

TEAM INC  
Form PRE 14A  
March 27, 2018  
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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 ☐

Filed by a party other than the Registrant ☐  
Check the appropriate box:

☐ Preliminary Proxy Statement – 2018 Annual Meeting of Shareholders  
☐ 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-11(c) or § 240.14a-12  
TEAM, 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  
☐ 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:  
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Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth  
(3) the amount on which the filing fee is calculated and state how it was determined):  
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PRELIMINARY PROXY STATEMENT – SUBJECT TO COMPLETION

13131 Dairy Ashford  
Sugar Land, Texas 77478  
(281) 331-6154

Notice of 2018 Annual Meeting of Shareholders and Proxy Statement

April 12, 2018

To Our Shareholders:

On behalf of our Board of Directors, it is my pleasure to invite you to attend the 2018 Annual Meeting of Shareholders of Team, Inc. The Annual Meeting will be held on Thursday, May 17, 2018, at 3:00 p.m., local time, at our headquarters located at 13131 Dairy Ashford, Sugar Land, Texas 77478. A notice of the meeting, a Proxy Statement and a proxy card containing information about the matters to be voted upon are enclosed.

In addition to the Proxy Statement, you should have also received a copy of our Annual Report on Form 10-K for the year ended December 31, 2017. We encourage you to read the Form 10-K. It includes information about our operations as well as our audited, consolidated financial statements. If you did not receive a copy of our 2017 Annual Report on Form 10-K, it, along with this Proxy Statement, are available on our website at [www.teaminc.com/proxy2018](http://www.teaminc.com/proxy2018), under the “Investors” page.

Please use this opportunity to take part in the affairs of our company by voting on the business to come before this meeting. Whether or not you plan to attend the meeting, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid envelope or vote electronically via the Internet or by telephone. See “About the Annual Meeting—How do I vote by proxy?” in the Proxy Statement for more details. Instructions for each type of voting are included with the instructions on your proxy card and the Notice of Internet Availability of Proxy Materials. Returning the proxy card or voting electronically does not deprive you of your right to attend the meeting and to vote your shares in person for the matters to be acted upon at the meeting. However, if your shares are held through a broker or other nominee, you must obtain a legal proxy from the record holder of your shares in order to vote at the meeting.

Sincerely,

/s/ Louis Waters

Chairman of the Board of Directors

Important Notice Regarding the Availability of Proxy Materials for the 2018 Annual Meeting.

Our Proxy Statement and Annual Report on Form 10-K are available at [www.teaminc.com/proxy2018](http://www.teaminc.com/proxy2018), under the “Investors” page

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TEAM, INC.  
13131 Dairy Ashford  
Sugar Land, Texas 77478

NOTICE OF 2018  
ANNUAL  
MEETING OF  
SHAREHOLDERS

Time and Date: 3:00 p.m., local time, on Thursday, May 17, 2018

Location: Team, Inc.  
13131 Dairy Ashford  
Sugar Land, Texas 77478

Items of Business: Proposal One—Election of three (3) nominees named in the Proxy Statement as Class II directors to serve a three-year term and one (1) nominee named in the Proxy Statement as a Class III director to serve a one-year term;

• Proposal Two—Ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for fiscal year ending December 31, 2018;

• Proposal Three—Advisory vote on Named Executive Officer compensation;

• Proposal Four—Approval of the issuance of shares of our common stock issuable upon the conversion of our 5.00% convertible senior notes;

• Proposal Five—Approval of the new Team, Inc. 2018 Equity Incentive Plan; and

• Such other business as may properly come before the meeting, or any adjournment thereof.

Documents: We have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a Proxy Statement, a proxy card and our 2017 Annual Report and by notifying you of the availability of our proxy materials on the Internet. This Proxy Statement and our 2018 Annual Report on Form 10-K are available at [www.teaminc.com/proxy2018](http://www.teaminc.com/proxy2018), under the “Investors” page. Our 2017 Annual Report, including our Form 10-K does not form a part of the material for the solicitation of proxies.

Record Date: The shareholders of record of our Common Stock as of the close of business on Tuesday, April 3, 2018, will be entitled to vote at the Annual Meeting of Shareholders, or any adjournment thereof. A complete list of shareholders of record of our Common Stock entitled to vote at the Annual Meeting of Shareholders will be maintained in our principal executive offices at 13131 Dairy Ashford, Suite 600, Sugar Land, Texas 77478 for ten days prior to the Annual Meeting and will also be available at the Annual Meeting.

