

Cornerstone OnDemand Inc
Form DEF 14A
April 27, 2018

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

SCHEDULE 14A
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Cornerstone OnDemand, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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Fee paid previously with preliminary materials.

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April 27, 2018

Dear Cornerstone OnDemand, Inc. Stockholders:

You are cordially invited to attend our 2018 Annual Meeting of Stockholders (the “Annual Meeting”), which will be held on Thursday, June 14, 2018 at 1:00 p.m. Pacific Time at the Company’s headquarters, located at 1601 Cloverfield Blvd., Suite 620 South, Santa Monica, California 90404.

At the Annual Meeting, stockholders will be asked to vote on the five proposals set forth in the Notice of 2018 Annual Meeting of Stockholders and described in the accompanying proxy statement.

It is important that your shares of the Company’s common stock are represented and voted at the Annual Meeting.

Whether or not you plan to attend the Annual Meeting, please vote as soon as possible. Voting your proxy will ensure your representation at the Annual Meeting. We urge you to carefully review the proxy materials and to vote your shares: “FOR” the election of the two directors nominated by our board of directors and named in the accompanying proxy statement as Class I directors to serve until the 2021 annual meeting of stockholders; “FOR” the approval of an amendment to our amended and restated certificate of incorporation to declassify our board of directors; “FOR” the approval, on an advisory basis, of the compensation of our named executive officers; “ONE YEAR” for the frequency of future stockholder advisory votes on the compensation of our named executive officers; and “FOR” the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018.

Thank you for your continued support of Cornerstone OnDemand, Inc.

Sincerely,

/s/ Adam L. Miller

Adam L. Miller

Chief Executive Officer

CORNERSTONE ONDEMAND, INC.
1601 Cloverfield Blvd., Suite 620 South
Santa Monica, California 90404

NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS

To Be Held on Thursday, June 14, 2018
at 1:00 p.m. Pacific Time

The 2018 Annual Meeting of Stockholders (the “Annual Meeting”) of Cornerstone OnDemand, Inc., a Delaware corporation, will be held at the Company’s headquarters, located at 1601 Cloverfield Blvd., Suite 620 South, Santa Monica, California 90404 on Thursday, June 14, 2018 at 1:00 p.m. Pacific Time and, if applicable, at any adjournments or postponements thereof. At the Annual Meeting, our stockholders will be asked:

1 To elect two Class I directors to serve until the 2021 annual meeting of stockholders and until their successors are duly elected and qualified;

2 To approve an amendment to our amended and restated certificate of incorporation to declassify our board of directors;

3 To approve, on an advisory basis, the compensation of our named executive officers;

4 To approve, on an advisory basis, the frequency of future stockholder advisory votes on the compensation of our named executive officers;

5 To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018; and

6 To transact such other business as may properly come before the Annual Meeting and any adjournments or postponements thereof.

The accompanying proxy statement more fully describes these proposals.

We have elected to take advantage of a U.S. Securities and Exchange Commission rule that allows us to furnish our proxy materials over the Internet to our stockholders rather than in paper form. We believe that this delivery process reduces our environmental impact and lowers the cost of printing and distributing our proxy materials without affecting our stockholders’ timely access to this important information. Accordingly, unless you have previously requested to receive our proxy materials in paper form, you will receive a Notice of Internet Availability of Proxy Materials (the “Notice”), which we expect to mail on or about April 27, 2018. The Notice will explain how to access our proxy materials and vote by telephone or over the Internet.

Our board of directors has fixed the close of business on April 23, 2018 as the record date for the Annual Meeting. Only stockholders of record on April 23, 2018 are entitled to receive notice of and vote at the Annual Meeting. All stockholders are invited to attend the Annual Meeting in person. However, to ensure your representation at the Annual Meeting, please vote as soon as possible by following the instructions in the Notice. Any stockholder attending the Annual Meeting may vote in person even if he, she or it has voted using the Internet, telephone or proxy card, and any previous votes that were submitted by the stockholder, whether by Internet, telephone or mail, will be superseded by the vote such stockholder casts at the Annual Meeting. For further information, please see the information in the Notice and in the accompanying proxy statement.

