AGILE SOFTWARE CORP
Form DEF 14A
August 28, 2003
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SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF

THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

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

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

Agile Software Corporation

(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):

x No fee required

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

(2) Aggregate number of securities to which transaction applies:

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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Agile Software Corporation
6373 San Ignacio Avenue
San Jose, CA 95119-1200

Main: (408) 284-4000
Fax: (408) 284-4002
Email: info@agile.com

September 4, 2003

Dear Stockholder:

You are cordially invited to attend Agile Software Corporation s 2003 Annual Meeting of Stockholders, which will be held on Thursday, October 9, 2003 at 6373 San Ignacio Avenue, San Jose, California, Agile s new corporate headquarters.

Details of the business to be conducted at the Annual Meeting are provided in the attached Notice of Annual Meeting of Stockholders and Proxy Statement.

Included with the Proxy Statement is a copy of our Annual Report on Form 10-K for the fiscal year ended April 30, 2003. We encourage you to read the Form 10-K. It includes information on our operations, markets, products and services, as well as our audited financial statements.

Whether or not you attend the Annual Meeting, it is important that your shares be represented and voted at the meeting. Therefore, I urge you to promptly vote and submit your proxy by phone, via the Internet or by signing, dating, and returning the enclosed proxy card in the enclosed postage-paid envelope. If you decide to attend the Annual Meeting, you will be able to vote in person, even if you have previously submitted your proxy.

On behalf of the Board of Directors, I would like to express our appreciation for your continued interest in the affairs of Agile.

Sincerely,

Bryan D. Stolle

Chairman of the Board and Chief Executive Officer

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Agile Software Corporation
6373 San Ignacio Avenue
San Jose, CA 95119-1200

Main: (408) 284-4000
Fax: (408) 284-4002
Email: info@agile.com

Notice of Annual Meeting of Stockholders

To be held October 9, 2003

11:00 a.m. Pacific Time

Dear Stockholder:

The 2003 Annual Meeting of Stockholders of Agile Software Corporation will be held on Thursday, October 9, 2003 at 11:00 a.m. Pacific Time at 6373 San Ignacio Avenue, San Jose, California. The annual meeting is being held for the following purposes:

1. To elect two directors to hold office for a three-year term or until their respective successors are elected or appointed.
2. To ratify the selection of PricewaterhouseCoopers LLP as our independent auditors for the fiscal year ending April 30, 2004.
3. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

These items are fully discussed in the following pages, which are made part of this notice. Only stockholders of record on our books at the close of business on August 20, 2003 will be entitled to vote at the annual meeting. For ten days prior to the meeting, a complete list of stockholders entitled to vote will be available for inspection at our offices, 6373 San Ignacio Avenue, San Jose, California, 95119-1200, during ordinary business hours.

We request that you vote your shares as promptly as possible. You may vote your shares in a number of ways. You may mark your votes on the enclosed Proxy Card, date, sign and return the Proxy Card. If you have shares registered directly with our transfer agent, EquiServe, you may choose to vote those shares via the Internet at *www.eproxyvote.com/agil* or you may vote telephonically, within the U.S. and Canada only, by calling EquiServe at 1-877-PRX-VOTE, (1-877-779-8683). See Voting Via the Internet or By Telephone in the Proxy Statement for further details.

By Order of the Board of Directors,

Sam Laub

Secretary

San Jose, California

September 4, 2003

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VOTING THE PROXY CARD

If you wish to vote on the paper proxy card instead of via the Internet or by telephone, please complete, sign, date and return the accompanying proxy card promptly in the enclosed addressed envelope. Postage need not be affixed to the envelope if mailed in the United States.

The immediate return of your proxy will be of great assistance in preparing for the annual meeting and is therefore urgently requested, even if you plan to attend the annual meeting. If you attend the annual meeting and have made arrangements to vote in person, your proxy card will not be used.

VOTING ELECTRONICALLY OR BY TELEPHONE

Instead of submitting your proxy vote on the paper proxy card, you can vote electronically via the Internet or by telephone. See Voting Via the Internet or By Telephone on page 26 of the proxy statement for further details. Please note that there are separate Internet and telephone voting arrangements, depending upon whether shares are registered in your name or in the name of a broker or bank.

IF YOU PLAN TO ATTEND THE ANNUAL MEETING IN PERSON

The annual meeting will be held on Thursday, October 9, 2003 at 11:00 a.m. Pacific Time at 6373 San Ignacio Avenue, San Jose, California.