Proxy Voting: It is important that your shares be represented and voted at the Annual Meeting of Shareholders. You can vote your shares in one of four ways:

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- (1) By Mail—fully complete, sign, date and return the proxy card in the enclosed, postage paid envelope.
- (2) By Internet—visit the website listed on your proxy card and follow the instructions.
- (3) By Telephone—call the telephone number on your proxy card and follow the instructions.
- In Person—attend the Annual Meeting to vote in person. You can revoke a proxy at any time
- (4) prior to its exercise at the Annual Meeting by following the instructions in the Proxy Statement.

YOUR VOTE IS IMPORTANT.

PLEASE SIGN, DATE AND RETURN THE ACCOMPANYING PROXY CARD PROMPTLY.

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TEAM, INC.  
13131 Dairy Ashford  
Sugar Land, Texas 77478

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PROXY STATEMENT

GENERAL

These proxy materials are being provided to you in connection with the 2018 Annual Meeting of Shareholders of Team, Inc. (the “Annual Meeting”). This Proxy Statement, the accompanying proxy card and the 2017 Annual Report on Form 10-K (“Annual Report”) were first mailed to our shareholders on or about April 12, 2018. This Proxy Statement contains important information for you to consider when deciding how to vote on the matters to be brought before the Annual Meeting. Please read it carefully.

In accordance with rules promulgated by the Securities and Exchange Commission (“SEC”), we have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a Proxy Statement, a proxy card and our Annual Report and by notifying you of the availability of our proxy materials on the Internet. This Proxy Statement and our Annual Report are available at [www.teaminc.com/proxy2018](http://www.teaminc.com/proxy2018), under the “Investors” page. Our Annual Report does not form a part of the material for the solicitation of proxies.

Unless otherwise indicated, the terms “Team, Inc.,” “Team,” “the Company,” “we,” “our” and “us” are used in these proxy materials to refer to Team, Inc. We are incorporated in the state of Delaware and our company website can be found at [www.teaminc.com](http://www.teaminc.com). Our stock is traded on the New York Stock Exchange (“NYSE”) under the symbol “TISI”.

ABOUT THE ANNUAL MEETING

Who is soliciting my vote?

The Board of Directors of Team, Inc. (the “Board”) is soliciting your vote in connection with our Annual Meeting.

What is the purpose of the Annual Meeting?

The meeting will be our regular Annual Meeting of Shareholders. You will be voting on the following matters at our Annual Meeting:

1. Proposal One—Election of three (3) nominees named in the Proxy Statement as Class II directors to serve a three-year term and one (1) nominee named in the Proxy Statement as a Class III director to serve a one-year term;
2. Proposal Two—Ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2018;
3. Proposal Three—Advisory vote on Named Executive Officer compensation;
4. Proposal Four—Approval of the issuance of shares of our common stock issuable upon the conversion of our 5.00% convertible senior notes;
5. Proposal Five—Approval of the new Team, Inc. 2018 Equity Incentive Plan; and
6. Such other business as may properly come before the Annual Meeting, or any adjournment thereof.

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How does the Board of Directors recommend I vote?

The Board recommends that you vote your shares as follows:

Proposal One—"FOR" the election of Amerino Gatti, Brian K. Ferraioli and Michael A. Lucas as Class II directors and Craig L. Martin as Class III director;

Proposal Two—"FOR" the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018;

Proposal Three—"FOR" the approval, on an advisory basis, of Team, Inc.'s compensation of its Named Executive Officers as disclosed in this Proxy Statement;

Proposal Four—"FOR" the approval of the issuance of shares of our common stock issuable upon the conversion of our 5.00% convertible senior notes; and

Proposal Five—"FOR" the approval of the new Team, Inc. 2018 Equity Incentive Plan.

Who is entitled to vote at the Annual Meeting?

The Board has set Friday, April 3, 2018 as the record date for the Annual Meeting (the "Record Date"). All shareholders who owned our Common Stock, par value \$0.30 per share (the "Common Stock"), at the close of business on the Record Date may attend and vote at the Annual Meeting. See "How do I vote by proxy?" below for other ways you can vote if you do not plan on attending the Annual Meeting in person.

