MICROSTRATEGY INCORPORATED
(Exact name of registrant as specified in its charter)

1850 Towers Crescent Plaza
Tysons Corner, Virginia
(Address of principal executive offices)

Registrant's telephone number, including area code: (703) 848-8600

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13c-4(c) under the Exchange Act (17 CFR 240.13c-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐
Salary Determinations for Certain Executive Officers

On March 21, 2019, the Chief Executive Officer of MicroStrategy Incorporated (the “Company”) approved increases to the annual salaries of Phong Q. Le, the Company’s Senior Executive Vice President, Chief Operating Officer & Chief Financial Officer, Timothy E. Lang, the Company’s Senior Executive Vice President & Chief Technology Officer, and W. Ming Shao, the Company’s Senior Executive Vice President & General Counsel, resulting in annual salaries of $673,000 for Mr. Le, $492,000 for Mr. Lang, and $528,000 for Mr. Shao. These increases are effective April 1, 2019.

2019 Senior Executive Vice President, Worldwide Sales Compensation Plan

On March 18, 2019, the Compensation Committee of the Board of Directors (the “Compensation Committee”) of the Company established a performance-based cash bonus plan for Kevin Norlin, the Company’s Senior Executive Vice President, Worldwide Sales, relating to his performance for 2019. Under this plan, Mr. Norlin is eligible to receive:

• a cash bonus amount calculated by multiplying 2.0% by the following dollar amount: (1) the amounts payable under contracts executed in 2019 during the twelve months following contract execution attributable to license, first year maintenance, premium support, incremental term license, incremental cloud license, education services, and 50% of expert services, in each case to the extent relating to transactions sold by the Sales department, minus (2) the expenses accrued for 2019 of the Sales department for salary, benefits, variable compensation, travel and entertainment, and purchase orders, plus expenses accrued for 2019 for other costs of sales originating from non-Sales departments that are cross charged to the Sales department, minus (3) a budgeted amount of $19.0 million; and
• a cash bonus amount calculated by multiplying 2.0% by the following dollar amount: (1) the amount of recognized product support revenue for 2019, plus the amount of recognized subscription services revenue for 2019, minus (2) a budgeted amount of $324.0 million.

Mr. Norlin’s maximum cash bonus amount pursuant to this plan is $8.0 million. The Compensation Committee has the discretion to award a cash bonus amount that is lower than the eligible bonus amount calculated pursuant to the plan. The Company is also entitled to recover any bonus paid to Mr. Norlin if the Compensation Committee subsequently determines that Mr. Norlin did not satisfy one or more of the eligibility requirements described in the bonus plan, the amount calculated as the bonus amount payable was incorrect, or Mr. Norlin otherwise should not have received the bonus.

The foregoing summary of Mr. Norlin’s performance-based cash bonus plan is qualified by reference to the full text of the plan, a copy of which is filed as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

2019 Senior Executive Vice President, Worldwide Services Compensation Plan

On March 18, 2019, the Compensation Committee established a performance-based cash bonus plan for Stephen Holdridge, the Company’s Senior Executive Vice President, Worldwide Services, relating to his performance for 2019. Under this plan, Mr. Holdridge is eligible to receive:

• a cash bonus amount calculated by multiplying 1.5% by the following dollar amount: (1) the value of hours worked against customer engagements attributable to consulting and education services delivered by the Services department in 2019, minus (2) the expenses accrued for 2019 of the Services department for salary, benefits, variable compensation, travel and entertainment, purchase orders, and subcontractor fees, plus expenses accrued for 2019 for other costs of services originating from non-Services departments that are cross charged to the Services department, minus (3) a budgeted amount of negative $29.0 million; and
• a cash bonus amount calculated by multiplying 2.0% by the following dollar amount: (1) the amount of recognized product support revenue for 2019, plus the amount of recognized subscription services revenue for 2019, minus (2) a budgeted amount of $324.0 million.
Mr. Holdridge’s maximum cash bonus amount pursuant to this plan is $8.0 million. The Compensation Committee has the discretion to award a cash bonus amount that is lower than the eligible bonus amount calculated pursuant to the plan. The Company is also entitled to recover any bonus paid to Mr. Holdridge if the Compensation Committee subsequently determines that Mr. Holdridge did not satisfy one or more of the eligibility requirements described in the bonus plan, the amount calculated as the bonus amount payable was incorrect, or Mr. Holdridge otherwise should not have received the bonus.