If your shares are not registered in your own name and you plan to attend the annual meeting and vote your shares in person, you should contact your broker or agent in whose name your shares are registered to obtain a broker s proxy and bring it to the annual meeting in order to vote.

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Agile Software Corporation
6373 San Ignacio Avenue
San Jose, CA 95119-1200

Main: (408) 284-4000
Fax: (408) 284-4002
Email: info@agile.com

PROXY STATEMENT

The enclosed proxy is solicited by the Board of Directors of Agile Software Corporation, a Delaware corporation (Agile or the Company) for use in voting at the Annual Meeting of Stockholders to be held at 6373 San Ignacio Avenue, San Jose, California, on Thursday, October 9, 2003, at 11:00 a.m. Pacific Time, and at any postponement or adjournment thereof, for the purposes set forth in the attached notice of annual meeting. The date of this Proxy Statement is September 4, 2003, the approximate date on which this Proxy Statement and the accompanying form of proxy were first sent or given to stockholders.

Expenses of Solicitation

The cost of soliciting proxies will be borne by us. In addition to soliciting stockholders by mail, we will request banks and brokers, and other custodians, nominees and fiduciaries, to solicit their customers who have our stock registered in the names of such persons and will reimburse others to solicit proxies, personally or by telephone, without compensation.

Voting and Revocability of Proxies

All valid proxies received before the meeting will be voted. When proxies are properly dated, executed and returned, the shares they represent will be voted at the annual meeting in accordance with the instructions of the stockholder. If no specific instructions are given on the proxy, the shares represented by proxies will be voted as follows:

FOR the election of the nominees for directors set forth herein, and

FOR ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditors for the fiscal year ending April 30, 2004.

In addition, if other matters come before the annual meeting, the persons named in the accompanying form of proxy will vote in accordance with their best judgment with respect to such matters. A stockholder giving a proxy has the power to revoke the proxy at any time prior to its exercise by voting in person at the annual meeting, by giving written notice revoking the proxy to our Secretary prior to the annual meeting or by giving a later dated proxy.

Quorum and Vote Required

Each share of our Common Stock outstanding on the record date will be entitled to one vote on all matters to be acted upon at the annual meeting. Our Bylaws provide that a majority of all of the shares of our Common Stock entitled to vote, whether present in person or represented by proxy, shall constitute a quorum for the transaction of business at the meeting. Votes for and against, abstentions and broker non-votes will each be counted as present for purposes of determining the presence of a quorum.

A plurality of the votes duly cast is required for the election of directors. A plurality of the votes duly cast means that only affirmative votes will affect the outcome of the election. Therefore, neither abstentions nor broker non-votes will have any impact on the election of directors and the two candidates for election as directors at the annual meeting who receive the highest number of affirmative votes will be elected.

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The ratification of the selection of the independent auditors for the current year requires the affirmative vote of a majority of the shares of our Common Stock present or represented and entitled to vote at the annual meeting. Abstentions are deemed to be votes cast and will have the effect of votes in opposition. However, broker non-votes are not deemed to be votes cast. As a result, broker non-votes are not included in the tabulation of the voting results on the election of directors or issues requiring approval of a majority of the votes cast and, therefore, do not have the effect of votes in opposition in such tabulations. 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.

Voting by Telephone or Internet

You may vote your shares in a number of ways. You may mark your votes, date, sign and return the proxy card. If you have shares registered directly with our transfer agent, EquiServe, you may choose to vote those shares via the Internet at *www.eproxyvote.com/agil* or you may vote telephonically, within the U.S. and Canada only, by calling EquiServe at 1-877-PRX-VOTE, (1-877-779-8683). See Voting Via the Internet or By Telephone in the proxy statement for further details

Record Date and Share Ownership

Only stockholders of record on our books at the close of business on August 20, 2003 will be entitled to vote at the annual meeting. Presence in person or by proxy of a majority of the shares of Common Stock outstanding on the record date is required for a quorum. As of the close of business on August 20, 2003, we had 51,330,726 outstanding shares of Common Stock, all of which are entitled to vote with respect to all matters to be acted upon at the annual meeting. Copies of this proxy statement were first released to stockholders on or about September 4, 2003.

