allocate the purchase price of acquired companies to tangible and intangible assets acquired and liabilities assumed based upon their estimated fair values at the acquisition date. The purchase price allocation process requires management to make significant estimates and assumptions with respect to the valuation of intangible assets. Examples of critical estimates in valuing certain of the intangible assets we have acquired or may acquire in the future include but are not limited to future expected cash flows, future revenue growth, margins, customer retention rates, technology life, royalty rates, expected use of acquired assets, and discount rates. These factors are also considered in determining the useful life of the acquired intangible assets. These estimates are based in

part on historical experience, market conditions and information obtained from management of the acquired companies and are inherently uncertain. Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recorded.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Foreign Currency Exchange Risk

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Euro, Japanese Yen, Canadian Dollar, British Pound Sterling, Hungarian Forint, and Chinese Yuan, and may be adversely affected in the future due to changes in foreign currency exchange rates. We continue to experience foreign currency fluctuations primarily due to the periodic re-measurement of our foreign currency monetary account balances that are denominated in currencies other than the functional currency of the entities in which they are recorded. Changes in exchange rates may negatively affect our revenues and other operating results as expressed in U.S. dollars. For the fiscal years ended January 31, 2022, 2021 and 2020, we had foreign currency losses of \$1 million, gains of \$2 million, and losses of \$1 million, respectively.

We have experienced and will continue to experience fluctuations in our net income as a result of gains or losses related to revaluing certain current asset and current liability balances that are denominated in currencies other than the functional currency of the entities in which they are recorded. We engage in the hedging of our foreign currency transactions as described in note 8 of the notes to our consolidated financial statements and may, in the future, hedge selected significant transactions or net monetary exposure positions denominated in currencies other than the U.S. dollar.

Interest Rate Sensitivity

We had cash, cash equivalents and short-term investments totaling \$2.4 billion as of January 31, 2022. This amount was held primarily in demand deposit accounts, money market funds, U.S. treasury securities and agency obligations, corporate notes and bonds, asset-backed securities, commercial paper, foreign government bonds, and agency mortgage-backed securities. The cash and cash equivalents are held for working capital purposes. We do not enter into investments for trading or speculative purposes.

Our cash equivalents and our portfolio of marketable securities are subject to market risk due to changes in interest rates, which could affect our results of operations. Fixed rate securities may have their market value adversely affected due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. Due in part to these factors, our future investment income may fluctuate due to changes in interest rates or we may suffer losses in principal if we are forced to sell securities that decline in market value due to changes in interest rates. However, because we classify our marketable securities as “available for sale,” no gains or losses are recognized due to changes in interest rates unless such securities are sold prior to maturity or declines in fair value are determined to be other-than-temporary. Our fixed-income portfolio is subject to interest rate risk.

An immediate increase of 100-basis points in interest rates would have resulted in a \$13 million market value reduction in our investment portfolio as of January 31, 2022. An immediate decrease of 100-basis points in interest rates would have increased the market value by \$12 million as of January 31, 2022. This estimate is based on a sensitivity model that measures market value changes when changes in interest rates occur. Fluctuations in the value of our investment securities caused by a change in interest rates (gains or losses on the carrying value) are recorded in other comprehensive income, and are realized only if we sell the underlying securities.

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

VEEVA SYSTEMS INC.

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors

Veeva Systems Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Veeva Systems Inc. and subsidiaries (the Company) as of January 31, 2022 and 2021, the related consolidated statements of comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended January 31, 2022, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of January 31, 2022, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended January 31, 2022, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 31, 2022 based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Controls Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance

with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Evaluation of the sufficiency of audit evidence over revenue

As discussed in Note 1 to the consolidated financial statements, the Company recorded \$1,851 million of total revenues for the year ended January 31, 2022, of which \$1,484 million was subscription services related, and \$367 million was professional services related. Each of these categories of revenue has multiple service offerings, and the Company's process for revenue recognition differs between them.

We identified the evaluation of the sufficiency of audit evidence over revenue as a critical audit matter. Evaluating the nature and extent of audit evidence obtained over revenue for each service offering required subjective auditor judgment because of the multiple service offerings and the number of information technology (IT) applications involved in the revenue recognition processes.

The following are the primary procedures we performed to address the critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over revenue, including the determination of the revenue for service offerings. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's revenue recognition process. We assessed the recorded revenue by selecting transactions and comparing the amounts recognized for consistency with underlying documentation, including contracts with customers. We involved IT professionals with specialized skills and knowledge, who assisted in testing certain IT applications that are used by the Company in its revenue recognition process. In addition, we evaluated the sufficiency of audit evidence obtained over revenue by assessing the results of procedures performed, including the nature and extent of such evidence.

/s/ KPMG LLP

We have served as the Company's auditor since 2010.

Santa Clara, California

March 30, 2022

VEEVA SYSTEMS INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except number of shares and par value)

	January 31, 2022	January 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	\$1,138,040	\$ 730,504
Short-term investments	1,238,064	933,122
Accounts receivable, net of allowance for doubtful accounts of \$473 and \$193, respectively	631,134	564,387
Unbilled accounts receivable	63,266	47,206
Prepaid expenses and other current assets	36,679	35,607
Total current assets	3,107,183	2,310,826
Property and equipment, net	54,495	53,650
Deferred costs, net	33,106	42,072
Lease right-of-use assets	49,640	56,917
Goodwill	439,877	436,029
Intangible assets, net	101,940	114,595
Deferred income taxes	5,097	14,100
Other long-term assets	25,127	17,878
Total assets	<u>\$3,816,465</u>	<u>\$3,046,067</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 20,348	\$ 23,253
Accrued compensation and benefits	33,834	30,410
Accrued expenses and other current liabilities	36,109	30,982
Income tax payable	7,761	2,590
Deferred revenue	731,746	616,992
Lease liabilities	10,981	11,725
Total current liabilities	840,779	715,952
Deferred income taxes	2,216	1,835
Lease liabilities, noncurrent	43,607	51,393
Other long-term liabilities	18,226	10,567
Total liabilities	904,828	779,747
Commitments and contingencies (note 15)		
Stockholders' equity:		
Class A common stock, \$0.00001 par value; 800,000,000 shares authorized, 139,432,822 and 137,062,817 issued and outstanding at January 31, 2022 and January 31, 2021, respectively	2	2
Class B common stock, \$0.00001 par value; 190,000,000 shares authorized, 14,763,775 and 14,993,991 issued and outstanding at January 31, 2022 and January 31, 2021, respectively	—	—
Additional paid-in capital	1,196,547	965,670
Accumulated other comprehensive (loss) income	(11,958)	992
Retained earnings	1,727,046	1,299,656
Total stockholders' equity	2,911,637	2,266,320
Total liabilities and stockholders' equity	<u>\$3,816,465</u>	<u>\$3,046,067</u>

See Notes to Consolidated Financial Statements.

VEEVA SYSTEMS INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands, except per share data)

	Fiscal year ended January 31,		
	2022	2021	2020
Revenues:			
Subscription services	\$1,483,976	\$1,179,486	\$ 896,294
Professional services and other	366,801	285,583	207,787
Total revenues	<u>1,850,777</u>	<u>1,465,069</u>	<u>1,104,081</u>
Cost of revenues⁽¹⁾:			
Cost of subscription services	224,911	184,589	136,328
Cost of professional services and other	278,767	224,339	167,041
Total cost of revenues	<u>503,678</u>	<u>408,928</u>	<u>303,369</u>
Gross profit	<u>1,347,099</u>	<u>1,056,141</u>	<u>800,712</u>
Operating expenses⁽¹⁾:			
Research and development	382,035	294,220	209,895
Sales and marketing	288,061	235,014	190,331
General and administrative	171,507	149,113	114,267
Total operating expenses	<u>841,603</u>	<u>678,347</u>	<u>514,493</u>
Operating income	505,496	377,794	286,219
Other income, net	6,815	16,199	27,478
Income before income taxes	512,311	393,993	313,697
Provision for income taxes	84,921	13,995	12,579
Net income	<u>\$ 427,390</u>	<u>\$ 379,998</u>	<u>\$ 301,118</u>
Net income per share:			
Basic	<u>\$ 2.79</u>	<u>\$ 2.52</u>	<u>\$ 2.04</u>
Diluted	<u>\$ 2.63</u>	<u>\$ 2.36</u>	<u>\$ 1.90</u>
Weighted-average shares used to compute net income per share:			
Basic	<u>153,251</u>	<u>150,666</u>	<u>147,796</u>
Diluted	<u>162,277</u>	<u>160,732</u>	<u>158,296</u>
Other comprehensive income:			
Net change in unrealized (loss) gain on available-for-sale investments, net of tax	\$ (9,872)	\$ 985	\$ 2,388
Net change in cumulative foreign currency translation loss	(3,078)	(453)	(2,857)
Comprehensive income	<u>\$ 414,440</u>	<u>\$ 380,530</u>	<u>\$ 300,649</u>

(1) Includes stock-based compensation as follows:

Cost of revenues:			
Cost of subscription services	\$ 4,795	\$ 4,840	\$ 2,638
Cost of professional services and other	36,293	27,698	17,518
Research and development	83,837	63,541	37,001
Sales and marketing	56,830	40,574	27,537
General and administrative	52,881	48,348	31,212
Total stock-based compensation	<u>\$234,636</u>	<u>\$185,001</u>	<u>\$115,906</u>

See Notes to Consolidated Financial Statements.

VEEVA SYSTEMS INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share data)

	Class A & B common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total stockholders' equity
	Shares	Amount				
Balance at January 31, 2019	146,190,079	\$ 1	\$ 617,623	\$ 619,197	\$ 928	\$1,237,749
Cumulative effect adjustment for Topic 842 adoption ⁽¹⁾	—	—	—	(657)	—	(657)
Issuance of common stock upon exercise of stock options	1,665,778	—	10,899	—	—	10,899
Issuance of common stock upon vesting of restricted stock units	1,239,726	—	—	—	—	—
Replacement award value in connection with business combination	—	—	657	—	—	657
Stock-based compensation expense	—	—	116,296	—	—	116,296
Other comprehensive loss	—	—	—	—	(468)	(468)
Net income	—	—	—	301,118	—	301,118
Balance at January 31, 2020	149,095,583	\$ 1	\$ 745,475	\$ 919,658	\$ 460	\$1,665,594
Issuance of common stock upon exercise of stock options	1,839,723	1	34,815	—	—	34,816
Issuance of common stock upon vesting of restricted stock units	1,121,502	—	—	—	—	—
Stock-based compensation expense	—	—	185,380	—	—	185,380
Other comprehensive income	—	—	—	—	532	532
Net income	—	—	—	379,998	—	379,998
Balance at January 31, 2021	152,056,808	\$ 2	\$ 965,670	\$1,299,656	\$ 992	\$2,266,320
Issuance of common stock upon exercise of stock options	1,476,898	—	51,538	—	—	51,538
Issuance of common stock upon vesting of restricted stock units	854,536	—	—	—	—	—
Shares withheld related to net share settlement	(191,645)	—	(56,398)	—	—	(56,398)
Stock-based compensation expense	—	—	235,737	—	—	235,737
Other comprehensive loss	—	—	—	—	(12,950)	(12,950)
Net income	—	—	—	427,390	—	427,390
Balance at January 31, 2022	<u>154,196,597</u>	<u>\$ 2</u>	<u>\$1,196,547</u>	<u>\$1,727,046</u>	<u>\$(11,958)</u>	<u>\$2,911,637</u>

See Notes to Consolidated Financial Statements.