The foregoing summary of Mr. Holdridge’s performance-based cash bonus plan is qualified by reference to the full text of the plan, a copy of which is filed as Exhibit 99.2 to this Current Report on Form 8-K and incorporated herein by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Description</th>
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<tbody>
<tr>
<td>99.1</td>
<td>2019 Senior Executive Vice President, Worldwide Sales Compensation Plan</td>
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<tr>
<td>99.2</td>
<td>2019 Senior Executive Vice President, Worldwide Services Compensation Plan</td>
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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: March 22, 2019

MicroStrategy Incorporated
(Registrant)

By: /s/ W. Ming Shao

Name: W. Ming Shao
Title: Senior Executive Vice President & General Counsel
This document (the “Plan”) constitutes the full terms and conditions of your annual bonus plan for 2019 and supersedes all oral communications and prior writings with respect thereto. As Senior Executive Vice President, Worldwide Sales of MicroStrategy Incorporated ("MicroStrategy" and, collectively with its subsidiaries, the "Company"), you are eligible to earn for 2019: (i) an annual bonus described in Section 1 below (the "Contribution Margin Compensation") and (ii) an annual bonus described in Section 2 below (the “Recognized Support and Subscription Compensation”), in each case subject to the general terms set forth in Section 3 below, including, without limitation, the Company’s right of recovery under Section 3(f).

1) Contribution Margin Compensation
   a) Any Contribution Margin Compensation for 2019 shall be determined by the Compensation Committee of MicroStrategy’s Board of Directors (the “Compensation Committee”) by multiplying (i) the Contribution Margin Rate (as defined below) by (ii) the Contribution Margin (as defined below).
   b) “Contribution Margin Rate” is defined as 2.0% (two percent).
   c) “Contribution Margin” is defined as Revenue (as defined below) minus Costs (as defined below) minus $19,000,000.
      (i) Revenue is defined as the Company’s Bookings for fiscal 2019 attributable to License, First Year Maintenance, Premium Support, Incremental Term License, Incremental Cloud License, and Education Services in transactions sold by the Sales department, plus 50% of the Company’s Bookings for fiscal 2019 attributable to Expert Services in transactions sold by the Sales department. “Bookings” is defined as the amounts payable under contracts executed in fiscal 2019 during the twelve months following contract execution (with amounts payable under contracts for more than a twelve-month period allocated on a straight-line basis over the term of such contracts).
      (ii) Costs is defined as the Company’s expenses accrued for fiscal 2019 of the Sales department for Salary, Benefits, Variable Compensation, Travel & Entertainment, and Purchase Orders, plus the Company’s expenses accrued for fiscal 2019 for other costs of sales originating from non-Sales departments that are cross charged to the Sales department.

2) Recognized Support and Subscription Compensation
   a) Any Recognized Support and Subscription Compensation for 2019 shall be determined by the Compensation Committee by multiplying (i) the Base Rate (as defined below) by (ii) the Recognized Support and Subscription Revenue (as defined below) less $324,000,000.
   b) “Base Rate” is defined as 2.0% (two percent).
   c) “Recognized Support and Subscription Revenue” is defined as the sum of (i) the amount of recognized Product Support revenue for fiscal 2019 and (ii) the amount of recognized Subscription Services revenue for fiscal 2019, in each case reflecting a constant foreign exchange rate.