How many votes can be cast by all shareholders?

Each share of Common Stock is entitled to one vote. There is no cumulative voting. There were 29,987,232 shares of Common Stock outstanding and entitled to vote on the Record Date.

How many votes must be present to hold the Annual Meeting?

A majority of the outstanding shares of Common Stock as of the Record Date must be present at the Annual Meeting in order to hold the Annual Meeting and to conduct business. This is called a "quorum." Your shares are counted as present at the Annual Meeting if you are present at the Annual Meeting and vote in person, a proxy card has been properly submitted by you or on your behalf, or you have voted on the Internet or by telephone. Both abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum. A "broker non-vote" is a share of Common Stock that is beneficially owned by a person or entity and held by a broker or other nominee, but for which the broker or other nominee (i) lacks the discretionary authority to vote on certain matters and (ii) has not received voting instructions from the beneficial owner in respect of these specific matters.

How many votes are required to approve each proposal in this Proxy Statement?

Election of Directors. Directors are elected by a majority of the votes cast with respect to such director in uncontested elections, such that a nominee for director will be elected to the Board if the votes cast FOR the nominee's election exceed the votes cast AGAINST such nominee's election. Abstentions and broker non-votes are not counted as votes cast for purposes of the election of directors and, therefore, will have no effect on the outcome of such election. Even if a nominee is not re-elected, he or she will remain in office as a director until his or her earlier resignation or removal. Each of the current director nominees has signed a letter of resignation that will be effective if the nominee is not re-elected at the meeting. The Board will decide whether to accept the director's resignation in accordance with the procedures listed in the Company's Corporate Governance Principles, which are available on our website at [www.teaminc.com](http://www.teaminc.com).

Appointment of KPMG. To be approved, this Proposal requires the affirmative vote of a majority of the shares of Common Stock represented at the Annual Meeting, in person or by proxy.

Advisory Vote on Named Executive Officers Compensation. To be approved, this Proposal requires the affirmative vote of a majority of the shares of Common Stock represented at the Annual Meeting, in person or by proxy. A vote on this Proposal is not binding on the Board or the Company. Although the vote is non-binding, our Compensation Committee will review and consider the voting results when evaluating the compensation program for our Named Executive Officers.

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Approval of the issuance of shares of our common stock issuable upon the conversion of our 5.00% convertible senior notes. To be approved, this Proposal requires the affirmative vote of a majority of the shares of Common Stock represented at the Annual Meeting, in person or by proxy.

Approval of the new Team, Inc. 2018 Equity Incentive Plan. To be approved, this Proposal requires the affirmative vote of a majority of the shares of Common Stock represented at the Annual Meeting, in person or by proxy.

Other Matters. An affirmative vote of a majority of the shares of Common Stock represented at the Annual Meeting, in person or by proxy, is generally required for action of any other matters that may properly come before the Annual Meeting.

How do I vote by proxy?

You can vote your shares by completing and returning the proxy card accompanying this Proxy Statement. You also have the option of voting your shares on the Internet or by telephone. Your Internet or telephone vote authorizes the named proxies to vote shares in the same manner as if you marked, signed and returned your proxy card or voting instruction card. Please see your proxy card or voting instruction card for more information on how to vote by proxy. If you vote by Internet or telephone, do not return your proxy card. You may also vote in person by attending the Annual Meeting. However, even if you plan to attend the Annual Meeting, we recommend that you submit a proxy using the proxy card with respect to the voting of your shares in advance as described above so that your vote will be counted if you later decide not to attend the Annual Meeting.

What if I don't vote for some of the items listed on my proxy card or voting instruction card?

If you return your signed proxy card or voting instruction card in the enclosed envelope but do not mark selections, it will be voted in accordance with the recommendations of the Board. The Board has designated André C. Bouchard and Jay E. Kilborn to serve as proxies. If you indicate a choice with respect to any matter to be acted upon on your proxy card or voting instruction card, your shares will be voted in accordance with your instructions.