(1) We adopted Accounting Standards Update (ASU) 2016-02, "Leases" (Topic 842) using the modified retrospective method as of February 1, 2019 and elected the transition option that allows us not to restate the comparative periods in our financial statements in the year of adoption.

VEEVA SYSTEMS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal year ended January 31,		
	2022	2021	2020
Cash flows from operating activities			
Net income	\$ 427,390	\$ 379,998	\$ 301,118
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	27,448	29,455	19,859
Reduction of operating lease right-of-use assets	11,445	10,347	7,966
Amortization (accretion) of discount on short-term investments	6,264	3,134	(3,274)
Stock-based compensation	234,636	185,001	115,906
Amortization of deferred costs	26,050	20,677	20,521
Deferred income taxes	11,079	(1,048)	(6,663)
Gain on foreign currency from mark-to-market derivative	(782)	(365)	(120)
Bad debt expense (recovery)	272	(307)	244
Changes in operating assets and liabilities:			
Accounts receivable	(67,020)	(174,067)	(55,531)
Unbilled accounts receivable	(16,060)	(14,387)	(14,555)
Deferred costs	(17,084)	(27,164)	(25,237)
Prepaid expenses and other current and long-term assets	(2,910)	(12,424)	(2,700)
Accounts payable	(2,997)	754	2,813
Accrued expenses and other current liabilities	9,439	13,889	(15,230)
Income taxes payable	5,275	(3,023)	1,131
Deferred revenue	116,144	147,479	97,753
Operating lease liabilities	(11,607)	(9,129)	(7,480)
Other long-term liabilities	7,481	2,426	854
Net cash provided by operating activities	<u>764,463</u>	<u>551,246</u>	<u>437,375</u>
Cash flows from investing activities			
Purchases of short-term investments	(1,117,076)	(979,292)	(752,518)
Maturities and sales of short-term investments	792,918	654,341	688,091
Acquisitions, net of cash and restricted cash acquired	(7,780)	—	(448,162)
Long-term assets	(14,214)	(8,683)	(4,321)
Net cash used in investing activities	<u>(346,152)</u>	<u>(333,634)</u>	<u>(516,910)</u>
Cash flows from financing activities			
Changes in lease liabilities - finance leases	(384)	(1,039)	(984)
Proceeds from exercise of common stock options	51,538	34,857	10,994
Taxes paid related to net share settlement of equity awards	(55,294)	—	—
Net cash (used in) provided by financing activities	<u>(4,140)</u>	<u>33,818</u>	<u>10,010</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(4,657)	484	(2,856)
Net change in cash, cash equivalents, and restricted cash	409,514	251,914	(72,381)
Cash, cash equivalents, and restricted cash at beginning of period	731,711	479,797	552,178
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 1,141,225</u>	<u>\$ 731,711</u>	<u>\$ 479,797</u>
Cash, cash equivalents, and restricted cash at end of period:			
Cash and cash equivalents	\$ 1,138,040	\$ 730,504	\$ 476,733
Restricted cash included in other long-term assets	3,185	1,207	3,064
Total cash, cash equivalents, and restricted cash at end of period	<u>\$ 1,141,225</u>	<u>\$ 731,711</u>	<u>\$ 479,797</u>
Supplemental disclosures of other cash flow information:			
Cash paid for income taxes, net of refunds	\$ 58,627	\$ 18,096	\$ 14,289
Excess tax benefits from employee stock plans	\$ 56,172	\$ 80,661	\$ 50,411
Non-cash investing activities:			
Changes in accounts payable and accrued expenses related to property and equipment purchases	\$ (2,489)	\$ 3,165	\$ 567

See Notes to Consolidated Financial Statements.

VEEVA SYSTEMS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Business and Significant Accounting Policies

Description of Business

Veeva is the leading provider of industry cloud solutions for the global life sciences industry. We were founded in 2007 on the premise that industry-specific cloud solutions could best address the operating challenges and regulatory requirements of life sciences companies. Our offerings span cloud software, data, analytics, professional services, and business consulting and are designed to meet the unique needs of our customers and their most strategic business functions—from research and development (R&D) to commercialization. Our solutions help life sciences companies develop and bring products to market faster and more efficiently, market and sell more effectively, and maintain compliance with government regulations. Our Commercial Solutions help life sciences companies achieve better, more intelligent engagement with healthcare professionals and healthcare organizations across multiple communication channels, and plan and execute more effective media and marketing campaigns. Our R&D Solutions for the clinical, quality, regulatory, and safety functions help life sciences companies streamline their end-to-end product development processes to increase operational efficiency and maintain regulatory compliance throughout the product life cycle. We also bring the benefits of our content and data management solutions to a set of customers outside of life sciences in other regulated industries, including, for example, consumer goods, chemicals, and cosmetics. Our fiscal year end is January 31.

Principles of Consolidation and Basis of Presentation

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (GAAP) and applicable rules and regulations of the Securities and Exchange Commission (SEC) regarding annual financial reporting and include the accounts of our wholly-owned subsidiaries after elimination of intercompany accounts and transactions.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires us to make estimates, judgments and assumptions that affect the consolidated financial statements and the notes thereto. These estimates are based on information available as of the date of the consolidated financial statements. On a regular basis, management evaluates these estimates and assumptions. Items subject to such estimates and assumptions include, but are not limited to:

- the standalone selling price for each distinct performance obligation included in customer contracts with multiple performance obligations;
- the determination of the period of benefit for amortization of deferred costs;
- the realizability of deferred income tax assets and liabilities;
- the fair value of our stock-based awards.

As future events cannot be determined with precision, actual results could differ significantly from those estimates.

Segment Information

Operating segments are defined as components of an enterprise about which separate financial information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and assessing performance. We define the term “chief operating decision maker” to be our Chief Executive Officer. Our Chief Executive Officer reviews the financial information presented on a consolidated basis for purposes of allocating resources and evaluating our financial performance. Accordingly, we have determined that we operate in a single reportable operating segment. Since we operate in one operating segment, all required financial segment information can be found in the consolidated financial statements.

Revenue Recognition

We derive our revenues primarily from subscription services and professional services. Subscription services revenues consist of fees from customers accessing our cloud-based software solutions and fees for our data solutions. Professional services and other revenues consist primarily of fees from implementation services, configuration, data services, training, and managed services related to our solutions. Revenues are recognized when control of these services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those services.

We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, we satisfy a performance obligation.

Our subscription services agreements are generally non-cancelable during the term, although customers typically have the right to terminate their agreements for cause in the event of material breach.

Subscription Services Revenues

Subscription services revenues are recognized ratably over the respective non-cancelable subscription term because of the continuous transfer of control to the customer. Our subscription arrangements are considered service contracts, and the customer does not have the right to take possession of the software.

Professional Services and Other Revenues

The majority of our professional services arrangements are billed on a time and materials basis and revenues are recognized over time based on time incurred and contractually agreed upon rates. Certain professional services revenues are billed on a fixed fee basis and revenues are typically recognized over time as the services are delivered based on time incurred. Data services and training revenues are generally recognized as the services are performed.

Contracts with Multiple Performance Obligations

Some of our contracts with customers contain multiple performance obligations. For these contracts, we account for individual performance obligations separately when they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. We determine the standalone selling prices based on our overall pricing objectives, taking into consideration market conditions and other factors, including other groupings such as customer type and geography.

Deferred Costs

Deferred costs represents sales commissions associated with obtaining a contract with a customer. These costs are deferred and then amortized over a period of benefit that we have determined to be one to three years. We determined the period of benefit by taking into consideration the expected renewal period of our customer contracts, our technology and other factors. Amortization expense is included in sales and marketing expenses in the accompanying consolidated statements of comprehensive income.

Certain Risks and Concentrations of Credit Risk

Our revenues are derived from subscription services, professional services and other services delivered primarily to the life sciences industry. We operate in markets that are highly competitive and rapidly changing. Significant technological changes, shifting customer needs, the emergence of competitive products or services with new capabilities, and other factors could negatively impact our future operating results.

Our financial instruments that potentially subject us to concentration of credit risk consist primarily of cash and cash equivalents, short-term investments and trade accounts receivable. Our cash equivalents and short-term investments are held by established financial institutions. We have established guidelines relative to credit ratings, diversification and maturities that seek to maintain safety and liquidity. Deposits in these financial institutions may significantly exceed federally insured limits.

We do not require collateral from our customers and generally require payment within 30 days to 60 days of billing.

The following customers individually exceeded 10% of total accounts receivable as of the dates shown:

	January 31,	
	2022	2021
Customer 1	10%	12%
Customer 2	10%	*

* Does not exceed 10%.

No single customer represented over 10% of our total revenues for any of the years presented.

Cash Equivalents

We consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Short-term Investments

Our short-term investments are classified as available-for-sale and recorded at estimated fair value. Unrealized gains and losses for available-for-sale securities are included in accumulated other comprehensive income, a component of stockholders' equity. We evaluate our investments to assess whether those with unrealized loss positions are other than temporarily impaired. We consider impairments to be other than temporary if they are related to deterioration in credit risk or if it is likely we will sell the securities before the recovery of their cost basis. Realized gains and losses and declines in value judged to be other than temporary are determined based on the specific identification method and are reported in other income, net, in the consolidated statements of comprehensive income. Interest, amortization of premiums, and accretion of discount on all short-term investments are also included as a component of other income, net, in the consolidated statements of comprehensive income.

We may sell our short-term investments at any time, without significant penalty, for use in current operations or for other purposes, even if they have not yet reached maturity. As a result, we classify our investments, including securities with maturities beyond 12 months, as current assets in the accompanying consolidated balance sheets.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount, net of allowance for doubtful accounts, which is not material.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets and commences once the asset is placed in service or ready for its intended use. Land is not depreciated. The estimated useful lives by asset classification are as follows:

Building	30 years
Land and building improvements	10 years (land improvements) and estimated useful life of building (building improvements)
Equipment and computers	3 years
Furniture and fixtures	5 years
Leasehold improvements	Shorter of remaining life of the lease term or estimated useful life

Leases

We have operating leases for corporate offices. Additionally, we are the sublessor for certain office space.

We adopted Accounting Standards Update (ASU) 2016-02 “Leases” (Topic 842) using the modified retrospective method as of February 1, 2019 with an immaterial amount of cumulative effect adjustment recorded to our retained earnings. Subsequent to our adoption of Topic 842, we recognize lease right-of-use assets and liabilities at the commencement date based on the present value of lease payments over the lease term. We use an estimate of our discount rate based on the information available at the lease commencement date in determining the present value of lease payments, unless the implicit rate is readily determinable. The lease right-of-use assets also include any lease payments made and exclude lease incentives such as tenant improvement allowances. Options to extend or terminate the lease are included in the lease term when it is reasonably certain that we will exercise the extension or termination option.