By order of the Board of Directors

/s/ Adam L. Miller
Adam L. Miller
Chief Executive Officer
Santa Monica, California
April 27, 2018

YOUR VOTE IS EXTREMELY IMPORTANT. TO ENSURE YOUR REPRESENTATION AT THE ANNUAL MEETING, YOU ARE URGED TO VOTE BY TELEPHONE OR INTERNET AS PROMPTLY AS POSSIBLE. ALTERNATIVELY, YOU MAY REQUEST A PAPER PROXY CARD, WHICH YOU MAY COMPLETE, SIGN AND RETURN BY MAIL.

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CORNERSTONE ONDEMAND, INC.

FOR THE 2018 ANNUAL MEETING OF STOCKHOLDERS

To Be Held on Thursday, June 14, 2018

at 1:00 p.m. Pacific Time

GENERAL INFORMATION

We are providing you with this proxy statement and the enclosed form of proxy in connection with the solicitation by the board of directors of Cornerstone OnDemand, Inc. of proxies to be used at our 2018 Annual Meeting of Stockholders (the "Annual Meeting"). The Annual Meeting will be held at the Company's headquarters, located at 1601 Cloverfield Blvd., Suite 620 South, Santa Monica, California 90404, on Thursday, June 14, 2018 at 1:00 p.m. Pacific Time and, if applicable, at any adjournment or postponement thereof. This proxy statement contains important information regarding the Annual Meeting, the proposals on which you are being asked to vote, information you may find useful in determining how to vote, and information about voting procedures. As used herein, "we," "us," "our," "Cornerstone" or the "Company" refers to Cornerstone OnDemand, Inc., a Delaware corporation.

This proxy statement and our annual report to stockholders were first made available to our stockholders on or about April 27, 2018.

The information provided in the "question and answer" format below addresses certain frequently asked questions but is not intended to be a summary of all matters contained in this proxy statement. You should read this entire proxy statement carefully before voting your shares. Information contained on, or that can be accessed through, our website is not intended to be incorporated by reference into this proxy statement and references to our website address in this proxy statement are inactive textual references only.

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS

In accordance with the "notice and access" rules of the U.S. Securities and Exchange Commission (the "SEC"), instead of mailing a printed copy of our proxy statement, proxy card and annual report (collectively, the "proxy materials") to stockholders entitled to vote at the Annual Meeting, we are furnishing the proxy materials to our stockholders over the Internet. If you received a Notice of Internet Availability of Proxy Materials (the "Notice") by mail, you will not receive a printed copy of the proxy materials. Instead, the Notice will instruct you as to how you may access and review the proxy materials and submit your vote via the Internet. If you received a Notice by mail and would like to receive a printed copy of the proxy materials, please follow the instructions for requesting such materials included in the Notice.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND THESE PROXY MATERIALS

What matters will be voted on at the Annual Meeting?

At the Annual Meeting, stockholders will be voting on:

- the election of two Class I directors to serve until the 2021 annual meeting of stockholders and, in each case until their successors are duly elected and qualified;
- a proposal to approve an amendment to our amended and restated certificate of incorporation to declassify our board of directors;
- a proposal to approve, on an advisory basis, the compensation of our named executive officers;
- a proposal to approve, on an advisory basis, the frequency of future stockholder advisory votes on the compensation of our named executive officers;
- a proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018; and
- any other business that may properly come before the Annual Meeting or any adjournments or postponements thereof.

How does our board of directors recommend that I vote?

Our board of directors recommends that you vote:

FOR the election of Robert Cavanaugh and Kristina Salen as Class I directors;

FOR the approval of an amendment to our amended and restated certificate of incorporation to declassify our board of directors;

FOR the approval, on an advisory basis, of the compensation of our named executive officers;

ONE YEAR for the frequency of future stockholder advisory votes on the compensation of our named executive officers; and

FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018.

Will there be any other items of business on the agenda?

If any other items of business or other matters are properly brought before the Annual Meeting, your proxy gives discretionary authority to the persons named on the proxy card with respect to those items of business or other matters. The persons named on the proxy card intend to vote the proxy in accordance with their best judgment. Our board of directors does not intend to bring any other matters to be voted on at the Annual Meeting. We are not currently aware of any other matters that may properly be presented by others for action at the Annual Meeting.

Who is entitled to vote at the Annual Meeting?

Holders of our common stock at the close of business on April 23, 2018, the record date for the Annual Meeting, are entitled to receive notice of and vote at the Annual Meeting. Each stockholder is entitled to one vote for each share of our common stock held as of the record date. As of the record date, there were 57,705,470 shares of our common stock outstanding and entitled to vote at the Annual Meeting. No shares of preferred stock were outstanding.