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PROPOSAL 1: ELECTION OF DIRECTORS

Our Amended and Restated Certificate of Incorporation and Bylaws provide that our Board of Directors shall be divided into three classes, with each class having a three-year term. Vacancies on the Board of Directors may be filled only by persons elected by a majority of the remaining directors. A director elected by the Board of Directors to fill a vacancy in a class (including a vacancy created by an increase in the number of directors) shall serve for the remainder of the term of the class of directors in which the vacancy occurred, and until the director s successor is elected and qualified. Our classified Board of Directors currently consists of two Class I directors (Mr. Klaus-Dieter Laidig and Mr. Gareth Chang), who will serve until the annual meeting of stockholders to be held in 2003, two Class II directors (Ms. Nancy Schoendorf and Mr. Ronald E.F. Codd), who will serve until the annual meeting of stockholders to be held in 2004, and two Class III directors (Mr. Bryan Stolle and Mr. Paul Wahl), who will serve until the annual meeting of stockholders to be held in 2005, and until their respective successors are duly elected and qualified. At each annual meeting of stockholders, directors are elected for a term of three years to succeed those directors whose terms expire at the annual meeting dates. The Board of Directors increased the Board to six directors and to two Class I directors and elected Mr. Gareth Chang as a Class I director effective May 29, 2003 to fill the vacancy created by the increase in the size of the Board. On August 21, 2003, Mr. James Patterson retired as a director, and on August 22, 2003, the Board of Directors elected Mr. Ronald E.F. Codd as a Class II director to fill the vacancy created by Mr. Patterson s retirement.

The term of the Class I directors will expire on the date of the upcoming annual meeting. Accordingly, two persons are to be elected to serve as Class I directors of the Board of Directors at the meeting. Our nominees for election by the stockholders to those positions are the current Class I members of the Board of Directors: Mr. Klaus-Dieter Laidig and Mr. Gareth Chang. If elected, the nominees will serve as directors until our Annual Meeting of Stockholders to be held in 2006 and until their successors are elected and qualified. If either of the nominees is unable or unwilling to serve as a nominee for the office of director at the time of the annual meeting, the proxies may be voted for substitute nominees who shall be designated by the proxy holders or by the present Board of Directors to fill such vacancy. The Board of Directors has no reason to believe the foregoing nominees will be unwilling or unable to serve if elected as directors.

Vote Required and Recommendation of the Board of Directors

If a quorum is present and voting, the two nominees for Class I directors receiving the highest number of votes will be elected as Class I directors, whether or not such affirmative votes constitute a majority of the shares voted. Abstentions and broker non-votes will have no effect on the vote. If any nominee becomes unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of such substitute nominee as management may propose.

Unless marked otherwise, proxies received will be voted FOR election of the nominees named below. The Board of Directors recommends a vote FOR the election of the nominees listed below.

Name of Director	Position With the Company	Age	Since
Class I directors nominated for election at the 2003 Annual Meeting of Stockholders:			
Klaus-Dieter Laidig	Director	61	1998
Gareth Chang	Director	60	2003

Klaus-Dieter Laidig has been a director of Agile since 1998. Mr. Laidig has served as a management consultant with Laidig Business Consulting GmbH since 1998. From 1984 to 1997, Mr. Laidig served as General Manager of Hewlett Packard GmbH. Mr. Laidig currently serves as a director of Latitude Communications, Inc., a provider of integrated voice and data conferencing solutions, Bauerfeind AG, Heiler Software AG, Grau Data Storage AG, Varetis AG and several privately held companies. Mr. Laidig received an M.B.A. from the Pforzheim University of Applied Sciences in Germany.

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Gareth Chang has served as a director of Agile since May 2003. Mr. Chang has served as a consultant with GC3 and Associates since 2002. From August 1998 to March 2000 he was Chairman and CEO of Star TV, a wholly-owned subsidiary of News Corporation. Mr. Chang also held executive positions at Honeywell International Inc. and Xerox Corp., and served as Senior Vice President of McDonnell Douglas Information Systems Co., President of McDonnell Douglas Pacific and Asia, Corporate Senior Vice President of Hughes Electronics Corp., President of Hughes Electronics International, and President of DirectTV International. Mr. Chang currently serves as a director of Palm, Inc. and SRS Labs, and is on the advisory council for Nike, Inc. Mr. Chang previously served as a director of Apple Computer, Mallinckrodt, Inc. and News Corporation. Mr. Chang also serves as a visiting professor at Beijing Institute of Aeronautics and Astronautics, and Tsing Hua University, both in Beijing, China.