Our operating leases typically include non-lease components such as common-area maintenance costs. We have elected to exclude non-lease components from lease payments for the purpose of calculating lease right-of-use assets and liabilities and these are expensed as incurred as variable lease payments.

Leases with a term of one year or less are not recognized on our consolidated balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term.

Internal-Use Software

We capitalize certain costs incurred for the development of computer software for internal use. We capitalize these costs during the development of the project, when it is determined that it is probable that the project will be completed and the software will be used as intended. Costs related to preliminary project activities, post-implementation activities, training, and maintenance are expensed as incurred. Internal-use software is amortized on a straight-line basis over its estimated useful life of three years, and the amortization expense is recorded as a component of cost of subscription services. Management evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

Goodwill and Intangible Assets

Goodwill is tested for impairment annually in the fourth quarter of each year or if circumstances indicate the carrying value of goodwill is impaired.

We have one reporting unit and evaluate goodwill for impairment at the entity level. We completed our annual impairment test in our fourth quarter of the fiscal year ended January 31, 2022, which resulted in no impairment of the goodwill balance.

All other intangible assets associated with purchased intangibles, consisting of existing technology, databases, customer relationships, software, trade names and trademarks, data supplier and partner relationships, non-competition agreements, brand, and backlog are stated at cost less accumulated amortization and are amortized on a straight-line basis over their estimated remaining economic lives. Amortization expense related to existing technology, databases, data supplier and partner relationships, software, and backlog is included in cost of subscription services. Amortization expense related to customer relationships, trade names and trademarks, and brand are included in sales and marketing expense. Amortization expense related to non-competition agreements are included in both general and administrative and research and development expense.

Long-Lived Assets

Long-lived assets, such as property and equipment and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, we first compare undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. There were no impairment charges recognized during any of the periods presented.

Business Combinations

The purchase price in a business combination is assigned to the estimated acquisition date fair values of the tangible and intangible assets acquired and the liabilities assumed with the residual recorded as goodwill. Critical estimates in valuing certain of the intangible assets include, but are not limited to, the net present value of future expected cash flows, future revenue growth, margins, customer retention rates, technology life, royalty rates, expected use of acquired assets, and discount rates.

Stock-based Compensation

We recognize compensation expense for all stock-based awards, including stock options and restricted stock units (RSUs), based on the estimate of fair value of the award at the grant date. The fair value of each option award is estimated on the grant date using either a Black-Scholes option-pricing model or a Monte Carlo simulation, to the extent market conditions exist, and a single option award approach. These models require that at the date of grant we determine the fair value of the underlying common stock, the expected term of the award, the expected volatility of the price of our common stock, risk-free interest rates, and expected dividend yield of our common stock. The fair value of each RSU award is measured based on the closing stock price of our common stock on the date of grant. We account for forfeitures as they occur. The compensation expense is recognized using a straight-line basis over the requisite service periods of the awards, which is one to five years for RSUs and four to nine years for stock options.

Cost of Revenues

Cost of subscription services revenues consists of expenses related to our computing infrastructure provided by third parties, including salesforce.com and Amazon Web Services, personnel-related costs associated with hosting our subscription services and providing support including our data stewards, data acquisition costs, and allocated overhead, amortization expense associated with capitalized internal-use software related to our subscription services, and amortization expense associated with purchased intangibles related to our subscription services. Cost of subscription services revenues for Veeva CRM and certain of our multichannel customer relationship management applications include fees paid to salesforce.com for our use of the Salesforce Platform and the associated hosting infrastructure and data center operations that are provided by salesforce.com.

Cost of professional services and other revenues consists primarily of employee-related expenses associated with providing these services, including salaries, benefits and stock-based compensation expense, the cost of third-party subcontractors, travel costs, and allocated overhead.

Advertising Expenses

Advertising expenditures are expensed as incurred and were immaterial for each of the years presented.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

We regularly assess the realizability of our deferred tax assets and establish a valuation allowance if it is more likely than not that some or all of our deferred tax assets will not be realized. We evaluate and weigh all available positive and negative evidence such as historic results, future reversals of existing deferred tax liabilities, projected future taxable income, as well as prudent and feasible tax-planning strategies. Generally, more weight is given to objectively verifiable evidence such as the cumulative income in recent years.

We establish liabilities or reduce assets for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining whether the weight of available evidence indicates that it is more likely than not that the position will be sustained upon an audit, including resolution of related appeals or litigation processes, if any. The second step requires us to measure the tax benefit as the largest amount that is more likely than not to be realized upon ultimate settlement. We recognize interest accrued and penalties related to unrecognized tax benefits as a component of provision for income taxes.

Foreign Currency Exchange

Adjustments resulting from translating financial statements for those entities that do not have U.S. dollars as their functional currency are recorded as part of a separate component of the consolidated statements of comprehensive income. All assets and liabilities denominated in currencies other than U.S. dollars are translated into the U.S. dollar functional currency at the exchange rate on the balance sheet date. Revenues and expenses are translated at the average exchange rate during the period. Equity transactions are translated using historical exchange rates. Foreign currency transaction gains and losses are included in the consolidated statements of comprehensive income for the period.

Indemnification

Our contracts generally include provisions for indemnifying customers against liabilities if our solutions infringe a third party's intellectual property rights, and we may also incur liabilities if we breach the security and/or confidentiality obligations in our contracts. To date, we have not incurred any material costs, and we have not accrued any liabilities in the accompanying consolidated financial statements as a result of these obligations.

Loss Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

New Accounting Pronouncements Adopted in Fiscal 2022

Income Taxes

In December 2019, the Financial Accounting Standards Board (FASB) issued ASU No. 2019-12, “*Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*” which simplifies accounting guidance for certain tax matters. We adopted this standard effective February 1, 2021. The adoption of this new standard did not have a material impact on our consolidated financial statements.

Note 2. Acquisitions

Crossix

On November 1, 2019, we acquired 100% ownership of Crossix in exchange for total consideration of \$428 million, which includes the impact of adjustments to purchase price associated with the cash and net working capital of the acquired entity at close. In addition, we granted certain Crossix employees equity retention awards valued at approximately \$120 million in the aggregate, which will be expensed as share-based compensation over the remaining service period. Crossix brings Veeva additional depth in patient data and data analytics. Crossix’s existing data analytics offerings are complementary to our existing Commercial Cloud offerings, and we are using the Crossix Data Platform to build our Veeva Data Cloud offerings.

The following table summarizes the estimated fair values of the assets acquired, useful lives, and liabilities assumed at the acquisition date (in thousands):

	Useful life	Fair value
Net assets acquired		\$ 4,766
Identifiable intangible assets:		
Customer relationships	10 years	70,100
Existing technology	6 years	19,200
Trade name and trademarks	5 years	13,200
Other intangibles	1 to 7 years	6,000
Total purchased intangible assets		108,500
Goodwill		314,642
Total purchase consideration		\$ 427,908

The following unaudited pro forma information presents the combined results of operations for the periods presented as if the acquisition had been completed on February 1, 2019, the beginning of the comparable prior annual reporting period. The unaudited pro forma results include the amortization associated with estimates for the purchased intangible assets and stock-based compensation expense associated with the retention awards granted.

The unaudited pro forma results do not reflect any cost saving synergies from operating efficiencies or the effect of the incremental costs incurred in integrating the two companies. Accordingly, these unaudited pro forma results are presented for information purpose only and are not necessarily indicative of what the actual results of operations of the combined company would have been if the acquisition had occurred at the beginning of the period presented, nor are they indicative of future results of operations (in thousands):

	Fiscal Year Ended January 31, 2020
Pro forma revenues	\$ 1,153,497
Pro forma net income	\$ 278,215
Pro forma net income per share:	
Basic	\$ 1.88
Diluted	\$ 1.76

Physicians World

On November 7, 2019, we completed our acquisition of Physicians World in exchange for total cash consideration of \$41 million, which includes the impact of adjustments to purchase price associated with the cash and net working capital of the acquired entity at close. In addition, we granted certain Physicians World employees equity retention awards valued at approximately \$15 million in the aggregate. The acquisition of Physicians World makes it easier for our customers to get industry leading cloud software and services from a single vendor. The legacy Physicians World business is now part of our Veeva Digital Events offerings. Pro forma results of operations have not been presented because the effect of this acquisition was not material to our consolidated financial statements.

The following table summarizes the estimated fair values of the assets acquired, useful lives, and liabilities assumed at the acquisition date (in thousands):

	Useful life	Fair value
Net assets acquired		\$ 1,221
Identifiable intangible assets:		
Customer relationships	10 years	\$ 7,700
Existing technology	6 years	3,300
Trade name and trademarks	5 years	700
Total purchased intangible assets		11,700
Goodwill		28,083
Total purchase consideration		\$ 41,004

Form 10-K

Note 3. Short-Term Investments

At January 31, 2022, short-term investments consisted of the following (in thousands):

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Available-for-sale securities:				
Certificates of deposits	\$ 13,500	\$ —	\$ (15)	\$ 13,485
Asset-backed securities	191,676	45	(1,432)	190,289
Commercial paper	29,432	—	(2)	29,430
Corporate notes and bonds	669,489	276	(5,856)	663,909
Foreign government bonds	24,577	13	(179)	24,411
U.S. agency obligations	27,978	12	(254)	27,736
U.S. treasury securities	290,513	46	(1,755)	288,804
Total available-for-sale securities	<u>\$ 1,247,165</u>	<u>\$ 392</u>	<u>\$ (9,493)</u>	<u>\$ 1,238,064</u>

At January 31, 2021, short-term investments consisted of the following (in thousands):

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Estimated fair value
Available-for-sale securities:				
Certificates of deposits	\$ 17,350	\$ 15	\$ (1)	\$ 17,364
Asset-backed securities	125,833	745	(2)	126,576
Commercial paper	57,390	8	(2)	57,396
Corporate notes and bonds	428,710	2,360	(23)	431,047
Foreign government bonds	31,855	45	(2)	31,898
U.S. agency obligations	52,756	119	—	52,875
U.S. treasury securities	215,379	587	—	215,966
Total available-for-sale securities	<u>\$ 929,273</u>	<u>\$ 3,879</u>	<u>\$ (30)</u>	<u>\$ 933,122</u>

The following table summarizes the estimated fair value of our short-term investments, designated as available-for-sale and classified by the contractual maturity date of the securities as of the dates shown (in thousands):

	January 31,	
	2022	2021
Due in one year or less	\$ 457,948	\$ 428,155
Due in greater than one year	780,116	504,967
Total short-term investments	<u>\$ 1,238,064</u>	<u>\$ 933,122</u>

We have not recorded an allowance for credit losses, as we believe any such losses would be immaterial based on the high credit quality of our investments. We intend to hold our securities to maturity and it is more likely than not we will hold these securities until recovery of the cost basis.

The following table shows the fair values of available-for-sale securities which were in an unrealized loss position, aggregated by investment category, as of January 31, 2022 (in thousands):

	Held for less than 12 months	
	Fair value	Gross unrealized losses
Certificates of deposits	\$ 5,985	\$ (15)
Asset-backed securities	177,056	(1,432)
Commercial paper	17,190	(2)
Corporate notes and bonds	571,099	(5,856)
Foreign government bonds	19,594	(179)
U.S. agency obligations	24,725	(254)
U.S. treasury securities	247,509	(1,756)

The following table shows the fair values of available-for-sale securities which were in an unrealized loss position, aggregated by investment category, as of January 31, 2021 (in thousands):

	Held for less than 12 months	
	Fair value	Gross unrealized losses
Certificates of deposits	\$ 3,749	\$ (2)
Asset-backed securities	3,318	(1)
Commercial paper	17,626	(2)
Corporate notes and bonds	29,558	(23)
Foreign government bonds	2,679	(2)

Asset values and gross unrealized losses of available-for-sale securities held for more than 12 months as of January 31, 2022 and 2021 were immaterial. There were no impairments considered other-than-temporary as of January 31, 2022 and 2021 as it is more likely than not we will hold these securities until recovery of the cost basis.

Note 4. Deferred Costs

Deferred costs, which consists of deferred sales commissions, were \$33 million and \$42 million as of January 31, 2022 and January 31, 2021, respectively. Amortization expense for the deferred costs included in sales and marketing expenses in the consolidated statements of comprehensive income was \$26 million, \$21 million, and \$21 million for the fiscal years ended January 31, 2022, 2021, and 2020, respectively. There have been no impairment losses recorded in relation to the costs capitalized for any period presented.

Note 5. Property and Equipment, Net

Property and equipment, net consists of the following as of the dates shown (in thousands):

	January 31,	
	2022	2021
Land	\$ 3,040	\$ 3,040
Building	20,984	20,984
Land improvements and building improvements	22,392	22,392
Equipment and computers	3,581	8,847
Furniture and fixtures	15,040	13,452
Leasehold improvements	19,002	13,945
Construction in progress	730	606
	<u>84,769</u>	<u>83,266</u>
Less accumulated depreciation	<u>(30,274)</u>	<u>(29,616)</u>
Total property and equipment, net	<u>\$ 54,495</u>	<u>\$ 53,650</u>

Total depreciation expense was \$7 million, \$9 million, and \$9 million for the fiscal years ended January 31, 2022, 2021, and 2020, respectively. Land is not depreciated.

Note 6. Goodwill and Intangible Assets

Goodwill was \$440 million and \$436 million as of January 31, 2022 and January 31, 2021, respectively. The following schedule presents the details of goodwill as of January 31, 2022 (dollar amounts in thousands):

Balance as of January 31, 2020	\$ 438,529
Purchase price goodwill reduction from Crossix tax adjustments	(2,500)
Balance as of January 31, 2021	<u>436,029</u>
Goodwill from business acquisitions	\$ 3,848
Balance as of January 31, 2022	<u>\$ 439,877</u>

The following schedule presents the details of intangible assets as of January 31, 2022 (dollar amounts in thousands):

	January 31, 2022			
	Gross carrying amount	Accumulated amortization	Net	Remaining useful life (in years)
Existing technology	\$ 28,580	\$ (12,187)	\$ 16,393	3.9
Customer relationships	113,157	(38,829)	74,328	7.0
Trade name and trademarks	13,900	(6,645)	7,255	2.8
Other intangibles	21,405	(17,441)	3,964	3.8
Total intangible assets	<u>\$ 177,042</u>	<u>\$ (75,102)</u>	<u>\$ 101,940</u>	

The following schedule presents the details of intangible assets as of January 31, 2021 (dollar amounts in thousands):

	January 31, 2021			Remaining useful life (in years)
	Gross carrying amount	Accumulated amortization	Net	
Existing technology	\$ 26,180	\$ (8,367)	\$ 17,813	4.8
Customer relationships	110,643	(27,741)	82,902	8.0
Trade name and trademarks	13,900	(4,005)	9,895	3.8
Other intangibles	20,453	(16,468)	3,985	5.1
Total intangible assets	<u>\$ 171,176</u>	<u>\$ (56,581)</u>	<u>\$ 114,595</u>	

Amortization expense associated with intangible assets was \$19 million, \$20 million, and \$10 million for the fiscal years ended January 31, 2022, 2021, and 2020 respectively.

As of January 31, 2022, the estimated amortization expense for intangible assets, for the next five years and thereafter is as follows (in thousands):

Fiscal 2023	\$ 19,463
Fiscal 2024	19,459
Fiscal 2025	18,557
Fiscal 2026	14,147
Fiscal 2027	8,922
Thereafter	21,392
Total	<u>\$ 101,940</u>

Note 7. Accrued Expenses

Accrued expenses consisted of the following as of the dates shown (in thousands):

	January 31,	
	2022	2021
Accrued commissions	\$ 8,556	\$ 7,498
Accrued bonus	4,677	4,134
Accrued vacation	5,546	4,716
Payroll tax payable	9,487	10,250
Accrued other compensation and benefits	5,568	3,812
Total accrued compensation and benefits	<u>\$ 33,834</u>	<u>\$ 30,410</u>
Accrued fees payable to salesforce.com	\$ 6,521	\$ 6,381
Taxes payable	9,743	13,598
Accrued third-party professional services subcontractors' fees	1,961	1,515
Other accrued expenses	17,884	9,488
Total accrued expenses and other current liabilities	<u>\$ 36,109</u>	<u>\$ 30,982</u>

Note 8. Fair Value Measurements

The carrying amounts of accounts receivable and other current assets, accounts payable, and accrued liabilities approximate their fair value due to their short-term nature.

Financial assets and liabilities recorded at fair value in the consolidated financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1—Observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Financial assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement requires management to make judgments and considers factors specific to the asset or liability.

The following table presents the fair value hierarchy for financial assets measured at fair value on a recurring basis as of January 31, 2022 (in thousands):

	Level 1	Level 2	Total
Assets			
Cash equivalents:			
Money market funds	\$428,411	\$ —	\$ 428,411
Corporate notes and bonds	—	5,853	5,853
Asset-backed securities	—	2,568	2,568
Short-term investments:			
Certificates of deposits	—	13,485	13,485
Asset-backed securities	—	190,289	190,289
Commercial paper	—	29,430	29,430
Corporate notes and bonds	—	663,909	663,909
Foreign government bonds	—	24,411	24,411
U.S. agency obligations	—	27,736	27,736
U.S. Treasury securities	—	288,804	288,804
Foreign currency derivative contracts	—	1,222	1,222
Total financial assets	\$428,411	\$1,247,707	\$1,676,118

The following table presents the fair value hierarchy for financial assets and liabilities measured at fair value on a recurring basis as of January 31, 2021 (in thousands):

	Level 1	Level 2	Total
Assets			
Cash equivalents:			
Money market funds	\$ 259,937	\$ —	\$ 259,937
U.S. Treasury securities	—	15,520	15,520
Short-term investments:			
Certificates of deposits	—	17,364	17,364
Asset-backed securities	—	126,576	126,576
Commercial paper	—	57,396	57,396
Corporate notes and bonds	—	431,047	431,047
Foreign government bonds	—	31,898	31,898
U.S. agency obligations	—	52,875	52,875
U.S. Treasury securities	—	215,966	215,966
Foreign currency derivative contracts	—	440	440
Total financial assets	\$ 259,937	\$949,082	\$1,209,019
Liabilities			
Foreign currency derivative contracts	\$ —	\$ 72	\$ 72
Total financial liabilities	\$ —	\$ 72	\$ 72

We determine the fair value of our security holdings based on pricing from our service providers and market prices from industry-standard independent data providers. The valuation techniques used to measure the fair value of financial instruments having Level 2 inputs were derived from non-binding consensus prices that are corroborated by observable market data or quoted market prices for similar instruments. Such market prices may be quoted prices in active markets for identical assets (Level 1 inputs) or pricing determined using inputs other than quoted prices that are observable either directly or indirectly (Level 2 inputs).

Balance Sheet Hedges

We enter into foreign currency forward contracts in order to hedge our foreign currency exposure. We account for derivative instruments at fair value with changes in the fair value recorded as a component of other income, net, in our consolidated statements of comprehensive income. Cash flows from such forward contracts are classified as operating activities. The realized foreign currency gains and losses were not material for any of the fiscal years ended January 31, 2022, 2021, and 2020.

The fair value of our outstanding derivative instruments is summarized below (in thousands):

	January 31,	
	2022	2021
Notional amount of foreign currency derivative contracts	\$ 87,097	\$ 52,516
Fair value of foreign currency derivative contracts	85,876	52,148

Derivatives not designated as hedging instruments are presented as components of the following balance sheet items for the periods shown as follows (in thousands):

		January 31,	
		2022	2021
	Balance sheet presentation		
Foreign currency derivative contracts - assets	Prepaid expenses and other current assets	\$1,222	\$440
Foreign currency derivative contracts - liabilities	Accrued expenses	—	72

Note 9. Income Taxes

The components of income before income taxes by U.S. and foreign jurisdictions were as follows for the periods shown (in thousands):

	Fiscal year ended January 31,		
	2022	2021	2020
United States	\$ 487,962	\$ 378,042	\$ 305,339
Foreign	24,349	15,951	8,358
Total	<u>\$ 512,311</u>	<u>\$ 393,993</u>	<u>\$ 313,697</u>

The majority of our revenues from international sales are invoiced from and collected by our U.S. entity and recognized as a component of income before taxes in the United States as opposed to a foreign jurisdiction.

Provision for income taxes consisted of the following for the periods shown (in thousands):

	Fiscal year ended January 31,		
	2022	2021	2020
Current provision:			
Federal	\$ 53,426	\$ 7,108	\$ 11,143
State	12,580	4,763	4,695
Foreign	7,837	2,825	3,404
Total current provision	<u>73,843</u>	<u>14,696</u>	<u>19,242</u>
Deferred provision:			
Federal	1,870	(816)	(1,063)
State	945	681	(517)
Foreign	8,264	(566)	(5,083)
Total deferred provision	<u>11,079</u>	<u>(701)</u>	<u>(6,663)</u>
Provision for income taxes	<u>\$ 84,921</u>	<u>\$ 13,995</u>	<u>\$ 12,579</u>

Provision for income taxes differed from the amount computed by applying the federal statutory income tax rate of 21% for each of the fiscal years ended January 31, 2022, 2021, and 2020 to income before income taxes as a result of the following for the periods shown (in thousands):

	Fiscal year ended January 31,		
	2022	2021	2020
Federal tax statutory tax rate	\$ 107,585	\$ 82,739	\$ 65,876
State taxes	11,035	4,401	3,035
Tax credits	(25,968)	(24,617)	(23,468)
Stock-based compensation	(29,715)	(54,488)	(34,569)
Valuation allowance	19,402	10,269	7,408
Foreign derived intangible income deduction (FDII)	(3,406)	(5,134)	(4,836)
Other ⁽¹⁾	5,988	825	(867)
Provision for income taxes	<u>\$ 84,921</u>	<u>\$ 13,995</u>	<u>\$ 12,579</u>

(1) Prior period balances were adjusted to conform with current period presentation.