A complete list of the stockholders entitled to vote at the Annual Meeting will be available at our headquarters, located at 1601 Cloverfield Blvd., Suite 620 South, Santa Monica, California 90404, during regular business hours for the ten days prior to the Annual Meeting. This list also will be available during the Annual Meeting at the meeting location. Stockholders may examine the list for any legally valid purpose related to the Annual Meeting.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Stockholders of Record. If, at the close of business on the record date, your shares of our common stock are registered directly in your name with Computershare Trust Company, N.A., our transfer agent, you are considered to be the stockholder of record of such shares. Throughout this proxy statement, we refer to registered stockholders as “stockholders of record.” If you are a stockholder of record, you have the right to grant your voting proxy directly to the individuals listed on the proxy card or to vote in person at the Annual Meeting.

Beneficial Owner. If, at the close of business on the record date, your shares of our common stock were held in a brokerage account or by a bank or other nominee on your behalf, you are considered to be the “beneficial owner” of shares of common stock held in “street name.” Throughout this proxy statement, we refer to stockholders who hold their shares through a broker, bank or other nominee as “beneficial owner.” If you are a beneficial owner, you have the right to direct your broker, bank or other nominee how to vote your shares by following the voting instructions your broker, bank or other nominee provides. If you do not provide your broker, bank or other nominee with instructions on how to vote your shares, your broker, bank or other nominee may not vote your shares with respect to any non-routine matters, but it may, in its discretion, vote your shares with respect to routine matters. Please see “What if I do not specify how my shares are to be voted?” for a description of routine versus non-routine matters.

Do I have to do anything in advance if I plan to attend the Annual Meeting in person?

Stockholders of Record. If you are a stockholder of record, you do not need to do anything in advance to attend and/or vote your shares in person at the Annual Meeting, but you will need to present government-issued photo identification for entrance to the Annual Meeting.

Beneficial Owner. If you are a beneficial owner, you may not vote your shares in person at the Annual Meeting unless you obtain a “legal proxy” from the broker, bank or other nominee who is the stockholder of record with respect to your shares. You may still attend the Annual Meeting even if you do not have a legal proxy. For entrance to the Annual Meeting, you will need to present government-issued photo identification and provide proof of beneficial ownership as of the record date, such as the notice or voting instructions you received from your broker, bank or other nominee or a brokerage statement reflecting your ownership of shares as of the record date.

How do I vote and what are the voting deadlines?

Stockholders of Record. If you are a stockholder of record, there are several ways for you to vote your shares:

Over the Internet, by telephone or by mail. If you are a stockholder of record, you may instruct the proxy holders how to vote your shares by using the Internet voting site or the toll-free telephone number listed on the Notice.

Alternatively, you may request a proxy card by telephone at 1-800-579-1639, over the Internet at www.proxyvote.com, or by email at sendmaterial@proxyvote.com, and complete, sign, date and return the proxy card in the postage pre-paid envelope provided. If you request a proxy card pursuant to the preceding sentence, please sign your name exactly as it appears on the proxy card. Proxy cards submitted by mail must be received no later than June 13, 2018 for your shares to be voted at the Annual Meeting. Specific instructions for using the telephone and Internet voting systems are on the proxy card and in the Notice. The telephone and Internet voting systems for stockholders of record will be available until 11:59 p.m. Eastern Time on June 13, 2018. Regardless of the method you select to transmit your voting instructions, the proxy holders will vote your shares in accordance with your instructions. If you sign and return a proxy card without giving specific voting instructions with respect to one or more proposals, your shares will be voted as recommended by our board of directors.

In person at the Annual Meeting. You may vote your shares in person at the Annual Meeting by delivering your completed proxy card in person or by completing and submitting a ballot, which will be provided at the Annual Meeting. Even if you plan to attend the Annual Meeting in person, we recommend that you also submit your proxy card or voting instructions by mail or vote by telephone or via the Internet by the applicable deadline so that your vote will be counted if you later decide not to attend the Annual Meeting.