Except as noted above, the nominees have been engaged in the principal occupations set forth above during the past five years. There are no family relationships among any of our directors or executive officers.

Stock ownership information is shown under the heading Security Ownership of Certain Beneficial Owners and Management and is based upon information furnished by the respective individuals.

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INFORMATION ABOUT AGILE SOFTWARE CORPORATION

Executive Officers and Continuing Directors

This section sets forth information concerning the age and background for our executive officers and current directors whose terms are continuing, other than information about the Class I nominees to be elected at this meeting, which is set forth above.

Name	Position With the Company	Age	Since
Class II directors whose terms expire at the 2004 Annual Meeting of Stockholders:			
Nancy J. Schoendorf	Director	50	1995
Ronald E.F. Codd	Director	47	2003
Class III directors whose terms expire at the 2005 Annual Meeting of Stockholders:			
Bryan D. Stolle	Director, Chairman of the Board and Chief Executive Officer	45	1995
Paul Wahl	Director	51	2002
Additional Executive Officers			
Jay B. Fulcher	President and Chief Operating Officer	41	2002
Carolyn V. Aver	Executive Vice President and Chief Financial Officer	44	2002
Christopher Wong	Executive Vice President, Products and Technology	42	2002
Richard J. Browne	Vice President, Finance and Administrative Operations	49	2001

Bryan D. Stolle is a co-founder of Agile and has served as our Chairman, Chief Executive Officer and a member of the Board of Directors since its inception in March 1995 and as President until 2002. From 1987 to 1994, Mr. Stolle served as Director of Product and Strategic Marketing at Sherpa Corporation, a developer of enterprise product data management software. From 1983 to 1987, Mr. Stolle served as Marketing Officer at Rexcom Systems, a software company co-founded by Mr. Stolle. Mr. Stolle received a B.A. in Business Administration and an M.B.A. from the University of Texas at Austin.

Nancy J. Schoendorf has served as a director of Agile since 1995. Ms. Schoendorf has been a general partner of Mohr, Davidow Ventures, a venture capital firm, since 1994, and a Managing Partner since 1997. Prior to joining Mohr, Davidow Ventures, Ms. Schoendorf spent 17 years in the computer industry including management positions with Hewlett-Packard, Software Publishing Corporation and Sun Microsystems. Ms. Schoendorf currently serves as a director of Onvia.com, Inc. and several privately held companies. Ms. Schoendorf received a B.S. in Computer Science from Iowa State University and an M.B.A. from Santa Clara University.

Ronald E.F. Codd has served as a director of Agile since August 2003. Mr. Codd has been an independent business consultant since April 2002. From January 1999 to April 2002, he served as President, Chief Executive Officer and a director of Momentum Business Applications, Inc., an enterprise software development company. From September 1991 to December 1998, Mr. Codd served as Senior Vice President of Finance and Administration and Chief Financial Officer of PeopleSoft, Inc., an enterprise application software company. Mr. Codd currently serves as a director of Adept Technology, Inc., Interwoven, Inc. and Virage, Inc. Mr. Codd received a B.S. in accounting from the University of California, Berkeley and an M.M. from the Kellogg School of Management at Northwestern University.

Paul Wahl has served as a director of Agile since June 2002. Mr. Wahl served as President and Chief Operating Officer of Siebel Systems, Inc., a leading provider of e-Business application solutions, from April 1999 to March 2003. From November 1998 to April 1999, Mr. Wahl served as the Chief Executive Officer and President of TriStrata, an Internet security company. From January 1996 to September 1998, Mr. Wahl served as Chief Executive Officer of SAP America, Inc. and was an Executive Board Member of SAP AG, an international developer and supplier of integrated business application software. From June 1991 to December 1995, Mr. Wahl served as Executive Vice President of SAP AG.

Jay B. Fulcher has served as Agile s President and Chief Operating Officer since October 2003. From November 1996 to August 2001, Mr. Fulcher served as Executive Vice President of PeopleSoft, Inc., an enterprise application software company. Mr. Fulcher received a B.S. in Business Management from San Jose State University, where he currently sits on the Advisory Board for the College of Business. Mr. Fulcher currently serves as a director of two privately held companies.

Carolyn V. Aver has served as Agile s Executive Vice President and Chief Financial Officer since May 2002. From September 2000 to August 2001, Ms. Aver served as the Interim Chief Financial Officer at myCFO, a wealth advisory firm. From April 1998 to April 2000, Ms. Aver served as the Chief Financial Officer at USWeb/CKS, a provider of e-commerce implementations. Ms. Aver currently serves as a director of a privately held company. Ms. Aver received a B.S. in Accounting from California State University, Hayward.