3) General Terms
   a) The Compensation Committee reserves the right to modify, suspend or terminate this Plan or any bonus payment in whole or in part, at any time, with or without prior notice or reason. The Compensation Committee may exercise discretion to reduce (but not increase) any amounts that would otherwise be payable under this Plan for any reason, including Plan Participant’s failure to comply with the general terms set forth in this Section 3 or due to a financial statement adjustment from a prior period.
   b) No Contribution Margin Compensation or Recognized Support and Subscription Compensation shall be earned by or paid to Plan Participant under this Plan unless and until the Compensation Committee certifies in writing the level of achievement of the applicable performance metrics and the applicable corresponding bonus amount, if any.
c) If Plan Participant’s employment with the Company terminates (regardless of the reason or cause of the employment termination) prior to payment of a bonus under this Plan, no such bonus shall be earned by or paid to Plan Participant under this Plan unless determined otherwise by the Compensation Committee in its sole discretion.

d) The Compensation Committee may reduce bonus payments in the event the following conditions are not satisfied:
   
   (i) Plan Participant’s recording of all material activities in MicroStrategy’s appropriate systems of record;
   
   (ii) Plan Participant’s full compliance with all MicroStrategy policies, including but not limited to the MicroStrategy Code of Conduct, MicroStrategy Revenue Recognition Policy, Salesforce.com Policy, and the Contracts Negotiation and Approval Policy; and
   
   (iii) Plan Participant’s accurate and timely completion and submission of all required Representation Letters and Sales Disclosure Questions.

e) The Company reserves the right to delay, withhold or suspend any bonuses pending the Compensation Committee’s determination of whether each of the above requirements (and all other bonus eligibility requirements set forth herein) have been met. The Company may recover any bonuses paid to Plan Participant if the Compensation Committee subsequently determines that Plan Participant did not meet one or more of the eligibility requirements described in this Plan, the amount calculated as the bonus amount payable was incorrect, or Plan Participant otherwise should not have received the bonus payment.

f) Notwithstanding the calculations set forth in Sections 1 and 2, the Company shall be entitled to recover any bonus amounts paid to Plan Participant to the extent the bonuses calculated in accordance with Sections 1 and 2 include Revenue or Recognized Support and Subscription Revenue for which the Company does not ultimately receive payment from customers (the amount to be recovered to equal (i) the bonus amounts calculated pursuant to Sections 1 and 2 above less (ii) the bonus amounts calculated pursuant to Sections 1 and 2 above with Revenue and Recognized Support and Subscription Revenue adjusted to subtract the amount of Revenue and Recognized Support and Subscription Revenue for which the Company does not ultimately receive payment from customers). Any such amount to be recovered by the Company shall be deducted from future bonus amounts otherwise payable to Plan Participant until the amount has been recovered by the Company in full, to the extent permitted by law. In the event that your employment with the Company terminates for any reason, any negative balance owed by you shall be deducted from your final payments (or severance pay if applicable) and any remaining negative balance owed by you following such deductions shall be repaid by you to the Company, in each case to the extent permitted by law.

g) The Compensation Committee shall have sole responsibility for the administration, interpretation, and implementation of this Plan. Plan Participant must raise with the Chief Human Resources Officer, or if there is no Chief Human Resources Officer, the Chief Financial Officer, any issues he has concerning his bonus statement within 60 days from receipt of the statement. Any claims arising from this Plan shall be forfeited if they are not asserted in writing during this period. All decisions and determinations by the Compensation Committee relating to the Plan and any bonuses, whether or not relating to any issues raised by Plan Participant during the 60 days following receipt of his bonus statement, shall be final.

h) This Plan is not an employment contract and does not guarantee or create any expectation of employment. Participation in this Plan does not grant Plan Participant the right to continued employment or any right to continuation in Plan Participant’s job assignment.

i) Notwithstanding anything to the contrary set forth herein, in the event that the sum of the amount of the Contribution Margin Compensation and the Recognized Support and Subscription Compensation calculated hereunder for 2019 (collectively, the “Aggregate Bonus Amount”) would exceed $8,000,000, the Compensation Committee shall reduce one or more such bonuses to the extent necessary such that the Aggregate Bonus Amount is less than or equal to $8,000,000.