Beneficial Owners. If you are a beneficial owner, you will receive voting instructions from your broker, bank or other nominee. You must follow the voting instructions provided by your broker, bank or other nominee in order to instruct your broker, bank or other nominee on how to vote your shares. The availability of telephone and Internet voting will depend on the voting process of your broker, bank or other nominee. As discussed above, if you are a beneficial owner, you may not vote your shares in person at the Annual Meeting unless you obtain a “legal proxy” from your broker, bank or other nominee.

Can I revoke or change my vote after I submit my proxy?

Stockholders of Record. If you are a stockholder of record, you may revoke your proxy or change your proxy instructions at any time before your proxy is voted at the Annual Meeting by:

- entering a new vote by Internet or by telephone;
- signing and returning a new proxy card with a later date;
- delivering a written revocation to our General Counsel at Cornerstone OnDemand, Inc., 1601 Cloverfield Blvd., Suite 620 South, Santa Monica, California 90404, by 11:59 Eastern Time on June 13, 2018; or
- attending the Annual Meeting and voting in person.

Beneficial Owners. If you are a beneficial owner, you must contact the broker, bank or other nominee holding your shares and follow its instructions to change your vote or revoke your proxy.

What is the effect of giving a proxy?

Proxies are solicited by and on behalf of our board of directors. The persons named in the proxy have been designated as proxy holders by our board of directors. When a proxy is properly dated, executed and returned, the shares represented by the proxy will be voted at the Annual Meeting in accordance with the instructions of the stockholder. If no specific instructions are given, however, the shares will be voted in accordance with the recommendations of our board of directors. If any matters not described in this proxy statement are properly presented at the Annual Meeting, the proxy holders will use their own judgment to determine how to vote your shares. If the Annual Meeting is postponed or adjourned, the proxy holders can vote your shares on the new meeting date, unless you have properly

revoked your proxy, as described above.

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What if I do not specify how my shares are to be voted?

Stockholders of Record. If you are a stockholder of record and you submit a proxy but you do not provide voting instructions, your shares will be voted:

• FOR the election of Robert Cavanaugh and Kristina Salen as Class I directors (Proposal 1);

• FOR the approval of an amendment to our amended and restated certificate of incorporation to declassify our board of directors (Proposal 2);

• FOR the approval, on an advisory basis, of the compensation of our named executive officers (Proposal 3);

• ONE YEAR for the frequency of future stockholder advisory votes on the compensation of our named executive officers (Proposal 4);

• FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018 (Proposal 5); and

• In the discretion of the named proxies regarding any other matters properly presented for a vote at the Annual Meeting or any adjournments or postponements thereof.

Beneficial Owners. If you are a beneficial owner and you do not provide the broker, bank or other nominee that holds your shares with voting instructions, your broker, bank or other nominee will determine if it has the discretionary authority to vote on the particular matter. Brokers, banks and other nominees do not have discretion to vote on non-routine matters. Proposal 1, 2, 3, and 4 are non-routine matters, while Proposal 5 is a routine matter. As a result, if you do not provide voting instructions to your broker, bank or other nominee, your broker, bank or other nominee may not vote your shares with respect to Proposal 1, 2, 3, or 4, which would result in a broker non-vote, but may, in its discretion, vote your shares with respect to Proposal 5. For additional information regarding broker non-votes, see “What are the effects of abstentions and broker non-votes?” below.

What constitutes a quorum, and why is a quorum required?

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 law. A quorum exists when at least a majority of the outstanding shares entitled to vote at the close of business on the record date are represented at the Annual Meeting, either in person or by proxy. As of the close of business on the record date, we had 57,705,470 shares of common stock outstanding and entitled to vote at the Annual Meeting, meaning that 28,852,736 shares of common stock must be represented in person or by proxy at the Annual Meeting to have a quorum. If there is not a quorum, the chairperson of the Annual Meeting or a majority of the shares present in person or represented by proxy at the Annual Meeting may adjourn the meeting to a later date.

What are the effects of abstentions and broker non-votes?

An abstention represents a stockholder’s affirmative choice to decline to vote on a proposal. If a stockholder indicates on its proxy card that it wishes to abstain from voting its shares, or if a broker, bank or other nominee holding its customers’ shares of record causes abstentions to be recorded for shares, these shares will be considered present and entitled to vote at the Annual Meeting. As a result, an abstention for Proposal 2, 3 or 5 will be counted for purposes of determining the presence or absence of a quorum and will also count as votes against such proposal. An abstention for Proposal 4 will have no effect on the outcome of such proposal so long as a quorum exists.