Christopher Wong has served as Agile s Executive Vice President of Products and Technology since September 2002. From June 2001 to September 2002, Mr. Wong served as Vice President of Corporate Strategy for PeopleSoft, Inc. From June, 1999 to June 2001, Mr. Wong served as Chairman, CEO and President of Skills Village, Inc., a supplier of contract service management software.

Richard J. Browne has served as Agile s Vice President of Finance and Administrative Operations since June 2000. Mr. Browne also served as Agile s Interim Chief Financial Officer from October 2001 to April 2002 and as Controller from September 1997 until June 2000. Mr. Browne received a B.S. in Accounting from San Jose State University and an M.B.A. from Santa Clara University and is a Certified Public Accountant.

Meetings of the Board of Directors

The Board of Directors held six meetings during the fiscal year ended April 30, 2003. Each director is expected to attend each meeting of the Board and those committees on which he or she serves. In addition to meetings, the Board and its committees review and act upon matters through written consent procedures. Board agendas now include regularly scheduled sessions for the independent directors to meet without management present. No director attended less than 75% of all of the meetings of the Board and those committees on which he or she served during the fiscal year ended April 30, 2003.

Effective May 29, 2003, the Board of Directors increased the size of the Board to six directors and to two Class I directors, and elected Mr. Gareth Chang as a Class I director. On August 21, 2003, Mr. James Patterson retired as a director, and on August 22, 2003, the Board of Directors elected Mr. Ronald E.F. Codd as a Class II director to fill the vacancy created by Mr. Patterson s retirement.

We currently have standing Audit, Nominating and Governance, and Compensation Committees of the Board of Directors. Each of these committees has a written charter that has been approved by the Board. During the fiscal year ended April 30, 2003, the Audit Committee of the Board held seven meetings and the Compensation Committee of the Board held three meetings. The Nominating and Governance Committee was established after the end of the fiscal year.

Audit Committee. The Board of Directors has an Audit Committee currently consisting of Mr. Codd (Chair), Mr. Laidig and Ms. Schoendorf. The Audit Committee assists the Board of Directors in fulfilling its oversight responsibility of our corporate accounting and financial reporting process and is directly responsible for the appointment, compensation and oversight of the work of Agile s independent auditors. The Audit Committee reviews with our independent auditors the scope and timing of their audit services and any other services that they are asked to perform, the independent auditors report on our consolidated financial statements following completion of their audit, and our critical accounting policies and policies and procedures with respect to internal accounting and financial controls. In addition, the Audit Committee is responsible for establishing procedures for the receipt, retention and treatment of complaints received by Agile regarding accounting, internal accounting controls or auditing matters, including the confidential, anonymous submission by Agile employees, received through established procedures, or concerns regarding accounting or auditing matters. The Audit Committee also makes annual recommendations to our Board of Directors for the appointment of independent auditors for the ensuing year.

Compensation Committee. The Board of Directors has a Compensation Committee consisting of Ms. Schoendorf (Chair) and Mr. Wahl. The Compensation Committee reviews and approves the salary and bonus criteria of and stock option grants to our Chief Executive Officer and all other executive officers, awards stock options to our executive officers under our 1995 Stock Option Plan, and administers our employee benefit plans. For additional information about the Compensation Committee, see Report of the Compensation Committee on Executive Compensation, and Executive Compensation and Other Matters below.

Nominating and Governance Committee. The Board of Directors has a Nominating and Governance Committee consisting of Mr. Chang (Chair), Mr. Codd and Mr. Laidig. The Nominating and Governance Committee identifies individuals qualified to become Board members, selects, or recommends to the Board, director nominees for each election of directors, develops and recommends to the Board criteria for selecting qualified director candidates, considers committee member qualifications, appointment and removal, recommends corporate governance principles, codes of conduct and compliance mechanisms applicable to us, and provides oversight in the evaluation of the Board and each committee of the Board.

Stockholders may nominate one or more persons for election as directors at a meeting only if timely notice of such nomination(s) has been given in writing to our Secretary in accordance with our Bylaws. The Nominating and Governance Committee will consider any nominee proposed by stockholders. Nominations of stockholders intended to be presented at the next annual meeting of stockholders must be received by us at our offices at 6373 San Ignacio, San Jose, CA 95119-1200, no later than May 7, 2004.

Director Compensation

Our directors do not receive any cash compensation for their services as directors but are reimbursed for their reasonable travel expenses in attending meetings of the Board of Directors and, starting May 1, 2003, are compensated for their committee participation. Board members serving on our Board committees are compensated on an annual retainer paid quarterly for the committee and role as set forth below:

Committee	Chairman	Committee Member
Audit	$ 50,000	$ 20,000
Compensation	20,000	10,000
Nominating and Governance	20,000	10,000

Our directors are eligible to participate in our 1995 Stock Option Plan, and employee-directors are able to participate in our 1995 Stock Option Plan, 1999 Employee Stock Purchase Plan, and 401(k) plan. Options granted to our non-employee directors are not intended to qualify as incentive stock options under the Internal Revenue Code. Each of our non-employee directors are automatically granted an option to purchase 100,000 shares of our Common Stock upon initial election to the Board of Directors. Each director that has served as a director for at least six months as of May 1 of each year is automatically granted, on May 1 of each year, an option to purchase 25,000 shares of our Common Stock. All options granted automatically to our non-employee directors have an exercise price per share equal to the fair market value of a share of our Common Stock on the

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date of grant. Initial option grants vest in 48 equal monthly installments beginning on the date of grant. Annual option grants vest monthly, in 12 equal monthly installments beginning 37 months after the date of grant. All non-employee director options automatically vest in full upon a change-in-control of Agile. A director whose service ceases for any reason may exercise the vested portion within 12 months following such termination. All options granted to non-employee directors expire 10 years following the date of grant.

During the fiscal year ended April 30, 2003, we granted options to purchase 25,000 shares of our Common Stock to each of the three existing non-employee directors who had served for at least six months as of the date of the grant, and an option to purchase 100,000 shares of our Common Stock to Mr. Paul Wahl. In June 2003, we granted an option to purchase 100,000 shares of our Common Stock to Mr. Gareth Chang, and in August 2003, we granted an option to purchase 100,000 shares of our Common Stock to Mr. Ronald E.F. Codd.

Compensation Committee Interlocks and Insider Participation in Compensation Decisions

No interlocking relationship exists between any member of our Board of Directors or our Compensation Committee and any member of the Board of Directors or Compensation Committee of any other company, and no such relationship has existed in the past.

Employment Contracts, Termination of Employment and Change-in-Control Arrangements

Stock Option Plans

Options granted to our employees, including our executive officers, under our 1995 Stock Option Plan and our 2000 Nonstatutory Stock Option Plan provide for 18 months of accelerated vesting upon a change-in-control event in which the employee is involuntarily terminated within 18 months after the change-in-control, as defined by the individual s stock option agreement. Options granted to any employee under each of our option plans prior to April 2001, and options granted to certain of our executive officers after such date, become exercisable and vested in full upon a change-in-control event in which the employee is involuntarily terminated within 18 months after the change-in-control. All options so accelerated remain exercisable for the lesser of the remaining term of the option or one year after the effective date of the involuntary termination. In addition, vesting will accelerate in full upon a change-in-control unless the successor corporation assumes the option or replaces it with a cash incentive program that preserves for the option holder the excess of the underlying shares value at the time of the transaction over the exercise price, with payment to be made over the same vesting schedule.

Executive Retention and Severance Plan

We maintain the Executive Retention and Severance Plan (the ERSP), which provides certain severance and other benefits in connection with a Change-in-Control (as defined below) to our officers and key employees designated by the Board or the Compensation Committee. At present, the ERSP covers all our executive officers and certain key employees. The ERSP may not be terminated or amended in any way without a supplemental written agreement between any affected participant and Agile.

Under the ERSP, a Change-in-Control means the occurrence of any of the following: (i) any person, entity or group becomes the beneficial owner of 50% or more of either our then outstanding Common Stock or the combined voting power of our then outstanding securities entitled to vote generally in the election of directors; or (ii) we are party to a merger or consolidation, which results in the holders of our voting securities outstanding immediately prior thereto failing to retain immediately after such merger or consolidation direct or indirect beneficial ownership of more than 50% of the total combined voting power of the securities entitled to vote generally in the election of our directors or in the surviving entity outstanding immediately after such merger or consolidation; or (iii) the sale or disposition of all or substantially all of our assets or consummation of any transaction having similar effect (other than a sale or disposition to one or more of our subsidiaries); or (iv) a change in the composition of our Board within any consecutive two-year period as a result of which fewer than a majority of the directors are Incumbent Directors (as defined in the ERSP).

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If, during the applicable Change-in-Control Period (as described below), a participant s employment is terminated other than for Cause (as defined in the ERSP) or by the participant for Good Reason (as defined in the ERSP), any such terminations of employment being referred to as a Termination upon a Change-in-Control, then, provided that the participant executes a prescribed release of claims against us, the participant will be entitled to certain payments and benefits described below, in addition to all compensation and benefits earned by the participant through the date of the participant s termination of employment. The applicable Change-in-Control Period commences on the consummation of a Change-in-Control and ends on the second anniversary thereof, or on the date which is 18 months following the Change-in-Control.

On a Termination upon a Change-in-Control, an ERSP participant will receive a lump sum cash severance payment in an amount equal to the sum of (x) one-half of the participant s annual base salary immediately prior to termination or, if higher, immediately prior to the Change-in-Control, plus (y) one-half of the greatest of (1) the aggregate of all bonuses earned by the participant for the fiscal year immediately preceding the fiscal year of the Change-in-Control, (2) the aggregate of all bonuses earned by the participant for the fiscal year immediately preceding the fiscal year of the participant s Termination Upon a Change-in-Control, or (3) the aggregate of all annual bonuses that would be earned by the participant at the targeted annual rate (assuming attainment of 100% of all applicable performance goals) for the fiscal year of the participant s Termination Upon a Change-in-Control.

Following a participant s Termination upon Change-in-Control, the ERSP also provides that we will provide the participant with continued health and other group insurance benefits for the participant s benefit period after the participant s Termination upon Change-in-Control. The participant will also be indemnified by us to the fullest extent permitted under applicable law, as set forth in the ERSP. In addition, if any payment or benefit received or to be received by any participant pursuant to the ERSP or otherwise (Payments) would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, then the ERSP provides that compensation and benefits payable upon a Change-in-Control will be determined in a manner that produces the greatest after-tax benefit for the employee. Accordingly, in some instances a small reduction in payments may be made to an amount just below the safe harbor threshold in order to produce a greater after-tax benefit to the executive by avoiding the payment of the excise tax on the value of the benefits.

The ESRP does not alter the treatment of options under our existing stock option plans. Under our standard forms of stock option agreement, vesting will accelerate upon a change-in-control unless the successor corporation assumes the option or replaces it with a cash incentive program that preserves for the option holder the excess of the underlying shares value at the time of the transaction over the exercise price, with payment to be made over the same vesting schedule. The stock option agreements further provide that if the option is assumed in connection with a Change-in-Control, but the option holder s service ceases as a result of an involuntary termination within 18 months following the Change-in-Control, then the option holder is credited with an additional 18 months of employment for vesting purposes and the option will remain exercisable for one year after termination rather than the normal three months.

The ERSP provides that all participants will continue to abide by the terms of the confidentiality and/or proprietary rights agreement between the participant and us. In addition, following a participant s Termination upon a Change-in-Control, for a period of years equal to a participant s benefit period, the participant may not solicit or offer employment to any of our employees.

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PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP has been our independent auditors since our incorporation in 1995, and at the recommendation of the Audit Committee of the Board of Directors, has been selected by the Board of Directors as our independent auditors for the fiscal year ending April 30, 2004. Neither our Bylaws, nor other applicable documents nor law require stockholder ratification of the selection of PricewaterhouseCoopers LLP as our independent auditors. In the event that ratification of this selection of auditors is not approved by a majority of the shares of Common Stock voting thereon, we will reconsider whether or not to retain that auditing firm, and will review our future selection of auditors.

The Audit Committee is directly responsible for the appointment, compensation and oversight of the work of the independent auditors, and the independent auditors report directly to the Audit Committee. A representative of PricewaterhouseCoopers LLP is expected to be present at the annual meeting and will have an opportunity to make a statement if the representative so desires. The representative will also be available to respond to appropriate questions from the stockholders.

Principal Accountant Fees and Services

Aggregate fees for professional services rendered for us by PricewaterhouseCoopers LLP for the fiscal years ended April 30, 2002 and 2003, were:

	2002(1)	2003(1)
Audit	$ 206,000	$ 263,000
Audit-related	9,000	80,000
Tax-related	86,000	102,000
All Other		
	$ 301,000	$ 445,000

(1) Aggregate fees included in *Audit* are fees billed for the fiscal years. The aggregate fees included in each of the other categories are fees billed in the fiscal years.

Audit fees for the fiscal years ended April 30, 2002 and 2003, respectively, were for professional services rendered for the audits of our consolidated financial statements and consents, income tax provision procedures, and assistance with review of documents filed with the Securities and Exchange Commission, including our quarterly reports filed on Form 10-Q, and annual and other periodic reports at international locations.

Audit Related fees as of the fiscal years ended April 30, 2002 and 2003, respectively, were for assurance and related services related to accounting consultations concerning acquisitions, financial accounting and reporting standards, including Sarbanes-Oxley compliance.

Tax fees as of the fiscal years ended April 30, 2002 and 2003, respectively, were for services related to domestic and international tax compliance, including the preparation of tax returns, tax planning and tax advice, including assistance with and representation in sales and use tax audits.

All Other. We did not engage PricewaterhouseCoopers LLP or pay or incur fees as of the fiscal years ended April 30, 2002 and 2003 for services other than those reported in the categories above.

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Audit Committee Pre-Approval Policies and Procedures

Representatives of PricewaterhouseCoopers LLP normally attend each meeting of the Audit Committee of the Board of Directors. The Audit Committee on an annual basis reviews audit and non-audit services performed by PricewaterhouseCoopers LLP as well as the fees charged by PricewaterhouseCoopers LLP for such services. All audit and non-audit services are pre-approved by the Audit Committee, which considers, among other things, the possible effect of the performance of such services on the auditors independence. The Audit Committee has considered the role of PricewaterhouseCoopers LLP in providing its audit, audit-related and non-audit services to Agile and has concluded that such services are compatible with PricewaterhouseCoopers independence as Agile s auditors.

Vote Required and Recommendation of the Board of Directors

Although neither our Bylaws, nor other applicable documents nor law require stockholder ratification of the selection of PricewaterhouseCoopers LLP as our independent auditors, the Board of Directors has determined to submit the selection of PricewaterhouseCoopers LLP to the stockholders for ratification as a matter of good corporate practice. In the event that the stockholders do not approve the selection of PricewaterhouseCoopers LLP, the Board of Directors will reconsider whether or not to retain that auditing firm, and will review its future selection of auditors.

The Board of Directors recommends a vote FOR ratification of the appointment of PricewaterhouseCoopers LLP as our independent auditors for the fiscal year ending April 30, 2004. Unless a contrary choice is specified, proxies solicited by the Board of Directors will be voted for ratification of the appointment.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following sets forth information regarding ownership of Agile s outstanding Common Stock as of August 22, 2003 by (i) each stockholder known by Agile to be the beneficial owners of more than 5% of Agile s outstanding shares of Common Stock, (ii) each director of Agile, (iii) each executive officer named in the Summary Compensation Table below, and (iv) all directors and executive officers as a group. Except as otherwise indicated below and subject to applicable community property laws, each person named in the table has sole voting and sole investment powers with respect to all shares of Common Stock shown as beneficially owned by them. Applicable percentage ownership in the table is based on 51,335,722 shares of Common Stock outstanding as of August 22, 2003. Of the total shares outstanding, 158,177 shares are subject to Agile s right of repurchase. Beneficial ownership is determined under the rules and regulations of the Securities and Exchange Commission. Shares of Common Stock subject to options or warrants that are presently exercisable or exercisable within 60 days of August 22, 2003 are deemed outstanding for the purpose of computing the percentage ownership of the person or entity holding options or warrants, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person or entity. Entries denoted by an asterisk represent an amount less than 1%.

	Amount and Nature of Beneficial Ownership			Percent of Beneficial
Name of Beneficial Owner(1)	**Common Stock**	**Options(2)**	**Total**	**Ownership(3)**
5% Stockholders				
Entities affiliated with Wellington Management Company(4)	5,057,000		5,057,000	9.9%
Entities affiliated with Ziff Asset Management(5)	3,120,000		3,120,000	6.1%
Entities affiliated with J. & W. Seligman & Co.(6)	3,083,692		3,083,692	6.0%
Entities affiliated with The Hartford Mutual Funds(7)	2,625,000		2,625,000	5.1%
Directors and Executive Officers				
Bryan D. Stolle(8)	923,365	996,153	1,919,518	3.7%
Nancy J. Schoendorf(9)	1,901,738			