4) Currency Translation

   For purposes of all computations and currency conversions made under this Plan, MicroStrategy’s fixed exchange currency rates as of January 1, 2019 are applicable for 2019.

Acknowledged and accepted by Kevin Norlin on March 21, 2019.
Approved on behalf of MicroStrategy Services Corporation by Phong Le on March 22, 2019.
2019 Senior Executive Vice President, Worldwide Services Compensation Plan

Name: Stephen Holdridge ("Plan Participant")
Effective Date: 1 January 2019

This document (the “Plan”) constitutes the full terms and conditions of your annual bonus plan for 2019 and supersedes all oral communications and prior writings with respect thereto. As Senior Executive Vice President, Worldwide Services of MicroStrategy Incorporated ("MicroStrategy" and, collectively with its subsidiaries, the “Company”), you are eligible to earn for 2019: (i) an annual bonus described in Section 1 below (the “Contribution Margin Compensation”) and (ii) an annual bonus described in Section 2 below (the “Recognized Support and Subscription Compensation”), in each case subject to the general terms set forth in Section 3 below, including, without limitation, the Company’s right of recovery under Section 3(f).

1) Contribution Margin Compensation
   a) Any Contribution Margin Compensation for 2019 shall be determined by the Compensation Committee of MicroStrategy’s Board of Directors (the “Compensation Committee”) by multiplying (i) the Contribution Margin Rate (as defined below) by (ii) the Contribution Margin (as defined below).
   b) “Contribution Margin Rate” is defined as 1.5% (one and a half percent).
   c) “Contribution Margin” is defined as Revenue (as defined below) minus Costs (as defined below) minus -$29,000,000 (negative twenty-nine million dollars).
      (i) Revenue is defined as the Company’s Delivered Revenue for fiscal 2019 attributable to Consulting and Education Services delivered by the Services department. “Delivered Revenue” is defined as the value of hours worked against customer engagements.
      (ii) Costs is defined as the Company’s expenses accrued for fiscal 2019 of the Services department for Salary, Benefits, Variable Compensation, Travel & Entertainment, Purchase Orders, and Subcontractor Fees, plus the Company’s expenses accrued for fiscal 2019 for other costs of services originating from non-Services departments that are cross charged to the Services department.

2) Recognized Support and Subscription Compensation
   a) Any Recognized Support and Subscription Compensation for 2019 shall be determined by the Compensation Committee by multiplying (i) the Base Rate (as defined below) by (ii) the Recognized Support and Subscription Revenue (as defined below) less $324,000,000.
   b) “Base Rate” is defined as 2.0% (two percent).
   c) “Recognized Support and Subscription Revenue” is defined as the sum of (i) the amount of recognized Product Support revenue for fiscal 2019 and (ii) the amount of recognized Subscription Services revenue for fiscal 2019, in each case reflecting a constant foreign exchange rate.

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   a) The Compensation Committee reserves the right to modify, suspend or terminate this Plan or any bonus payment in whole or in part, at any time, with or without prior notice or reason. The Compensation Committee may exercise discretion to reduce (but not increase) any amounts that would otherwise be payable under this Plan for any reason, including Plan Participant’s failure to comply with the general terms set forth in this Section 3 or due to a financial statement adjustment from a prior period.
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e) The Company reserves the right to delay, withhold or suspend any bonuses pending the Compensation Committee’s determination of whether each of the above requirements (and all other bonus eligibility requirements set forth herein) have been met. The Company may recover any bonuses paid to Plan Participant if the Compensation Committee subsequently determines that Plan Participant did not meet one or more of the eligibility requirements described in this Plan, the amount calculated as the bonus amount payable was incorrect, or Plan Participant otherwise should not have received the bonus payment.

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