A broker non-vote occurs when a broker, bank or other 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 such proposal and has not received voting instructions from the beneficial owner of the shares. Broker non-votes will be counted for the purpose of calculating whether a quorum is present at the Annual Meeting. Thus, a broker non-vote will make a quorum more readily attainable, but will not otherwise affect the outcome of the vote on Proposal 1, 3, 4 and 5. A broker non-vote on Proposal 2 will have the same effect as a vote against such proposal.

What is the vote required for each proposal?

Proposal	Vote Required	Broker Discretionary Voting Allowed?
Proposal 1 — Election of two Class I directors	Plurality of voting power of shares present and entitled to vote	No
Proposal 2 — Approval of an amendment to our certificate of incorporation to declassify our board of directors	70% of voting power of our outstanding Common Stock	No
Proposal 3 — Approval of an advisory resolution to approve named executive officer compensation	Majority of voting power of shares present and entitled to vote	No
Proposal 4 — Approval of an advisory resolution on the frequency of future advisory votes on the compensation of our named executive officers	The alternative that receives the highest number of votes	No
Proposal 5 — Ratification of the appointment of independent registered public accounting firm	Majority of voting power of shares present and entitled to vote	Yes

With respect to Proposal 1, you may (i) vote FOR all nominees, (ii) WITHHOLD your vote as to all nominees, or (iii) vote FOR all nominees except for those specific nominees from whom you WITHHOLD your vote. The two nominees receiving the most FOR votes will be elected. You may not cumulate votes in the election of directors. Any shares not voted FOR a particular nominee (whether as a result of a vote being withheld or a broker non-vote) will not be counted in such nominee's favor and will have no effect on the outcome of the election. If you WITHHOLD your vote as to all nominees, you will be deemed to have ABSTAINED from voting on Proposal 1, and such abstention will have no effect on the outcome of the vote.

With respect to Proposals 2, 3 and 5, you may vote FOR, AGAINST or ABSTAIN. If you ABSTAIN from voting on Proposal 2, 3 or 5, the abstention will have the same effect as a vote AGAINST the proposal.

With respect to Proposal 4, you may vote ONE YEAR, TWO YEARS, THREE YEARS or ABSTAIN. If you ABSTAIN from voting on Proposal 4, the abstention will have no effect on the outcome of the vote.

Who will count the votes?

Broadridge Financial Solutions, Inc. ("Broadridge") has been engaged to receive and tabulate stockholder votes. Broadridge will also certify the election results and perform any other acts required by the Delaware General Corporation Law.

Who is paying for the costs of this proxy solicitation?

We will bear the entire cost of proxy solicitation, including the preparation, assembly, printing, mailing and distribution of the proxy materials. Copies of solicitation materials will also be made available upon request to brokerage houses and other nominees holding shares in their names that are beneficially owned by others to forward to such beneficial owners. The original solicitation of proxies may be supplemented by solicitation by telephone, electronic communication, or other means by our directors, officers, employees or agents. No additional compensation will be paid to these individuals for any such services, although we may reimburse such individuals for their reasonable out-of-pocket expenses in connection with such solicitation. We do not plan to retain a proxy solicitor to assist in the solicitation of proxies.

How can I find the results of the Annual Meeting?

Preliminary results will be announced at the Annual Meeting. Final results will be published in a Current Report on Form 8-K to be filed with the SEC within four business days after the Annual Meeting. If the official results are not available at that time, we will provide preliminary voting results in the Current Report on Form 8-K and will provide

the final results in an amendment to the Current Report on Form 8-K as soon as they become available.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Our business affairs are managed under the direction of our board of directors, which is currently composed of nine members. Eight of our directors are independent within the meaning of the listing standards of The Nasdaq Stock Market, or Nasdaq. Our board of directors is divided into three staggered classes of directors. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the same class whose term is then expiring.

R. C. Mark Baker and Joseph P. Payne, two of our current directors, have notified us of their resignations from our board of directors, effective as of the Annual Meeting. We are currently conducting ongoing searches for qualified director candidates.

The following table sets forth the names, ages as of February 28, 2018, and certain other information for each of the members of our board of directors with terms expiring at the Annual Meeting (who are also nominees for election as a director at the Annual Meeting) and for each of the members of our board of directors who will continue to serve after the Annual Meeting:

Name	Age	Position	Director Since
Class I Directo			