The tax effects of temporary differences that give rise to significant portions of our deferred tax assets and liabilities related to the following (in thousands):

	January 31,	
	2022	2021
Deferred tax assets:		
Accruals and reserves	\$ 7,068	\$ 13,494
Capitalized expenditures	10,477	—
Stock-based compensation	16,615	11,486
Net operating loss carryforward	21,850	29,318
Tax credit carryforward	34,725	29,624
Lease liabilities	13,813	15,932
Other ⁽¹⁾	2,955	977
Gross deferred tax assets	107,503	100,831
Valuation allowance	(48,484)	(31,318)
Total deferred tax assets	<u>59,019</u>	<u>69,513</u>
Deferred tax liabilities:		
Intangible assets	(31,200)	(30,253)
Lease right-of-use assets	(12,497)	(14,438)
Deferred costs ⁽¹⁾	(10,552)	(11,481)
Other ⁽¹⁾	(1,889)	(1,076)
Total deferred tax liabilities	<u>(56,138)</u>	<u>(57,248)</u>
Net deferred tax assets	<u>\$ 2,881</u>	<u>\$ 12,265</u>

(1) Prior period balances were adjusted to conform with current period presentation.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The valuation allowance at the end of January 31, 2022 was primarily related to certain foreign and U.S. state deferred tax assets.

As of January 31, 2022, the net operating loss carryforwards for federal, state, and foreign income tax purposes were approximately \$48 million, \$69 million, and \$31 million, respectively. The federal net operating losses do not expire, while the state and foreign net operating losses begin to expire in 2031 and 2026, respectively.

As of January 31, 2022, we had \$54 million of California research and development tax credits available to offset future taxes which do not expire.

We evaluate tax positions for recognition using a more likely than not recognition threshold, and those tax positions eligible for recognition are measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon the effective settlement with a taxing authority that has full knowledge of all relevant information. We classify unrecognized tax benefits that are not expected to result in payment or receipt of cash within one year as “other non-current liabilities” in the consolidated balance sheets. As of January 31, 2022, the total amount of gross unrecognized tax benefits was \$25 million, of which \$14 million, if recognized, would favorably impact our effective tax rate. The aggregate changes in our total gross amount of unrecognized tax benefits are summarized as follows for the periods shown (in thousands):

	Fiscal year ended January 31,		
	2022	2021	2020
Beginning balance	\$ 18,628	\$ 14,515	\$ 12,597
Increases related to tax positions taken during the prior period	3,218	96	796
Increases related to tax positions taken during the current period	4,122	4,126	3,420
Decreases related to tax positions taken during the prior period	—	(51)	(128)
Audit settlements	(195)	—	—
Lapse of statute of limitations	(532)	(58)	(2,170)
Ending balance	\$ 25,241	\$ 18,628	\$ 14,515

Our policy is to classify interest and penalties associated with unrecognized tax benefits as a component of the provision for income taxes. Interest and penalties were not significant during fiscal year ended January 31, 2022.

We file tax returns in the United States for federal, California, and other states. Fiscal years ended January 31, 2017 and forward remain open to examination for federal income tax, and fiscal years ended January 31, 2018 and forward remain open to examination for California and other states. We file tax returns in multiple foreign jurisdictions. The fiscal years ended January 31, 2017 and forward remain open to examination in these foreign jurisdictions.

Note 10. Deferred Revenue, Performance Obligations, and Unbilled Accounts Receivable

From the deferred revenue balance at the beginning of the respective periods, we recognized \$605 million, \$464 million, and \$353 million of subscription services revenue during the fiscal years ended January 31, 2022, 2021, and 2020, respectively. Professional services revenue recognized in the same periods from the deferred revenue balances at the beginning of the respective periods was immaterial.

Transaction Price Allocated to the Remaining Performance Obligations

Transaction price allocated to the remaining performance obligations represents contracted revenue that has not yet been recognized, which includes deferred revenue and non-cancelable amounts that will be invoiced and recognized as revenues in future periods. We applied the practical expedient in accordance with ASU 2014-09, “*Revenue from Contracts with Customers*” (Topic 606) to exclude the amounts related to professional services contracts as these contracts generally have a remaining duration of one year or less.

As of January 31, 2022, approximately \$1,507 million of revenue is expected to be recognized from remaining performance obligations for subscription services contracts. We expect to recognize revenue on approximately 79% of these remaining performance obligations over the next 12 months, with the balance recognized thereafter.

Unbilled Accounts Receivable

Unbilled accounts receivable consists of (i) a receivable primarily for the revenue recognized for professional services performed but not yet billed, which was \$28 million and \$20 million as of January 31, 2022 and January 31, 2021, respectively, and (ii) a contract asset primarily for revenue recognized from non-cancelable, multi-year orders in which fees increase annually but for which we are not contractually able to invoice until a future period, which was \$36 million and \$27 million as of January 31, 2022 and January 31, 2021, respectively.

Note 11. Leases

We have operating leases for corporate offices. Our leases have various expiration dates through 2030, some of which include options to extend the leases for up to nine years. Additionally, we are the sublessor for certain office space. Our sublease income for the fiscal years ended January 31, 2022 and 2021 was immaterial.

For the fiscal years ended January 31, 2022, 2021, and 2020, our operating lease expense was \$14 million, \$13 million, and \$8 million, respectively.

Supplemental cash flow information related to leases was as follows (in thousands):

	Fiscal year ended January 31,	
	2022	2021
Cash paid for amounts included in the measurement of lease liabilities	\$ 13,800	\$ 11,401
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	3,848	12,214

Supplemental balance sheet information related to operating leases was as follows (in thousands, except lease term and discount rate):

	January 31,	
	2022	2021
Lease right-of-use assets	\$ 49,640	\$ 56,917
Lease liabilities	\$ 10,981	\$ 11,347
Lease liabilities, noncurrent	43,607	51,393
Total operating lease liabilities	\$ 54,588	\$ 62,740
Weighted Average Remaining Lease Term	6.0 years	6.7 years
Weighted Average Discount Rate	3.7%	3.8%

As of January 31, 2022, remaining maturities of operating lease liabilities are as follows (in thousands):

Fiscal 2023	\$ 12,143
Fiscal 2024	11,942
Fiscal 2025	8,951
Fiscal 2026	7,251
Fiscal 2027	6,316
Thereafter	14,674
Total operating lease payments	61,277
Less imputed interest	6,689
Total operating lease liabilities	\$ 54,588

Note 12. Stockholders' Equity

Common Stock

In connection with our initial public offering in October 2013 (IPO), we amended our certificate of incorporation to provide for Class A common stock, Class B common stock, and preferred stock. Immediately prior to the consummation of the IPO, all outstanding shares of convertible preferred stock and common stock were converted into shares of Class B common stock. As a result, following the IPO, we have two classes of authorized common stock: Class A common stock and Class B common stock.

As of January 31, 2022, we had 139,432,822 shares of Class A common stock and 14,763,775 shares of Class B common stock outstanding.

As of January 31, 2021, we had 137,062,817 shares of Class A common stock and 14,993,991 shares of Class B common stock outstanding.

Voting Rights

The holders of our Class B common stock are entitled to ten votes per share, and holders of our Class A common stock are entitled to one vote per share. The holders of our Class A common stock and Class B common stock vote together as a single class, unless otherwise required by our restated certificate of incorporation or by law. Delaware law could require either holders of our Class A common stock or our Class B common stock to vote separately as a single class in the following circumstances:

- if we were to seek to amend our restated certificate of incorporation to increase the authorized number of shares of a class of stock, or to increase or decrease the par value of a class of stock, then that class would be required to vote separately to approve the proposed amendment; and
- if we were to seek to amend our restated certificate of incorporation in a manner that alters or changes the powers, preferences, or special rights of a class of stock in a manner that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

Our restated certificate of incorporation requires the approval of a majority of our outstanding Class B common stock voting as a separate class for any transaction that would result in a change in control of our company.

Dividend Rights

Holders of outstanding shares of our common stock are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and only then at the times and in the amounts that our board of directors may determine. To date, no dividends have been declared or paid by us.

No Preemptive or Similar Rights

Our common stock is not entitled to preemptive rights and is not subject to conversion, redemption, or sinking fund provisions.

Right to Receive Liquidation Distributions

Upon our dissolution, liquidation, or winding-up, the assets legally available for distribution to our stockholders are distributable ratably among the holders of our common stock, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights and payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

Conversion Rights

Each outstanding share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon any transfer, whether or not for value, which occurs following the closing of our IPO, except for certain permitted transfers described in our restated certificate of incorporation, including transfers to any “permitted transferee” as defined in our restated certificate of incorporation, which includes, among others, transfers:

- to trusts, corporations, limited liability companies, partnerships, foundations or similar entities established by a Class B stockholder, provided that:
- such transfer is to entities established by a Class B stockholder where the Class B stockholder retains the exclusive right to vote and direct the disposition of the shares of Class B common stock; or
- such transfer does not involve payment of cash, securities, property, or other consideration to the Class B stockholder.

Once converted into Class A common stock, a share of Class B common stock may not be reissued.

All the outstanding shares of Class A and Class B common stock will convert automatically into shares of a single class of common stock upon the earliest to occur of the following: (i) upon the election of the holders of a majority of the then-outstanding shares of Class B common stock or (ii) October 15, 2023. Following such conversion, each share of common stock will have one vote per share and the rights of the holders of all outstanding common stock will be identical. Once converted into a single class of common stock, the Class A and Class B common stock may not be reissued.

Employee Equity Plans

Beginning in the fiscal quarter ended April 30, 2019, we implemented a new equity compensation program applicable to the vast majority of our employees but not applicable to our Chief Executive Officer (CEO). Prior to the adoption of the new equity compensation program, at the time of hire, our employees received a grant of RSUs that vested quarterly over 4 years and received additional equity from time to time thereafter. Under the new equity compensation program, the vast majority of our employees are granted both RSUs, which typically vest over a one-year period, and stock options, which typically vest over a four-year period.

2007 Stock Plan

Our board of directors adopted our 2007 Stock Plan (2007 Plan) in February 2007, and our stockholders approved it in February 2007. No further awards have been made under our 2007 Plan since the adoption of the 2012 Equity Incentive Plan. However, awards outstanding under our 2007 Plan will continue to be governed by their existing terms.

2012 Equity Incentive Plan

Our board of directors adopted our 2012 Equity Incentive Plan (2012 EIP) in November 2012, and our stockholders approved it in December 2012. An amendment and restatement of the 2012 EIP was approved by our board of directors in March 2013, and our stockholders approved it in March 2013. The 2012 EIP became effective on adoption and replaced our 2007 Plan. No further awards have been made under our 2012 EIP since the adoption of the 2013 Equity Incentive Plan. However, awards outstanding under the 2012 EIP will continue to be governed by their existing terms.

2013 Equity Incentive Plan

Our board of directors adopted our 2013 Equity Incentive Plan (2013 EIP) in August 2013, and our stockholders approved it in September 2013. The 2013 EIP became effective immediately on adoption although no awards were made under it until the date of our IPO on October 15, 2013, at which time our 2013 EIP replaced our 2012 EIP.

As of January 31, 2022, the number of shares of our Class A common stock available for issuance under the 2013 EIP was 38,720,277 plus any shares of our Class B common stock subject to awards under the 2012 EIP and the 2007 Plan that expire or lapse unexercised or, with respect to shares issued pursuant to such awards, are forfeited or repurchased by us after the date of our IPO on October 15, 2013. The number of shares available for issuance under the 2013 EIP automatically increases on the first business day of each of our fiscal years, commencing in 2014, by a number equal to the least of (a) 13.75 million shares, (b) 5% of the shares of all classes of our common stock outstanding on the last business day of the prior fiscal year, or (c) the number of shares determined by our board of directors. During our fiscal year ended January 31, 2022, our board of directors determined to add 6,082,272 shares of common stock to the 2013 EIP.

2013 Employee Stock Purchase Plan

Our Employee Stock Purchase Plan (ESPP) was adopted by our board of directors in August 2013 and our stockholders approved it in September 2013. The ESPP became effective as of our IPO registration statement on Form S-1, on October 15, 2013. Our ESPP is intended to qualify under Section 423 of the Internal Revenue Code of 1986, as amended (Code). The ESPP was approved with a reserve of 4 million shares of Class A common stock for future issuance under various terms provided for in the ESPP. As of January 31, 2022, the number of shares available for issuance under our ESPP was 4,897,856. The number of shares available for issuance under the ESPP automatically increases on the first business day of each of our fiscal years, commencing in 2014, by a number equal to the least of (a) 2.2 million shares, (b) 1% of the shares of all classes of our common stock outstanding on the last business day of the prior fiscal year or (c) the number of shares determined by our board of directors. During our fiscal year ended January 31, 2022, our board of directors determined no additional shares were to be made available for issuance under the ESPP.

During active offering periods, our ESPP permits eligible employees to acquire shares of our common stock at 85% of the lower of the fair market value of our Class A common stock on the first day of the applicable offering period or the fair market value of our Class A common stock on the purchase date. Participants may purchase shares of common stock through payroll deductions of up to 15% of their eligible compensation, subject to any plan limitations. The initial offering period for our ESPP commenced on the date of our initial public offering and ended on June 15, 2014. We have not had any open offering periods subsequent to the initial offering period.

Stock Option Activity

The 2007 Stock Plan and the 2012 EIP provided, and the 2013 EIP provides, for the issuance of incentive and nonstatutory options to employees, consultants and non-employee directors. Options issued under and outside of the 2007 Plan generally are exercisable for periods not to exceed 10 years and generally vest over four to five years. Options issued under the 2012 EIP and 2013 EIP generally are exercisable for periods not to exceed 10 years and generally vest over four years, with certain options vesting over five to nine years. A summary of stock option activity for the fiscal year ended January 31, 2022 is as follows:

	Number of shares	Weighted average exercise price	Weighted average remaining contractual term (in years)	Aggregate intrinsic value (in millions)
Options outstanding at January 31, 2021	12,761,289	\$ 57.48	5.0	\$ 2,794
Options granted	1,155,396	277.06		
Options exercised	(1,476,898)	34.90		
Options forfeited/cancelled	(349,265)	172.64		
Options outstanding at January 31, 2022	12,090,522	\$ 77.89	4.6	\$ 1,964
Options vested and exercisable at January 31, 2022	7,203,834	\$ 32.35	2.8	\$ 1,472
Options vested and exercisable at January 31, 2022 and expected to vest thereafter	12,090,522	\$ 77.89	4.6	\$ 1,964

The options granted during the fiscal year ended January 31, 2022 were predominantly made in connection with our annual performance review cycle. The weighted average grant-date fair value of options granted was \$108.42, \$71.86, and \$60.05 for the fiscal years ended January 31, 2022, 2021, and 2020, respectively.

As of January 31, 2022, there was \$229 million in unrecognized compensation cost related to unvested stock options granted under the 2012 Equity Incentive Plan and 2013 Equity Incentive Plan. This cost is expected to be recognized over a weighted average period of 2.6 years.

As of January 31, 2022, we had authorized and unissued shares of common stock sufficient to satisfy exercises of stock options.

Our closing stock price as reported on the New York Stock Exchange as of January 31, 2022, the last trading day of fiscal year 2022 was \$236.54. The total intrinsic value of options exercised was approximately \$363 million for the fiscal year ended January 31, 2022.

Stock Option Valuation Assumptions

The following table presents the weighted-average assumptions used to estimate the grant date fair value of options granted during the periods presented:

	Fiscal year ended January 31,		
	2022	2021	2020
Volatility	37% - 39%	39% - 42%	39% - 41%
Expected term (in years)	6.25	6.25 - 7.25	5.64 - 6.61
Risk-free interest rate	0.70% - 1.60%	0.33% - 1.43%	1.39% - 2.52%
Dividend yield	—%	—%	—%

Restricted Stock Units

The 2013 EIP provides for the issuance of RSUs to employees. RSUs issued under the 2013 EIP generally vest over one to five years. A summary of RSU activity for the fiscal year ended January 31, 2022 is as follows:

	Unreleased restricted stock units	Weighted average grant date fair value
Balance at January 31, 2021	1,032,215	\$ 121.98
RSUs granted	518,172	277.79
RSUs vested	(854,536)	173.01
RSUs forfeited / cancelled	(76,463)	175.88
Balance at January 31, 2022	<u>619,388</u>	<u>175.23</u>

As of January 31, 2022, there was a total of \$90 million in unrecognized compensation cost related to unvested RSUs. This cost is expected to be recognized over a weighted-average period of approximately 1.2 years. The total intrinsic value of RSUs vested was \$246 million for the fiscal year ended January 31, 2022.

Note 13. Other Income

Other income, net, consisted of the following (in thousands):

	Fiscal year ended January 31,		
	2022	2021	2020
Foreign currency (loss) gain	\$ (714)	\$ 2,275	\$ (708)
(Amortization) accretion on investments	(7,201)	(3,082)	3,001
Interest income, net	14,730	15,859	25,185
Miscellaneous income	—	1,147	—
Other income, net	<u>\$ 6,815</u>	<u>\$ 16,199</u>	<u>\$ 27,478</u>

Note 14. Net Income per Share

Basic net income per share is computed by dividing net income by the weighted-average number of shares of common stock outstanding during the period.

Diluted net income per share is computed by dividing net income by the weighted-average shares outstanding, including potentially dilutive shares of common equivalents outstanding during the period. The dilutive effect of potential shares of common stock are determined using the treasury stock method.

The computation of fully diluted net income per share of Class A common stock assumes the conversion from Class B common stock, while the fully diluted net income per share of Class B common stock does not assume the conversion of those shares.

The numerators and denominators of the basic and diluted net income per share computations for our common stock are calculated as follows (in thousands, except per share data):

	Fiscal year ended January 31,					
	2022		2021		2020	
	Class A	Class B	Class A	Class B	Class A	Class B
Basic						
Numerator						
Net income, basic	\$ 386,180	\$ 41,210	\$ 341,866	\$ 38,132	\$ 266,104	\$ 35,014
Denominator						
Weighted average shares used in computing net income per share, basic	138,474	14,777	135,547	15,119	130,610	17,186
Net income per share, basic	<u>\$ 2.79</u>	<u>\$ 2.79</u>	<u>\$ 2.52</u>	<u>\$ 2.52</u>	<u>\$ 2.04</u>	<u>\$ 2.04</u>
Diluted						
Numerator						
Net income, basic	\$ 386,180	\$ 41,210	\$ 341,866	\$ 38,132	\$ 266,104	\$ 35,014
Reallocation as a result of conversion of Class B to Class A common stock:						
Net income, basic	41,210	—	38,132	—	35,014	—
Reallocation of net income to Class B common stock						
	—	21,480	—	21,409	—	17,652
Net income, diluted	<u>\$ 427,390</u>	<u>\$ 62,690</u>	<u>\$ 379,998</u>	<u>\$ 59,541</u>	<u>\$ 301,118</u>	<u>\$ 52,666</u>
Denominator						
Number of shares used for basic net income per share computation	138,474	14,777	135,547	15,119	130,610	17,186
Conversion of Class B to Class A common stock	14,777	—	15,119	—	17,186	—
Effect of potentially dilutive common shares	9,026	9,026	10,066	10,066	10,500	10,500
Weighted average shares used in computing net income per share, diluted	<u>162,277</u>	<u>23,803</u>	<u>160,732</u>	<u>25,185</u>	<u>158,296</u>	<u>27,686</u>
Net income per share, diluted	<u>\$ 2.63</u>	<u>\$ 2.63</u>	<u>\$ 2.36</u>	<u>\$ 2.36</u>	<u>\$ 1.90</u>	<u>\$ 1.90</u>

Potential common share equivalents excluded where the inclusion would be anti-dilutive are as follows:

	Fiscal year ended January 31,		
	2022	2021	2020
Options and awards to purchase shares not included in the computation of diluted net income per share because their inclusion would be anti-dilutive	958,476	1,045,222	1,461,255

Note 15. Commitments and Contingencies

Litigation

IQVIA Litigation Matters

Veeva OpenData and Veeva Network Action.

On January 10, 2017, IQVIA Inc. (formerly Quintiles IMS Incorporated) and IMS Software Services, Ltd. (collectively, “IQVIA”) filed a complaint against us in the U.S. District Court for the District of New Jersey (IQVIA Inc. v. Veeva Systems Inc. (No. 2:17-cv-00177)) (OpenData and Network Action). In the complaint, IQVIA alleges that we used unauthorized access to proprietary IQVIA data to improve our software and data products and that our software is designed to steal IQVIA trade secrets. IQVIA further alleges that we have intentionally gained unauthorized access to IQVIA proprietary information to gain an unfair advantage in marketing our products and that we have made false statements concerning IQVIA’s conduct and our data

security capabilities. IQVIA asserts claims under both federal and state misappropriation of trade secret laws, federal false advertising law, and common law claims for unjust enrichment, tortious interference, and unfair trade practices. The complaint seeks declaratory and injunctive relief and unspecified monetary damages.

On March 13, 2017, we filed our answer denying IQVIA's claims and filed counterclaims. Our counterclaims allege that IQVIA, as the dominant provider of data for life sciences companies, has abused monopoly power to exclude Veeva OpenData and Veeva Network from their respective markets. The counterclaims allege that IQVIA has engaged in various tactics to prevent customers from using our applications and has deliberately raised costs and increased the difficulty of attempting to switch from IQVIA data to our data products. As amended, our counterclaims assert federal and state antitrust claims, as well as claims under California's Unfair Practices Act and common law claims for intentional interference with contractual relations, intentional interference with prospective economic advantage, and negligent misrepresentation. The counterclaims seek injunctive relief, monetary damages exceeding \$200 million, and attorneys' fees. On October 3, 2018, the court denied IQVIA's motion to dismiss our antitrust claims.

On February 18, 2020, IQVIA filed a motion for sanctions against Veeva, seeking default judgment and dismissal and, in the alternative, an adverse inference at trial related to discovery disputes. On May 7, 2021, the special master appointed to oversee litigation discovery ruled against IQVIA's request for default judgment and dismissal and ruled in IQVIA's favor with respect to certain other matters, including recommending to the trial judge that a permissive adverse inference instruction be issued to the jury with respect to certain documents that were not preserved by Veeva. Should the trial judge accept the recommendation, the jury would be permitted, but not required, to infer that certain evidence not preserved by Veeva would have been unfavorable to Veeva, if the jury first concludes that Veeva controlled the evidence, that the evidence was relevant, and that Veeva should have preserved the evidence. The jury is also likely to be instructed that it may also consider whether the non-preserved evidence was duplicative of other evidence produced by Veeva and whether Veeva's conduct was reasonable in light of all circumstances. Veeva was also ordered to pay IQVIA's fees and expenses incurred in connection with portions of its sanctions motion. On June 4, 2021, we appealed the special master's ruling and IQVIA's fee award to the federal district court judge.

Fact discovery is largely complete and we expect to complete expert discovery by November 2022. While it is not possible at this time to predict with any degree of certainty the ultimate outcome of this action, and we are unable to make a meaningful estimate of the amount or range of gain or loss, if any, that could result from the OpenData and Network Action, we believe that IQVIA's claims lack merit and that our counterclaims warrant injunctive relief and monetary damages for Veeva.

Veeva Nitro Action.

On July 17, 2019, IQVIA filed a lawsuit in the U.S. District Court for the District of New Jersey (IQVIA Inc. v. Veeva Systems Inc. (No. 2:19-cv-15517)) (IQVIA Declaratory Action) seeking a declaratory judgment that IQVIA is not liable to Veeva for disallowing use of IQVIA's data products in Veeva Nitro or any later-introduced Veeva software products. The IQVIA Declaratory Action does not seek any monetary relief.

On July 18, 2019, we filed a lawsuit against IQVIA in the U.S. District Court for the Northern District of California (Veeva Systems Inc. v. IQVIA Inc. (No. 3:19-cv-04137)) (Veeva Nitro Action), alleging that IQVIA engaged in anticompetitive conduct as to Veeva Nitro. Our complaint asserts federal and state antitrust claims, as well as claims under California's Unfair Competition Law and common law claims for intentional interference with contractual relations and intentional interference with prospective economic advantage. The complaint seeks injunctive relief and monetary damages. IQVIA filed its answer and affirmative defenses on September 5, 2019.

On September 26, 2019, the Northern District of California transferred the Veeva Nitro Action to the District of New Jersey (Veeva Systems Inc. v. IQVIA Inc. (No. 2:19-cv-18558)).

On March 24, 2020, we amended our complaint in the Veeva Nitro Action to include allegations of IQVIA's anticompetitive conduct as to additional Veeva software applications, such as Veeva Andi, Veeva Align, and Veeva Vault MedComms; additional examples of IQVIA's monopolistic behavior against Veeva Nitro; IQVIA's unlawful access of Veeva's proprietary software products; and a request for declaratory relief. IQVIA answered the amended complaint on May 22, 2020.

On August 21, 2020, the District of New Jersey consolidated the Veeva Nitro Action and IQVIA Declaratory Action, and stayed both actions pending conclusion of the OpenData and Network Action. On September 21, 2021, the court lifted the stay. We expect to complete fact discovery by June 2022, and to complete expert discovery by November 2022.

On March 22, 2022, IQVIA submitted a letter seeking permission to file a motion for partial judgment on the pleadings under Federal Rule of Civil Procedure 12(c). If filed, the motion would seek judgment against Veeva on four of five federal antitrust claims and the common law claim for intentional interference with contractual relations. The court has not ruled on IQVIA's request.

While it is not possible at this time to predict with any degree of certainty the ultimate outcome of this action, we believe that our claims warrant injunctive and declaratory relief and monetary damages for Veeva and against IQVIA.

Fee Arrangements Related to the IQVIA Litigation Matters. We have entered into partial contingency fee arrangements with certain law firms representing us in the IQVIA litigations. Pursuant to those arrangements, such law firms are entitled to an agreed portion of any damages we recover from IQVIA (Contingency Fees) or may be entitled to payment of additional fees from us based on the achievement of certain outcomes (Success Fees). While it is reasonably possible that we may incur such Success Fees, we are unable to make an estimate of any such liability and have not accrued any liability related to Success Fees at this time.

Medidata Litigation Matter

On January 26, 2017, Medidata Solutions, Inc. filed a complaint in the U.S. District Court for the Southern District of New York (*Medidata Solutions, Inc. v. Veeva Systems Inc. et al.* (No. 1:17-cv-00589)) against us and five individual Veeva employees who previously worked for Medidata ("Individual Employees"). The complaint alleged that we induced and conspired with the Individual Employees to breach their employment agreements, including non-compete and confidentiality provisions, and to misappropriate Medidata's confidential and trade secret information. The complaint sought declaratory and injunctive relief, unspecified monetary damages, and attorneys' fees. Medidata has since amended its complaint twice, asserting the same claims with additional factual allegations, and has voluntarily dismissed the Individual Defendants without prejudice.

Fact discovery is now completed. On April 24, 2020, Medidata filed a motion for partial summary judgment on its claims for trade secret misappropriation as well as several of Veeva's affirmative defenses. On May 15, 2020, we filed a motion for summary judgment on all of Medidata's claims. On February 9, 2021, the court issued its ruling granting summary judgment in favor of Veeva as to certain of Medidata's claims and in favor of Medidata as to certain of Veeva's affirmative defenses. The trial in this matter is currently set for July 18, 2022. While it is not possible at this time to predict with any degree of certainty the ultimate outcome of this action, and we are unable to make a meaningful estimate of the amount or range of loss, if any, that could result from any unfavorable outcome, we believe that Medidata's claims lack merit.

Other Litigation Matters

From time to time, we may be involved in other legal proceedings and subject to claims incident to the ordinary course of business. Although the results of such legal proceedings and claims cannot be predicted with certainty, we believe we are not currently a party to any other legal proceedings, the outcome of which, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating

results, cash flows or financial position. Regardless of the outcome, such proceedings can have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors, and there can be no assurances that favorable outcomes will be obtained.

Note 16. Revenues by Product

Prior to the fiscal quarter ended October 31, 2021, we grouped our revenues into two product areas: Commercial Cloud and Vault. During the fiscal quarter ended October 31, 2021, we changed the product areas under which we group revenues to Commercial Solutions and R&D Solutions to better align with how we manage our business and to reflect the principal functions served by our products. Commercial Solutions consist of our cloud software, data, and analytics products built specifically to more efficiently and effectively commercialize our customers' products. R&D Solutions consist of our clinical, quality, regulatory, and safety products. Specifically, revenues attributable to Vault PromoMats and Vault MedComms, applications used for commercial operations, are now reflected in Commercial Solutions.

The prior period revenue balances in the table below have been adjusted to reflect the current period presentation of our product areas. There were no changes to the aggregate amounts reported within our consolidated statements of comprehensive income.

Total revenues consist of the following (in thousands):

	Fiscal year ended January 31,		
	2022	2021	2020
Subscription services			
Commercial Solutions	\$ 876,458	\$ 744,856	\$ 593,562
R&D Solutions	607,518	434,630	302,732
Total subscription services	<u>1,483,976</u>	<u>1,179,486</u>	<u>896,294</u>
Professional services			
Commercial Solutions	165,086	142,003	103,825
R&D Solutions	201,715	143,580	103,962
Total professional services	<u>366,801</u>	<u>285,583</u>	<u>207,787</u>
Total revenues	<u>\$ 1,850,777</u>	<u>\$ 1,465,069</u>	<u>\$ 1,104,081</u>

Note 17. Information about Geographic Areas

We track and allocate revenues by principal geographic area rather than by individual country, which makes it impractical to disclose revenues for the United States or other specific foreign countries. We measure subscription services revenue primarily by the estimated location of the end users in each geographic area for our Commercial Solutions and primarily by the estimated location of usage in each geographic area for our R&D Solutions. We measure professional services revenue primarily by the location of the resources performing the professional services.

Total revenues by geographic area were as follows for the periods shown below (in thousands):

	Fiscal year ended January 31,		
	2022	2021	2020
North America	\$1,063,770	\$ 838,192	\$ 607,704
Europe	509,127	400,790	310,215
Asia Pacific	225,968	183,848	151,052
Middle East, Africa, and Latin America	51,912	42,239	35,110
Total revenues	<u>\$1,850,777</u>	<u>\$1,465,069</u>	<u>\$1,104,081</u>

Long-lived assets by geographic area are as follows as of the periods shown below (in thousands):

	January 31,	
	2022	2021
North America	\$45,625	\$46,285
Europe	6,135	5,525
Asia Pacific	1,335	1,359
Middle East, Africa, and Latin America	1,400	481
Total long-lived assets	<u>\$54,495</u>	<u>\$53,650</u>

Note 18. 401(k) Plan

We have a qualified defined contribution plan under Section 401(k) of the Internal Revenue Code covering eligible employees as well as a Registered Retirement Savings Plan (RRSP) for eligible employees in Canada. Under the 401(k) plan, we match up to \$2,000 per employee per year. Under the RRSP plan, we also match up to \$2,000 per employee per year. For the fiscal years ended January 31, 2022, 2021, and 2020, total expense related to these plans was \$7 million, \$6 million, and \$4 million, respectively.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES.

(a) Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of January 31, 2022. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the Securities and Exchange Commission’s (SEC) rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure. Based on the evaluation of our disclosure controls and procedures as of January 31, 2022, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

(b) Management’s Annual Report on Internal Controls Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our management conducted an assessment of the effectiveness of our internal control over financial reporting as of January 31, 2022 based on the criteria set forth in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the assessment, our management has concluded that our internal control over financial reporting was effective as of January 31, 2022 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. GAAP. Our independent registered public accounting firm, KPMG LLP, has issued an audit report with respect to our internal control over financial reporting, which appears in Part II, Item 8 of this Form 10-K.

(c) Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the fiscal quarter ended January 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

(d) Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been or would be detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all

potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

ITEM 9B. OTHER INFORMATION.

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not Applicable.

PART III.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The information required by this item will be contained in our definitive proxy statement to be filed with the Securities and Exchange Commission in connection with our 2022 annual meeting of stockholders (Proxy Statement), which we expect to file not later than 120 days after the end of our fiscal year ended January 31, 2022, and is incorporated in this report by reference.

ITEM 11. EXECUTIVE COMPENSATION.

The information required by this item will be set forth in the Proxy Statement, which we expect to file not later than 120 days after the end of our fiscal year ended January 31, 2022 and is incorporated in this report by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The information required by this item will be set forth in the Proxy Statement, which we expect to file not later than 120 days after the end of our fiscal year ended January 31, 2022 and is incorporated in this report by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

The information required by this item will be set forth in the Proxy Statement, which we expect to file not later than 120 days after the end of our fiscal year ended January 31, 2022 and is incorporated in this report by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

The information required by this item will be set forth in the Proxy Statement, which we expect to file not later than 120 days after the end of our fiscal year ended January 31, 2022 and is incorporated in this report by reference.

PART IV.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

- (a) *Documents Filed.* The following documents are filed as part of, or incorporated by reference into, this Form 10-K:
1. *Financial Statements.* See Index to Consolidated Financial Statements under Item 8 of this Form 10-K.
 2. *Financial Statement Schedules.* All schedules have been omitted because the information required to be presented in them is not applicable or is shown in the consolidated financial statements or related notes.
 3. *Exhibits.* We have filed, or incorporated into this Form 10-K by reference, the exhibits listed on the accompanying Exhibit Index immediately preceding the signature page of this Form 10-K.
- (b) *Exhibits.* See Item 15(a)(3) above.
- (c) *Financial Statement Schedules.* See Item 15(a)(2) above.

ITEM 16. FORM 10-K SUMMARY.

A Form 10-K summary is provided at the beginning of this document, with hyperlinked cross-references. This allows users to easily locate the corresponding items in this Form 10-K, where the disclosure is fully presented. The summary does not include certain Part III information that is incorporated by reference to the Proxy Statement.

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Restated Certificate of Incorporation of Veeva Systems Inc.	8-K	001-36121	3.1	6/28/2021	
3.2	Amended and Restated Bylaws of Veeva Systems Inc.	8-K	001-36121	3.2	6/28/2021	
4.1	Form of Registrant's Class A common stock certificate.	S-1/A	333-191085	4.1	10/3/2013	
4.2	Description of Capital Stock.					X
10.1	Data Processing Addendum, dated April 4, 2014, to Value-Added Reseller Agreement, between Registrant and salesforce.com, inc., as amended.	10-Q	001-36121	10.1	6/6/2014	
10.2	Purchase and Sale Agreement, dated June 11, 2014, between Registrant and The Duffield Family Foundation, as amended July 16, 2014.	10-Q	001-36121	10.1	9/11/2014	
10.3	Description of Non-Employee Director Compensation.	10-Q	001-36121	10.1	9/3/2021	
10.4*	Form of Indemnification Agreement between the Registrant and each of its directors and officers.	8-K	001-36121	10.1	2/1/2021	
10.5*	2007 Stock Plan and forms of agreements thereunder.	S-1	333-191085	10.2	9/11/2013	
10.6*	2012 Equity Incentive Plan and forms of agreements thereunder.	S-1	333-191085	10.3	9/11/2013	
10.7*	2013 Equity Incentive Plan and forms of agreements thereunder.	10-K	001-36121	10.7	3/30/2021	
10.8*	2013 Employee Stock Purchase Plan.	S-1/A	333-191085	10.5	10/3/2013	
10.9**	Amended and Restated Value-Added Reseller Agreement, dated September 2, 2010, between Registrant and salesforce.com, inc., as amended December 3, 2010, December 13, 2010, April 15, 2011, August 23, 2011, September 29, 2011, April 3, 2012 and May 24, 2012.	S-1/A	333-191085	10.7	9/20/2013	
10.10**	Eighth Amendment, dated March 3, 2014, to Amended and Restated Value-Added Reseller Agreement, dated September 2, 2010, between Registrant and salesforce.com, inc., as amended.	8-K	001-36121	10.1	3/4/2014	
10.11*	Offer letter, dated June 20, 2013, between Peter P. Gassner and the Registrant.	S-1	333-191085	10.8	9/11/2013	
10.12*	Offer letter, dated August 14, 2012, between Jonathan W. Faddis and the Registrant.	10-Q	001-36121	10.1	6/4/2015	
10.13	Data Processing Addendum, dated January 23, 2016, to Value-Added Reseller Agreement, between Registrant and salesforce.com, inc., as amended.	10-K	001-36121	10.17	3/31/2016	
10.14*	Offer letter, dated February 20, 2015, between Alan V. Mateo and the Registrant.	10-Q	001-36121	10.1	6/8/2016	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.15*	Offer letter, dated January 23, 2013, between E. Nitsa Zuppas and the Registrant.	10-Q	001-36121	10.2	6/8/2016	
10.16	Ninth Amendment, dated August 11, 2016, to Amended and Restated Value-Added Reseller Agreement, between salesforce.com, inc. and the Registrant, as amended.	10-Q	001-36121	10.1	9/8/2016	
10.17*	Offer Letter, dated January 15, 2016, between Frederic Lequient and the Registrant.	10-Q	001-36121	10.1	6/8/2017	
10.18*	2013 Equity Incentive Plan Forms of Notice of Stock Option Grants to Peter P. Gassner.	10-K	001-36121	10.22	3/30/2018	
10.19*	Offer Letter, dated March 17, 2019, between Tom Schwenger and the Registrant.	10-Q	001-36121	10.1	6/4/2020	
10.20*	Offer Letter, dated April 19, 2020, between Brent Bowman and the Registrant.	8-K	001-36121	10.1	8/31/2020	
21.1	List of Subsidiaries of Registrant.					X
23.1	Consent of KPMG LLP, Independent Registered Public Accounting Firm.					X
24.1	Power of Attorney (see page 101 of this Annual Report on Form 10-K).					X
31.1	Certification of Principal Executive Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.					X
31.2	Certification of Principal Financial Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended.					X
32.1†	Certification of Chief Executive Officer Required Under Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. §1350.					X
32.2†	Certification of Chief Financial Officer Required Under Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. §1350.					X
101.INS	XBRL Instance Document.					X
101.SCH	XBRL Taxonomy Schema Linkbase Document.					X
101.CAL	XBRL Taxonomy Calculation Linkbase Document.					X
101.DEF	XBRL Taxonomy Definition Linkbase Document.					X
101.LAB	XBRL Taxonomy Labels Linkbase Document.					X
101.PRE	XBRL Taxonomy Presentation Linkbase Document.					X
104	104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).					X

* Indicates a management contract or compensatory plan.

- ** Portions of this exhibit (indicated by asterisks) have been omitted pursuant to an order granting confidential treatment. Omitted portions have been submitted separately to the Securities and Exchange Commission (SEC).
- † The certifications attached as Exhibit 32.1 and 32.2 that accompany this Form 10-K are not deemed filed with the SEC and are not to be incorporated by reference into any filing of Veeva Systems Inc. under the Securities Act of 1933, as amended (Securities Act), or the Securities Exchange Act of 1934, as amended (Exchange Act), whether made before or after the date of this Form 10-K, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Pleasanton, State of California, on this 30th day of March, 2022.

Veeva Systems Inc.

By: /s/ BRENT BOWMAN

Brent Bowman
Chief Financial Officer
(Principal Financial Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Peter P. Gassner and Brent Bowman, and each of them, as his or her true and lawful attorney-in-fact and agent with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the SEC, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Peter P. Gassner</u> Peter P. Gassner	Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	March 30, 2022
<u>/s/ Brent Bowman</u> Brent Bowman	Chief Financial Officer <i>(Principal Financial Officer)</i>	March 30, 2022
<u>/s/ Michele O'Connor</u> Michele O'Connor	Chief Accounting Officer <i>(Principal Accounting Officer)</i>	March 30, 2022
<u>/s/ Tim Cabral</u> Tim Cabral	Director	March 30, 2022
<u>/s/ Mark Carges</u> Mark Carges	Director	March 30, 2022
<u>/s/ Paul Chamberlain</u> Paul Chamberlain	Director	March 30, 2022
<u>/s/ Ronald E.F. Codd</u> Ronald E.F. Codd	Director	March 30, 2022
<u>/s/ Mary Lynne Hedley</u> Mary Lynne Hedley	Director	March 30, 2022

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Priscilla Hung</u> Priscilla Hung	Director	March 30, 2022
<u>/s/ Nimrata Khatra Hunt</u> Nimrata Khatra Hunt	Director	March 30, 2022
<u>/s/ Marshall Mohr</u> Marshall Mohr	Director	March 30, 2022
<u>/s/ Gordon Ritter</u> Gordon Ritter	Chairman of the Board of Directors	March 30, 2022
<u>/s/ Paul Sekhri</u> Paul Sekhri	Director	March 30, 2022
<u>/s/ Matthew J. Wallach</u> Matthew J. Wallach	Director	March 30, 2022

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BOARD OF DIRECTORS

Gordon Ritter

Chairman of the Board

Tim Cabral

Mark Carges

Paul Chamberlain

Ron Codd

Peter Gassner

Mary Lynne Hedley

Priscilla Hung

Tina Hunt

Marshall Mohr

Paul Sekhri

Matt Wallach

COMPANY EXECUTIVE OFFICERS

Peter Gassner

Chief Executive Officer

Tom Schwenger

President and
Chief Operating Officer

Brent Bowman

Chief Financial Officer

Nitsa Zuppas

Chief Marketing Officer

Alan Mateo

Executive Vice President,
Global Sales

Josh Faddis

Senior Vice President,
General Counsel and
Corporate Secretary

Frederic Lequient

Senior Vice President,
Global Customer Services

CORPORATE HEADQUARTERS

Global Headquarters

4280 Hacienda Drive
Pleasanton, CA 94588
USA

Europe Headquarters

WTC Almeda Park, Building 2,
4th Floor, Plaza de la Pau s/n
08940 - Cornellà de Llobregat, Barcelona
Spain

China Headquarters

Suite 3206-3208, 32F Park Place
1601 W Nanjing Road
Jing An District
Shanghai 200040
China

Japan Headquarters

Ebisu Business Tower 5F
Ebisu 1-19-19, Shibuya Ku
Tokyo 150-0013
Japan

Asia Pacific Headquarters

Suite 18.01, Level 18
201 Miller Street
North Sydney NSW 2060
Australia

LATAM Headquarters

Rua Funchal 411,
Suites 73 & 74, Vila Olimpia
São Paulo 04551-060
Brazil

Crossix Headquarters

1375 Broadway, 3rd Floor
New York, NY 10018
USA

TRANSFER AGENT

American Stock Transfer & Trust Company, LLC

6201 15th Avenue
Brooklyn, NY 11219
USA

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP

Mission Towers I
3975 Freedom Circle
Suite 100
Santa Clara, CA 95054
USA

INVESTOR RELATIONS

For more information, and to obtain copies of this annual report and proxy statement free of charge, write to us at Corporate Secretary, Veeva Systems Inc., 4280 Hacienda Drive, Pleasanton, California 94588, USA; phone us at **+1-925-452-6500**; or visit our website at **www.veeva.com**.

VEEVA.COM