If you are a beneficial owner and hold your shares in "street name" (that is, in the name of or through a broker, bank or other nominee) and do not return the voting instruction card, the broker or other nominee will determine if it has the discretionary authority to vote on each matter voted upon at the Annual Meeting. Under applicable rules, brokers have the discretion to vote on routine matters. All of the matters scheduled to be voted on at the Annual Meeting are "non-routine" except for Proposal Two, to ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal year ending December 31, 2018. Thus, your broker, bank or other nominee would not be able to vote on such "non-routine" matters. If your shares are held in street name, your broker, bank or other nominee will include a voting instruction card with this Proxy Statement. We strongly encourage you to vote your shares by following the instructions provided on the voting instruction card. Please return your proxy card to your broker, bank or other nominee and contact the person responsible for your account to ensure that a proxy card is voted on your behalf.

How are abstentions and broker non-votes counted?

In tabulating the voting result for Proposal One, Two, Three, Four and Five, shares that constitute broker non-votes are not considered voting power present with respect to that proposal. Thus, with respect to proposals One, Two, Three, Four and Five, broker non-votes will not affect the outcome, assuming a quorum is obtained. Abstentions are considered voting power present at the meeting and thus will have the same effect as votes AGAINST each of the matters scheduled to be voted on at the Annual Meeting (other than the election of directors).

Both abstentions and broker non-votes are counted as "present" for purposes of determining the existence of a quorum at the Annual Meeting.

Who pays for the proxy solicitation and how will the Company solicit votes?

We bear the expense of printing and mailing proxy materials. In addition to this solicitation of proxies by mail, our directors, officers and other employees, as well as Innisfree, our proxy solicitor, may solicit proxies by personal interview, telephone, facsimile, or email. Our directors, officers and other employees will not be paid any additional compensation for any such solicitation. Innisfree will be paid approximately \$11,000 for their solicitation services.

We will request brokers and other nominees who hold shares of Common Stock in their names to furnish proxy materials to beneficial owners of these shares. We will reimburse such brokers and other nominees for their reasonable

expenses incurred in forwarding solicitation materials to these beneficial owners.

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Can I change or revoke my vote after I return my proxy card or voting instruction card?

Yes. Even if you sign the proxy card or voting instruction card in the form accompanying this Proxy Statement, vote by telephone, or vote on the Internet, you retain the power to revoke your proxy or change your vote. You can revoke your proxy or change your vote at any time before it is exercised at the Annual Meeting by providing written notice to our Corporate Secretary at: Team, Inc. Attention: André C. Bouchard, Corporate Secretary, 13131 Dairy Ashford, Suite 600, Sugar Land, Texas 77478, specifying such revocation. You may change your vote by timely delivering a valid, later-dated proxy or a later-dated vote by telephone or on the Internet or by voting in person at the Annual Meeting. However, please note that if you would like to vote at the Annual Meeting and you are not the shareholder of record, you must request, complete and deliver a proxy from your broker or other nominee.

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**PROPOSAL ONE—ELECTION OF DIRECTORS**

**Nominees for Election**

Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws provide that our Board will consist of not less than five persons, the exact number to be fixed from time to time by the Board. Our directors are divided into three classes designated as Class I, Class II and Class III. Each class consists, as nearly as possible, of one-third of the total number of directors constituting the entire Board. The Class II directors serve for a term expiring at the 2018 Annual Meeting of Shareholders, the Class III directors serve for a term expiring at the 2019 Annual Meeting of Shareholders and the Class I directors serve for a term expiring at the 2020 Annual Meeting of Shareholders. At each annual meeting, successors to the class of directors whose term expires at that annual meeting are elected for a term expiring at the third succeeding annual meeting. Each director holds office until the annual meeting for the year in which his or her term expires and until a successor has been elected and qualified, or until such director's earlier death, resignation, retirement, disqualification or removal.

At the Annual Meeting, three (3) directors have been nominated for election to serve a three-year term expiring at the annual meeting to be held in 2021 and one (1) director has been nominated for election to serve a one-year term expiring at the annual meeting to be held in 2019. Our Board has nominated the following three persons for election as Class II directors to serve a three-year term expiring on the date of our 2021 Annual Meeting of Shareholders or until their successors are duly elected and qualified:

▲Amerino Gatti;

♣Brian K. Ferraioli; and

♣Michael A. Lucas

Our Board has nominated Craig L. Martin for election as a Class III director to serve a one-year term expiring on the date of our 2019 Annual Meeting of Shareholders or until his successor is duly elected and qualified.

Biographical information about each of the nominees is provided under "The Board of Directors and its Committees," below.

**Vote Required and Board Recommendation**

Directors are elected by a majority of the votes cast with respect to such director in uncontested elections, such that a nominee for director will be elected to the Board if the votes cast FOR the nominee's election exceed the votes cast AGAINST such nominee's election. Abstentions and broker non-votes are not counted as votes cast for purposes of the election of directors and, therefore, will have no effect on the outcome of such election. Even if a nominee is not re-elected, he or she will remain in office as a director until his or her earlier resignation or removal. Each of the current director nominees has signed a letter of resignation that will be effective if the nominee is not re-elected at the meeting and the Board accepts his or her resignation following the meeting. If a nominee is not re-elected, the Board will decide whether to accept the director's resignation in accordance with the procedures listed in the Company's Corporate Governance Principles, which are available on our website at [www.teaminc.com](http://www.teaminc.com).

Shareholders may not cumulate their votes for the election of directors. Unless contrary instructions are set forth in the proxies, the persons with full power of attorney to act as proxies at the Annual Meeting will vote all shares represented by such proxies for the election of the nominees named therein as directors. Should any of the nominees become unable or unwilling to accept nomination or election, it is intended that the persons acting under the proxy will vote for the election, in the nominee's stead, of such other persons as our Board may recommend. We have no reason to believe that any of the nominees will be unable or unwilling to stand for election or to serve if elected.

The Board of Directors unanimously recommends that you vote "FOR" the election of each of the nominees named above.

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**PROPOSAL TWO—RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS THE COMPANY’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board has appointed KPMG LLP as the independent registered public accounting firm of the Company to audit its consolidated financial statements and the effectiveness of its internal controls over financial reporting for the fiscal year ending December 31, 2018, and the Board has determined that it would be desirable to request that our shareholders ratify such appointment.

KPMG LLP has served as the independent registered public accounting firm of the Company and its subsidiaries since May 2002. KPMG LLP is considered by the Audit Committee and by the management of the Company to be well-qualified. A representative of KPMG LLP will be present at the Annual Meeting and will have the opportunity to make a statement if such representative desires to do so and to respond to appropriate questions from shareholders. Shareholder ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm is not legally required. Nevertheless, at the recommendation of the Audit Committee, our Board has directed that the appointment of KPMG LLP be submitted for shareholder ratification as a matter of good corporate practice. If our shareholders do not ratify the appointment of KPMG LLP at the Annual Meeting, the Audit Committee will reconsider whether to retain KPMG LLP. Even if the appointment is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its shareholders.

**Vote Required and Board Recommendation**

The proposal to ratify the appointment of KPMG LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2018 requires the affirmative vote of a majority of the shares of Common Stock represented at the Annual Meeting in person or by proxy.

The Board of Directors unanimously recommends a vote “FOR” ratification of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for the year ending December 31, 2018.

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**PROPOSAL THREE—ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION**

We are asking you to vote, on an advisory basis, to approve the executive compensation philosophy, policies and procedures described in the “Compensation Discussion and Analysis” section of our 2018 Proxy Statement, and the compensation of our Named Executive Officers, as disclosed in our 2018 Proxy Statement.

In the section entitled “Compensation Discussion and Analysis,” you will find a description of our executive compensation practices and objectives. Please also refer to the compensation tables and narrative discussion appearing under “Executive Compensation and Other Matters,” which provide detailed information about the compensation of our Named Executive Officers. Our Compensation Committee and Board believe that our compensation practices are effective in achieving our executive compensation objectives and that the compensation of our Named Executive Officers as disclosed in this Proxy Statement reflects and supports the appropriateness of our executive compensation philosophy and practices.

This Proposal Three, commonly known as the “say-on-pay” proposal, gives the Company’s shareholders the opportunity to express their views on the compensation of our Named Executive Officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our Named Executive Officers described in this Proxy Statement.

Accordingly, we invite you to carefully review the sections in this proxy entitled “Compensation Discussion and Analysis” and “Executive Compensation and Other Matters” and cast a vote to approve the following non-binding resolution:

RESOLVED, that the compensation paid to the Company’s Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED.