CONNS INC
Form DEF 14A
April 20, 2018
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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 Rule 14a-12

CONN S, INC.

(Name of Registrant as Specified in Its Charter)

N/A

(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:

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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CONN S, INC.

NOTICE OF 2018 ANNUAL MEETING OF STOCKHOLDERS

To Be Held May 30, 2018

Location Information

2445 Technology Forest Blvd.

Building 4, Suite 800

The Woodlands, Texas 77381

To the Stockholders of Conn s, Inc.:

NOTICE IS HEREBY GIVEN that the 2018 annual meeting of stockholders of Conn s, Inc. will be held on Wednesday, May 30, 2018, at 2445 Technology Forest Blvd., Building 4, Suite 800, The Woodlands, Texas, 77381, commencing at 1:00 P.M., Central Daylight Time, for the following purposes:

1. to elect the eight directors nominated by our Board of Directors and named in this proxy statement;

2. to ratify the Audit Committee s appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2019;

3. to hold a non-binding advisory vote to approve the compensation of our named executive officers; and

4. to transact such other business as may properly come before the meeting.

Only stockholders of record at the close of business on April 4, 2018 are entitled to notice of, and to vote at, the 2018 annual meeting of stockholders or any postponement or adjournment thereof. A list of such stockholders, arranged in alphabetical order and showing the address of and the number of shares registered in the name of each such stockholder, will be available for examination by any stockholder for any purpose relating to the meeting during ordinary business hours for a period of at least ten days prior to the meeting at our principal executive offices located at 2445 Technology Forest Blvd., Building 4, Suite 800, The Woodlands, Texas 77381. If you plan on attending in person, you will need to provide proof of stock ownership, such as an account or brokerage statement reflecting stock ownership as of the record date, and a form of valid government-issued picture identification, such as a driver s license or passport.

We are pleased to take advantage of the U.S. Securities and Exchange Commission (SEC) rule that allows companies to furnish proxy materials to their stockholders over the Internet. As a result, on or about April 16, 2018, we are mailing to our stockholders, other than those who previously requested electronic or paper delivery of proxy materials, a **Notice of Internet Availability of Proxy Materials** (the Notice) for the fiscal year ended January 31, 2018. The Notice contains instructions on how to access those documents over the Internet. The Notice also contains instructions on how to request a paper copy of our proxy materials, including this proxy statement, our Annual Report on Form 10-K for the fiscal year ended January 31, 2018, and a form of proxy card or voting instruction card. **It is very important that your shares are represented and voted at the meeting. As explained in further detail in the Notice, your shares may be voted via a toll-free telephone number, on the Internet, or by signing, dating and returning the enclosed proxy card in the envelope provided. Your proxy card will not be used if you are present at the meeting and prefer to vote in person, or if you revoke your proxy.**

By Order of the Board of Directors,

Mark Prior

Vice President, General Counsel and Secretary

April 13, 2018

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IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 30, 2018

The Company s Proxy Statement for the 2018 Annual Meeting of Stockholders and the Annual Report on Form 10-K for the fiscal year ended January 31, 2018 are available free of charge on our website at www.conns.com, at www.proxyvote.com, and at the SEC s website at www.sec.gov.

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PROXY STATEMENT

2018 ANNUAL MEETING OF STOCKHOLDERS

Date:	May 30, 2018
Time:	1:00 P.M., Central Daylight Time
Location of Meeting:	Conn s, Inc. (we, us or the Company) 2445 Technology Forest Blvd. Building 4, Suite 800 The Woodlands, Texas 77381
Record Date and Number of Votes:	April 4, 2018. Holders of our Common Stock, par value $0.01 per share (Common Stock) are entitled to one vote for each share of Common Stock they owned as of the close of business on April 4, 2018. You may not cumulate votes.
Agenda:	1. To elect the eight directors nominated by our Board of Directors and named in this proxy statement; 2. To ratify the Audit Committee s appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2019 (fiscal year 2019); 3. To hold a non-binding advisory vote to approve the compensation of our named executive officers; and 4. To transact such other business as may properly come before the meeting.
Proxies:	Unless you tell us on the form of proxy to vote differently, the named proxies will vote signed returned proxies: 1. FOR the election of the eight directors nominated by the Board of Directors and named in this proxy statement;

2. FOR the proposal to ratify the appointment by the Audit Committee of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2019; and

3. FOR the approval, on a non-binding, advisory basis, of the compensation of our named executive officers.

The proxy holders will use their discretion on other matters. If a nominee for the Board of Directors cannot serve as a director, the proxy holders will vote for a person whom they believe will carry on our present policies.

Proxies Solicited By: The board of directors of the Company (the Board of Directors or Board).

Distribution Date: The Notice or the proxy materials, including this proxy statement, proxy card or voting instruction card and our Annual Report on Form 10-K, are being distributed and made available on or about April 16, 2018.

YOUR VOTE IS IMPORTANT. PLEASE VOTE PROMPTLY.

Prompt return of your proxy will help reduce the costs to the Company of re-solicitation.

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GENERAL INFORMATION REGARDING THE 2018 ANNUAL MEETING OF STOCKHOLDERS

Our fiscal year ends on January 31. References to a fiscal year throughout this proxy statement refer to the calendar year in which the fiscal year ends.

What constitutes a quorum? What is the Record Date? How many shares are outstanding?

The holders of a majority of the outstanding shares of our common stock (the Common Stock) entitled to vote at the 2018 annual meeting of stockholders (the 2018 annual meeting or the meeting), represented in person or by proxy, will constitute a quorum at the meeting. However, if a quorum is not present or represented at the meeting, the stockholders entitled to vote at the meeting, present in person or represented by proxy, have the power to adjourn the meeting, without notice, other than by announcement at the meeting, until a quorum is present or represented. At any such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the original meeting.

On April 4, 2018, the Record Date, there were 31,564,721 shares of our Common Stock issued and outstanding and entitled to vote, meaning that 15,782,361 shares of our Common Stock must be present in person or by proxy to have a quorum.

What matters will be voted on at the 2018 annual meeting?

The following matters will be voted on at the 2018 annual meeting:

1. the election of eight directors nominated to the Board of Directors;
2. a proposal to ratify the Audit Committee s appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2019;
3. a non-binding advisory resolution to approve the compensation of our named executive officers; and
4. such other business as may properly come before the meeting.

How does the Board of Directors recommend that I vote?

The Board of Directors recommends that you vote:

1. FOR the election of the eight directors nominated by the Board of Directors and named in this proxy statement.
2. FOR the ratification of the appointment by the Audit Committee of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2019.

3. FOR the approval, on a non-binding advisory basis, of the compensation of our named executive officers, as disclosed in this proxy statement.

What is the effect of a broker non-vote?

Brokers or other nominees who hold shares of our Common Stock for a beneficial owner only have the discretion to vote on routine proposals when they have not received voting directions from the beneficial owner at least ten days prior to the 2018 annual meeting. Rule 452 of the New York Stock Exchange, which governs all brokers (including those holding NASDAQ-listed securities), provides that a broker or other nominee holding shares for a beneficial owner may generally vote on routine matters, but not non-routine matters, without receiving voting instructions. Other than with respect to the proposal to ratify the appointment of Ernst & Young as our independent registered public accounting firm (Proposal Two), which is considered routine, all of the other proposals are considered non-routine matters. Please provide instructions to your broker or nominee on how to vote your shares. If you do not provide such voting instructions to your broker, they will not be able to vote for Proposals One or Three for you and a broker non-vote will result. Shares that constitute broker non-votes will be counted as present at the meeting for the purpose of determining a quorum, but will only be considered entitled to vote on the proposal to ratify the appointment by the audit committee of our Board of Directors (the Audit Committee) of our independent registered public accounting firm and any other routine matters that may properly come before the meeting. To minimize the number of broker non-votes and to ensure that your voice is heard in the election of directors and the other matters to be voted on at the 2018 annual meeting, we encourage you to provide voting instructions to the broker or other organization that holds your shares by carefully following the instructions in the Notice.

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What vote is required to approve the proposals?

Provided a quorum exists, the following votes are required for each proposal:

Proposal One: Election of Directors   To be elected, each director must receive a *majority* of the votes cast with respect to the director. For purposes of this vote, a majority of the votes cast means that the number of shares voted   for   a director s election exceeds the number of shares voted   against   that director s election. Abstentions and broker non-votes will have no effect on this proposal.

Proposal Two: Ratify the Appointment of Ernst & Young LLP as our Independent Registered Public Accounting Firm   An affirmative vote of a *majority* of shares present in person or represented by proxy and entitled to vote on the subject matter at the meeting is required to ratify the Audit Committee s appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2019. Abstentions and broker non-votes will have the same effect as votes against this proposal.

Proposal Three: Advisory Vote on Executive Compensation   An affirmative vote of a *majority* of the shares present in person or represented by proxy and entitled to vote on the subject matter at the meeting is required to give advisory (non-binding) approval of the compensation of our named executive officers as disclosed in this proxy statement. Because your vote is advisory, it will not be binding on the Board of Directors or on us; however, the Board of Directors and we will review the voting results and take them into consideration when making future decisions regarding executive compensation. Abstentions will have the same effect as a vote against this proposal and broker non-votes will have no effect on this proposal.

Who is entitled to vote at the Annual Meeting?

Only stockholders of record as of the close of business on April 4, 2018, the Record Date, are entitled to notice of and to vote at the meeting or any adjournments of the meeting. Each share of Common Stock entitles the holder thereof to one vote per share.

What will happen if I do not specify how my shares are to be voted, but do submit a proxy?

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 the eight directors nominated by our Board of Directors and named in this proxy statement;

FOR the ratification of the Audit Committee s appointment of Ernst & Young LLP, as our independent registered public accounting firm for fiscal year 2018;

FOR the approval, on a non-binding advisory basis, of the compensation of our named executive officers, as disclosed in this proxy statement;

Beneficial Owners. If you are a beneficial owner and you do not provide voting instructions to the broker or other nominee that holds your shares, the broker or other nominee will determine if it has the discretionary authority to vote on a particular proposal, and may not be able to vote on all proposals presented for a vote at the annual meeting.

What will happen if I do not vote my shares?

Stockholders of Record. If you are the stockholder of record and you do not vote by proxy card, by telephone, by the Internet or in person at the 2018 annual meeting, your shares will not be voted at the 2018 annual meeting. For each of the proposals, if you are not present at the meeting in person or by proxy, the failure to vote will not affect the outcome of the proposal.

Beneficial Owners. If you are the beneficial owner of shares, your broker or nominee may vote your shares only on those proposals on which it has discretion to vote. See What is the effect of a broker non-vote? for more information.

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How do I vote and what are the voting deadlines?

Stockholders of Record. If you are a stockholder of record, you may vote by any of the following methods:

- **By Mail.** You may submit your vote by completing, signing and dating your proxy card and returning it in the prepaid envelope so that it is received no later than May 29, 2018.

- **By Internet or Telephone.** You may vote your shares by Internet or telephone, by following the instructions in your Notice. If you vote by Internet or telephone, you should not return your proxy card. These votes must be received by 11:59 P.M., Eastern Time, on May 29, 2018.

- **In Person at the Annual Meeting.** You may vote your shares in person at the 2018 annual meeting. Proxy cards will be available for you at the meeting, or you may bring the one provided to you, and deliver the completed and executed card to the inspector of election at the 2018 annual meeting.

Beneficial Owners. If you are a beneficial owner of your shares, you should receive a Notice or voting instructions from the broker or nominee holding your shares. You should follow the instructions provided to you by your broker in order to properly advise them of your voting instructions. Shares held beneficially may be voted at the 2018 annual meeting only if you obtain a legal proxy from your broker or nominee giving you the right to vote, and presenting that legal proxy together with your vote to the inspector of election at the 2018 annual meeting.

Can I revoke or change my proxy?

Stockholders of Record. If you are a stockholder of record, you may revoke your proxy at any time before the final vote at the 2018 annual meeting by:

- signing and returning a new proxy card at a later date;

- submitting a vote by telephone or the Internet at a later date;

- attending the 2018 annual meeting and voting in person; or

- delivering a written revocation to our Corporate Secretary at the address of our principal executive offices provided to you in this proxy statement or to **Broadridge Financial Services, 51 Mercedes Way, Edgewood, NY 11717, Attn: Vote Processing**.

Beneficial Owners. If you are the beneficial owner of your shares, you must contact your broker or nominee holding your shares, and follow their instructions for revocation or changing your proxy.

Your attendance at the 2018 annual meeting will not automatically revoke your proxy unless you vote again at the 2018 annual meeting.

Who will count the votes?

Broadridge Financial Solutions, Inc. has been engaged as our independent agent to receive and tabulate our stockholder votes, and will act as our independent inspector of election who will certify the election results and perform any other acts required by the Delaware General Corporation Law.

How are stockholder proposals included in the proposals submitted to stockholders for voting? How is any other business voted on by stockholders?

Stockholders have the right to present proposals for inclusion in our proxy statement for consideration at our 2019 annual meeting of stockholders. To be considered at our next annual meeting, you must submit your proposals, in addition to meeting other legal requirements, within the appropriate time periods, as set forth below. If you want to make a proposal for consideration at our 2019 annual meeting and have it included in the Company s proxy materials relating to our 2019 annual meeting, we must receive your proposal at our principal executive office by no later than December 12, 2018, and such proposal must otherwise comply with Rule 14a-8

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(Rule 14a-8) of the Securities Exchange Act of 1934 (the Exchange Act) and other applicable SEC rules. If you want to make a proposal or nominate a director for consideration at our 2019 annual meeting without having the proposal included in the Company s proxy materials, you must comply with the then-current advanced notice provisions and other requirements set forth in our Amended and Restated Bylaws (Bylaws). Under our current Bylaws, our Corporate Secretary must receive such proposals for possible consideration at our 2019 annual meeting at our principal executive offices no earlier than December 12, 2018 and no later than January 11, 2019. However, if the date of the 2019 annual meeting changes by more than 30 days from the first anniversary date of this year s meeting, we will then provide notice of the new date of the 2019 annual meeting in our earliest possible quarterly report on Form 10-Q. If we do not receive your proposal or nomination by the appropriate deadline, then it may not be brought before the 2019 annual meeting even if it meets the other proposal or nomination requirements.

We do not intend to bring any business before the 2018 annual meeting other than the matters described in this proxy statement and have not been informed of any matters or proposals that may be presented at the meeting by stockholders. If, however, any other business should properly arise and be properly submitted for a vote at the 2018 annual meeting, the persons appointed in the proxy have discretionary authority to vote in accordance with their best judgment.

Who is paying the cost of solicitation of proxies?

We will bear the cost of soliciting proxies. In addition to the solicitation of proxies by mail, solicitation may be made by our directors, officers and employees by other means, including telephone, e-mail or in person. No special compensation will be paid to directors, officers or employees for the solicitation of proxies. To solicit proxies, we may also request the assistance of banks, brokerage houses and other custodians, nominees or fiduciaries, and, upon request, will reimburse such organizations or individuals for their reasonable expenses in forwarding the Notice and other soliciting materials to beneficial owners and in obtaining authorization for the execution of proxies.

Do we provide for Electronic Delivery of Proxy Materials?

Pursuant to rules adopted by the SEC, we provide access to the proxy materials over the Internet. Accordingly, we are sending a **Notice of Internet Availability of Proxy Materials** (Notice) to our stockholders owning shares of our Common Stock on or about April 16, 2018. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. The Notice also contains instructions on how to request a paper copy of our proxy materials, including this proxy statement, our Annual Report on Form 10-K for the fiscal year ended January 31, 2018 (fiscal year 2018), and a form of proxy card or voting instruction card. In addition, the Notice will provide stockholders with instructions on how to request to receive proxy materials in printed form by mail or by e-mail on an ongoing basis. A stockholder s election to receive proxy materials by mail or by e-mail will remain in effect until the stockholder terminates such election. We encourage stockholders to take advantage of the availability of the proxy materials on the Internet to help reduce the environmental impact of the 2018 annual meeting and lower the costs of printing and distributing our proxy materials. If you choose to receive future proxy materials by e-mail, you will receive an e-mail message each successive year with instructions containing a link to those materials and a link to the proxy voting website.

Our proxy materials are also available free of charge on our website at www.conns.com, at www.proxyvote.com, and at the SEC s website at www.sec.gov.

How can I find the result of the voting at the 2018 annual meeting?

Preliminary voting results will be announced at the 2018 annual meeting. Final results will be published in a current report on Form 8-K or in our Form 10-Q for the quarter ending April 30, 2018, which will be posted on our website at www.conns.com, under Investor Relations.

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PROPOSALS FOR STOCKHOLDER ACTION

PROPOSAL ONE:

ELECTION OF DIRECTORS

Number of Directors to be Elected

Our Board currently consists of ten director positions and we currently have eight members on our Board. We intend for the two vacancies to remain until our Board of Directors desires to fill such vacancies or reduce the size of the Board. At this time the Board of Directors believes that eight is the appropriate number of directors and does not intend to fill the two director vacancies. The eight directors to be elected at the 2018 annual meeting will hold office until the 2019 annual meeting of stockholders, or until their respective successors have been elected and qualified or earlier upon their death, resignation or removal. You may not vote for a greater number of directors than those nominated.

Criteria for Nomination to the Board of Directors. Those persons nominated to our Board of Directors are selected by the nominating and corporate governance committee of our Board (the Nominating and Corporate Governance Committee) in accordance with the committee s charter, our certificate of incorporation (Certificate of Incorporation) and Bylaws, our Corporate Governance Guidelines, and the criteria determined by the Board for our director candidates. In considering the nomination of the directors identified below to serve until the 2019 annual meeting, the Nominating and Corporate Governance Committee sought and considered individuals with strong personal reputations and experience in business and other areas that are relevant and important to the financing, strategy and operations of the Company, as well as financial expertise to qualify as a financial expert for our Audit Committee. Each nominee for election as a director at the 2018 annual meeting holds or has held senior executive positions in organizations providing such background and expertise, and each has the necessary business and financial experience sought by the Company in those areas, including strategic and financial planning, public company financing and reporting, compliance, risk management and leadership. Each of the director nominees also has experience of serving on boards or in senior executive management of publicly held companies or governmental services requiring strong business and leadership acumen and implementation.

The Nominating and Corporate Governance Committee also considered and believes that each of the director nominees has valuable personal and business attributes that have and will continue to be valuable to the Company in their advice and guidance to executive management of the Company. The Nominating and Corporate Governance Committee takes into account in its consideration diversity in range of backgrounds, perspectives and experience of the individuals it recommends for nomination to our Board of Directors. Information on the specific experience of each nominee can be found under the caption Board of Directors Board of Director Nominees for 2018 2019.

Board Nominees

Our Board of Directors met in March 2018 and considered the candidates for nomination for election to the Board at the 2018 annual meeting. The Nominating and Corporate Governance Committee, consisting of three independent members of the current Board of Directors, recommended that the full Board nominate the following individuals for re-election to the Board of Directors at the 2018 annual meeting.

In making these recommendations, the Nominating and Corporate Governance Committee considered the experience, qualifications, attributes and skills of each of the nominees as described above and the requirements and qualifications discussed under Board of Directors - Nomination Policies and Procedures. Based on this recommendation, our Board of Directors has nominated the following individuals to be elected by the stockholders at the 2018 annual meeting.

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Name	Position	Age	Term of Office		Committee Membership
James H. Haworth	Independent Director	56	March 2016	Current	Compensation Committee Nominating and Corporate Governance Committee
Kelly M. Malson	Independent Director	47	August 2012	Current	Audit Committee (Chair Current) (Financial Expert) Nominating and Corporate Governance Committee
Bob L. Martin	Lead Independent Director	69	September 2003	Current	Nominating and Corporate Governance Committee (Chair) Compensation Committee (Chair)
Douglas H. Martin	Director	64	February 200	Current	Credit Risk Committee
Norman L. Miller	President, Chief Executive Officer and Chairman of the Board	57	September 2015	Current	Compliance Committee (Chair)
William E. Saunders, Jr.	Independent Director	44	August 2014	Current	Audit Committee (Financial Expert) Credit Risk Committee (Chair) Compliance Committee
William (David) Schofman	Independent Director	46	May 2012	Current	Compensation Committee
Oded Shein	Independent Director	56	March 2016	Current	Audit Committee (Chair Incoming) (Financial Expert)

Credit Risk Committee

Compliance Committee

Ms. Malson currently serves as the Chair of the Audit Committee until the 2018 annual meeting and Mr. Shein has been nominated to serve as Chair of the Audit Committee following the 2018 annual meeting.

Each director nominee currently serves as a member of the Board, having been elected at our 2018 annual meeting and served on the Board of Directors throughout fiscal year 2018.

Those nominees identified in the table above as independent director have been determined by our Board to be independent under NASDAQ rules. All nominees have consented to serve as directors. The Board has no reason to believe that any of the nominees will be unable or unwilling to act as a director. In the event any nominated director is unable to stand for election, the Board of Directors may either reduce the size of the Board or designate a substitute.

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For biographical information and the experience, qualifications, attributes and skills of each director nominee that the Nominating and Corporate Governance Committee and our Board of Directors considered to determine that such nominee should serve as one of our directors, please refer to the section captioned Board of Directors Board of Director Nominees for 2018 2019, below.

Each director nominee will be elected by the vote of a majority of the votes cast with respect to such director nominee. This means the number of votes cast for a director nominee must exceed 50% of the votes cast with respect to that director nominee (excluding abstentions and broker non-votes). Each director nominee has tendered his or her resignation from the Board, which shall be effective only in the event that (i) the votes cast for such director nominee are equal to or less than 50% of the votes cast with respect to that director nominee, and (ii) the Board of Directors accepts such resignation. The Nominating and Corporate Governance Committee will make a recommendation to the Board of Directors whether to accept any resignation in the event any director nominee fails to receive over 50% of the votes cast for such director nominee. The Board of Directors will then consider the recommendation and publicly disclose its decision within 90 days after the certification of the election results.

The Board of Directors Recommends That You Vote FOR the Election of Each of the Eight Board Nominees.

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PROPOSAL TWO:

RATIFICATION OF THE SELECTION OF INDEPENDENT

REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP served as our independent registered public accounting firm for fiscal year 2018. The Audit Committee has appointed Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2019. Our Board of Directors has further directed that we submit the selection of our independent registered public accounting firm for ratification by the stockholders at the 2018 annual meeting. Stockholder ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm is not required by our Bylaws or otherwise. However, the Board is submitting the selection of Ernst & Young LLP to the stockholders for ratification as a matter of good corporate practice. The Audit Committee believes it to be in the best interests of our stockholders to retain Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2019. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain Ernst & Young LLP. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent public accounting firm at any time during the year if it determines that such a change would be in our best interests and those of our stockholders. The Audit Committee annually reviews the performance of our independent public accountants and the fees charged for their services. The Audit Committee anticipates, from time to time, obtaining competitive proposals from other independent public accounting firms for our annual audit. Based upon the Audit Committee s analysis of this information, we will determine which independent public accounting firm to engage to perform our annual audit each year. Representatives of Ernst & Young LLP will attend the 2018 annual meeting and will be available to respond to appropriate questions that may be asked by stockholders. These representatives will also have an opportunity to make a statement at the meeting if they desire to do so.

The Board of Directors and the Audit Committee Recommend That You Vote FOR the Ratification of Ernst & Young LLP as Our Independent Registered Public Accounting Firm.

Principal Accounting Firm Fees and Services

Fees for professional services rendered by Ernst & Young LLP to the Company during the fiscal years ended January 31, 2018 and 2017 in each of the following categories, including related expenses, are:

	Fiscal Years Ended January 31,	
	2018	**2017**
Audit	$ 1,229,401	$ 1,205,355
Audit-Related Fees	$ 210,000	$ 131,039
Tax Fees		
All Other Fees		

Audit fees: Consists of fees for professional services rendered for the annual audit of the Company s consolidated financial statements, including the audit of internal control over financial reporting, reviews of the interim financial statements included in the Company s Quarterly Reports on Form 10-Q and work performed to support the Company s debt and equity issuances, including SEC registration statements and filings and the issuance of consents.

Audit-related fees: Fees for fiscal year 2018 and fiscal year 2017 consist of work performed to support the Company s securitization transactions.

Tax fees: Consists of fees billed for professional services related to tax compliance, tax advice, and other tax planning services and advice. There were none of these services performed in fiscal year 2017 or in fiscal year 2018.

All Other Fees: Consists of fees billed for all other services and are unrelated to specific audit or audit-related services described above. There were none of these services performed in fiscal year 2017 or fiscal year 2018.

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Our Audit Committee charter requires pre-approval of all services to be rendered by our independent auditors. All of the audit, audit-related fees, tax fees, and all other fees were approved by our Audit Committee for the fiscal years ended January 31, 2018 and 2017. The Audit Committee determined that no services rendered by our outside auditors during fiscal year 2018 were prohibited under the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley). In addition, the Audit Committee has considered whether Ernst & Young LLP s provision of services, other than services rendered in connection with the audit of our annual financial statements and reviews of our financial statements included in our Quarterly Reports on Form 10-Q during fiscal year 2018, is compatible with maintaining Ernst & Young LLP s independence and has determined that such services rendered met the requirements of independence under applicable SEC rules.

AUDIT COMMITTEE REPORT

The Committee

Our Board of Directors established the Audit Committee to be responsible for the appointment, compensation, retention and oversight of the work of our independent auditors and to oversee our (i) financial reporting process; (ii) internal audits, internal control policies and procedures; (iii) implementation and compliance with Sarbanes-Oxley Section 404 requirements and authorities; and (iv) financial, tax, and risk management policies. The Audit Committee is composed of three independent, non-employee directors and operates under a written charter, a copy of which is published on our website at www.conns.com under Investor Relations Corporate Governance. The Audit Committee has prepared the following report on its activities with respect to our financial statements for fiscal year 2018.

Review and Discussion

Management is responsible for our financial reporting process (including our system of internal controls) and for the preparation of Conn s, Inc. s consolidated financial statements in accordance with generally accepted accounting principles. Ernst & Young LLP, our independent registered public accounting firm, is responsible for auditing those financial statements and for attesting to the effectiveness of our internal control over financial reporting. It is the Audit Committee s responsibility to monitor and review these processes. The members of the Audit Committee are not employees of the Company and do not represent themselves to be, or to serve as, accountants or auditors by profession or experts in the field of accounting or auditing.

In connection with the preparation of our audited financial statements for fiscal year 2018, the Audit Committee:

- reviewed and discussed our Annual Report on Form 10-K, including our audited consolidated financial statements and Management s Report on Internal Control over Financial Reporting for fiscal year 2018, with management;
- discussed with Ernst & Young LLP the matters required to be discussed by auditing standards, including Auditing Standard No. 16, as adopted by the Public Company Accounting Oversight Board (PCAOB); and
- received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the PCAOB concerning independence, and discussed with Ernst & Young LLP its independence, including whether Ernst & Young LLP s provision of non-audit services to the Company is compatible with the auditors independence.

The Audit Committee meets separately with our independent auditors to discuss the results of their examinations, their evaluations of our internal controls and the overall quality of our financial reporting.

Recommendation

Based on the review and discussion referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for fiscal year 2018, for filing with the SEC.

AUDIT COMMITTEE:

Kelly M. Malson, Chair

William E. Saunders, Jr.

Oded Shein

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PROPOSAL THREE:

ADVISORY VOTE FOR APPROVAL OF THE COMPENSATION

OF OUR NAMED EXECUTIVE OFFICERS

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 enables our stockholders to vote to approve or disapprove, in a non-binding advisory vote, the compensation of our named executive officers and this vote is provided as required pursuant to Section 14A of the Exchange Act. At our annual meeting held on May 31, 2017, our stockholders again recommended that we hold the advisory vote for approval of the compensation of our named executive officers annually. Our Board of Directors has agreed with this advisory vote, and has determined to hold this vote annually. At our 2017 annual meeting, 92% of the votes cast were in favor of the advisory resolution on our executive compensation.

As described in the Compensation Discussion and Analysis section of this proxy statement, our compensation program for our named executive officers is designed to (i) motivate and reward performance that increases our stockholder value, including individual measured goals and objectives, (ii) attract and retain executive talent by offering competitive compensation opportunities, and (iii) build and encourage ownership of shares of our Common Stock. Toward these goals, our executive compensation program has been designed and administered to reward our named executive officers based on our financial and operating performance, their individual performance, and to align their interests with those of our stockholders. In addition, our executive compensation program is designed to encourage the long-term commitment of our named executive officers to the Company. We believe that our executive compensation program, which primarily consists of a base salary, an annual performance-based cash bonus opportunity, and time and performance-based equity awards, promotes these objectives. Please read the section captioned Compensation Discussion and Analysis for a discussion of these objectives, the determination of and the elements of compensation and awards for our executive officers, as well as the elements paid and awarded during our fiscal year 2018.

In applying these objectives, the compensation committee of our Board of Directors (Compensation Committee) relied upon:

- input and recommendations received from our Chairman and Chief Executive Officer regarding the performance of each executive officer (other than the Chief Executive Officer), each of whose performance is analyzed by the Compensation Committee, the documentation provided to support the attainment by individual executive officers of their respective goals and objectives, and areas of responsibilities and expectations for future performance and goal attainment;

- publicly available information with respect to the executive compensation practices of certain public companies in our industry and peer groups;

- the analysis and recommendations regarding our compensation programs for our executive officers composed by Frederic W. Cook & Co., the Compensation Committee s independent compensation consultant; and the knowledge of the individual members of the Compensation Committee of industry compensation practices and programs.

For the reasons discussed above, the Board of Directors unanimously recommends that stockholders vote in favor of the following 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 contained in this proxy statement, is hereby APPROVED on a non-binding, advisory basis.

While the resolution is non-binding, the Board of Directors values the opinions that stockholders express in their votes and in any additional dialogue. It will consider the outcome of the vote and those opinions when making future compensation decisions. To the extent there is any significant vote against the named executive officers compensation, the Compensation Committee will consider our stockholders advisory vote, and evaluate whether, and to what extent, any actions are necessary to address our named executive officers compensation program.

The Board of Directors Recommends That You Vote FOR the Approval, on a Non-Binding Basis, of the Compensation of Our Named Executive Officers.

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BOARD OF DIRECTORS

Board of Director Nominees for 2018 2019

Norman L. Miller was appointed as our President and Chief Executive Officer, and to our Board of Directors, effective September 7, 2015. Mr. Miller was appointed as our Chairman of the Board in May 2016. In March 2018, Mr. Miller was nominated to serve as chair of the newly formed Compliance Committee.

Prior to joining the Company, Mr. Miller most recently served as the Senior Vice President and President, Automotive at Sears Holdings, which operates over 700 Sears Auto Center locations. Previously, he served as President and Chief Operating Officer of DFC Global Corp (formerly Dollar Financial Corp) from 2007 to 2014. Prior to his employment at DFC Global Corp, Mr. Miller served as Group President, Sports and Entertainment unit at ARAMARK, where he worked for a decade. He was named to the role after serving as the President of ARAMARK s Correctional Services unit from 2002 to 2003. Mr. Miller s career also includes nine years with Nestle, Kraft General Foods and PepsiCo, serving in management positions in sales, marketing and operations. Mr. Miller received a Bachelor s of Science degree from the United States Military Academy at West Point.

Mr. Miller has extensive financial knowledge and provides valuable guidance to our Board of Directors in overseeing various aspects of our operations. In addition, his prior experience as an executive of Sears Holdings and DFC Global Corp provides valuable experience from both the retail and credit operations perspective. His service to our Company as our Chairman, Chief Executive Officer and President provides Mr. Miller with additional and particular knowledge of our Company that he brings to our Board of Directors.

Bob L. Martin has served as a director since September 2003, and was appointed as our Lead Independent Director in August 2012. Mr. Bob Martin was elected as an Operating Partner of The Stephens Group LLC, a family-owned investment company in March 2012, and currently holds such position. Mr. Bob Martin is also the Chief Executive Officer (part-time) of Mcon Management Services, Ltd., a consulting company since 2002. He was previously a consultant to that entity. Mr. Bob Martin has over 35 years of retailing and merchandising experience. Prior to retiring from the retail industry in 1999, he headed the international operations of Wal-Mart International, Inc. for 15 years. From 1968 to 1983, Mr. Bob Martin was responsible for technology services for Dillard s, Inc. Mr. Bob Martin has also served as a director of Dillard s, Inc., Sabre Holdings Corporation, Furniture Brands International and Guitar Center, Incorporated. Mr. Bob Martin currently serves on the board of directors of Gap, Inc. He has experience as chairman of a corporate governance and compensation committee, and has been a member of an audit committee, in each case, of publicly held companies. Mr. Bob Martin attended South Texas University and holds an Honorary Doctorate degree from Southwest Baptist University.

Mr. Bob Martin was selected to serve on our Board of Directors due to his extensive experience in information technology and the retail industry, as well as his service and experience on a host of other public company boards. Mr. Bob Martin s experiences contribute to our Board of Directors understanding of innovations and issues affecting information technologies and retail strategies in our industry and marketplace. Mr. Bob Martin is the chair of the Nominating and Corporate Governance Committee and the Compensation Committee.

Kelly M. Malson was appointed as a director in August 2012 and chair of the Audit Committee in November 2012. Ms. Malson will serve as Audit Committee chair until the 2018 annual meeting. Ms. Malson was also appointed to the Company s Nominating and Corporate Governance Committee in December 2015. Ms. Malson served as Senior Vice President, Chief Financial Officer and Treasurer of World Acceptance Corporation from May 2009 until stepping down from those positions in December 2013. She remained employed by World Acceptance Corporation from December 2013 until her retirement in February 2014. Prior to that, she held the titles of Vice President and Chief

Financial Officer from March 2006 until May 2009 and Vice President of Internal Audit from September 2005 to March 2006 at World Acceptance Corporation. Ms. Malson served as Finance Compliance Manager for ITRON, Inc., IEM Unit from 2004 to 2005. Prior to 2004, she served in various positions with KPMG, LLP and Arthur Andersen LLP. Ms. Malson obtained her Bachelor s Degree in Accountancy from Southern Illinois University in 1993.

Ms. Malson was selected to serve on our Board because of her extensive experience in the financial industry, her executive positions at World Acceptance Corporation, a consumer finance business, and her substantive knowledge about the variety of issues related to our business.

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Douglas H. Martin served as a director of the predecessor to the Company beginning in 1998, and was appointed as one of our directors in February 2003. Mr. Doug Martin is an Executive Vice President of Stephens Inc., an investment bank, where he has been employed since 1981. He is responsible for the investment of the firm s capital in private companies. Mr. Doug Martin serves as a member of the board of directors of numerous privately held companies. He received his B.A. in Physics and Economics from Vanderbilt University and his M.B.A. from Stanford University.

Mr. Doug Martin brings to our Board of Directors diverse experience in investment analysis and valuation, and has extensive experience and insights into debt and equity financing and structuring, capital markets and capitalization strategies. Mr. Doug Martin brings historical working knowledge of our Company to our Board of Directors due to his long tenure and relationship with us. Mr. Doug Martin s relationship with Stephens, Inc., which owns a substantial amount of the Company s Common Stock, also helps the Board of Directors to have more direct insight into how its decisions impact our stockholders. Mr. Doug Martin was a member of the Credit Risk and Compliance Committee in fiscal year 2018 and will remain as a member of the Credit Risk Committee in fiscal year 2019.

There is no relation between Mr. Bob Martin and Mr. Doug Martin.

William E. Saunders, Jr. was appointed as a director in August 2014 and has served on the Company s Audit Committee since his appointment. He has also chaired the Company s Credit Risk and Compliance Committee since the committee s formation in December 2014. In March 2018, Mr. Saunders was nominated to serve on the newly formed Compliance Committee. Mr. Saunders has served as the Chief Executive Officer of Community Choice Financial Inc., a leading retailer of alternative consumer financial services products, since June 2008, and Chairman of its Board of Directors since May 2014, after joining the company as its Chief Financial Officer in March 2006. Prior to joining Community Choice Financial (previously CheckSmart Financial Holdings), Mr. Saunders was a Vice President for Stephens Inc., an investment bank, from 2004 to 2006 and, prior to that was an associate at Houlihan Lokey, an investment bank, SunTrust Equitable Securities, an investment bank, and Arthur Andersen, an accounting firm. He also serves on the board of FactorTrust, a global credit reporting agency. Mr. Saunders holds a B.S. in Business with Special Attainment in Accounting and Commerce from Washington & Lee University and is a certified public accountant in the State of Georgia.

Mr. Saunders brings extensive investment banking, finance, management, credit and regulatory experience to our Board.

William (David) Schofman was appointed as a director in March 2012. Mr. Schofman is an active executive, investor and board member for several companies including: PureWRX, Inc., a value-added distributor and reseller of information technology hardware; Coro Health, LLC, a new media healthcare company and CPO Commerce, Inc., the largest online tool retailer. In addition, Mr. Schofman participates in several other business ventures through his private equity and management services business, AnderSchof Investments, LLP. Mr. Schofman previously served as the Chief Executive Officer of Callaway Golf Interactive from June 2004 to September 2007, and as the Executive Vice President Global Ecommerce of Callaway Golf from 2004 to 2007. Mr. Schofman was the co-founder and CEO of FrogTrader from 2000 until 2004, before the Company was sold to Callaway Golf. Prior to that, Mr. Schofman was the co-founder and CEO of International Golf Outlet from 1995 until 1999, which was sold to CBS Sportsline. Mr. Schofman graduated from the University of Texas at Austin in 1994.

Mr. Schofman has varied and valuable experience in marketing, electronic media, E-commerce, retail operations, branding and merchandising strategies. Having built and operated several business ventures, Mr. Schofman brings invaluable background to our Board of Directors. He also brings our Board of Directors a high level of executive experience due to his serving as chief executive officer of businesses, as well as his serving as a director of and advisor to other companies. Mr. Schofman serves on our Compensation Committee.

Oded Shein was appointed as a director in March 2016 and was appointed to the Company s Audit Committee and Credit Risk and Compliance Committee concurrent with his joining the Board. Mr. Shein has been nominated to serve as chair of the Audit Committee for fiscal year 2019. In March 2018, Mr. Shein was nominated to serve on the newly formed Compliance Committee. Mr. Shein has served as Executive Vice President and Chief Financial Officer of Stage Stores since January 2011. From July 2004 until January 2011, Mr. Shein served in various financial positions at Belk, Inc., including as its Vice President, Finance and Treasurer. Prior to joining Belk, Inc., Mr. Shein served as the Vice President, Treasurer of Charming Shoppes, Inc. Mr. Shein holds a B.B.A. in Information Systems from Baruch College and an M.B.A. in Finance from Columbia University.

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Mr. Shein brings significant knowledge of financial and operational matters in the retail industry, including his experience as a public company Chief Financial Officer, to the Board.

James H. Haworth was appointed as a director in March 2016 and was appointed to the Company s Compensation Committee and Nominating and Corporate Governance Committee concurrent with his joining the Board. In August 2016, Mr. Haworth joined Outdoor Cap, a privately held company in Bentonville, Arkansas, as President and Chief Executive Officer. Prior to Outdoor Cap, Mr. Haworth served as Chairman and Chief Executive Officer of Professional Bull Riders Inc. from 2011 to 2016. From 2010 through 2011 he served as Executive Vice President and President, Retail Services for Sears Holding Corporation. Prior to that, he served as Chairman, President and Chief Executive Office for Chia Tai Enterprises International Limited & CP Lotus, an investment holding company principally engaged in the operation of shopping centers in China, from 2006 to December 2009. Mr. Haworth is also the founder and President of Business Decisions Inc., a consulting firm specializing in strategic product marketing for the retail, merchandising and supply chain industries. Previous to Business Decisions Inc., Mr. Haworth spent 20 years with Wal-Mart Stores, Inc., in roles of increasing responsibility including Executive Vice President of Operations for Sam s Club and Executive Vice President and Chief Operating Officer, Wal-Mart Stores, Inc. Mr. Haworth received a Bachelor s of Science in Business Administration from Central Missouri State University.

Mr. Haworth brings extensive leadership experience in retail and strategic planning through his positions with other public companies to our Board.

If elected, these director nominees will serve one year terms, which will expire at our 2019 annual meeting of stockholders.

Nomination Policies and Procedures

The goal of our Board has been, and continues to be, to identify nominees for service on the Board of Directors who will bring diverse and varied perspectives and skills from their professional and business experience, including financial and accounting experience, as appropriate. In carrying out its function to nominate candidates for election to our Board, the Nominating and Corporate Governance Committee considers the mix of skills, experience, character, commitment, and diversity diversity being broadly construed to mean a variety of opinions, perspectives, experiences and backgrounds, such as gender, race and ethnicity differences, as well as other differentiating characteristics all in the context of the requirements of our Board at the time of such consideration. The Nominating and Corporate Governance Committee assesses the effectiveness of its charter annually in connection with the nomination of directors for election at the annual meeting of stockholders. In addition, our Corporate Governance Guidelines, which are available on our website at www.conns.com under Investor Relations Corporate Governance, contain provisions regarding the identification and selection of our director nominees.

The Nominating and Corporate Governance Committee assists the Board in fulfilling its responsibilities by (1) identifying individuals believed to be qualified to become members of the Board, consistent with Board approved criteria, (2) recommending candidates to the Board for election or reelection as directors, including director candidates submitted by our stockholders, and (3) overseeing, reviewing and making periodic recommendations to the Board concerning our corporate governance policies. The Nominating and Corporate Governance Committee does not have a specific written policy or process regarding the nominations of directors, nor does it maintain minimum standards for director nominees other than as set forth in its charter and the Company s Corporate Governance Guidelines.

The Nominating and Corporate Governance Committee will consider candidates for nomination proposed by stockholders so long as they are made in accordance with the provisions of Section 2.14 of our Bylaws. Section 2.14 of our Bylaws requires that a stockholder provide written notice to our Secretary no later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the anniversary date of the mailing of the proxy statement for the immediately preceding annual meeting of the stockholders. The notice to our Secretary must set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including such person s written consent to being named in the proxy statement as a nominee and to serve as a director if elected); (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of such business, the reasons for conducting such business at the meeting and any material interest in the business by the stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address, as they appear on the Company s books, of such stockholder and

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beneficial owner; and (ii) the class and number of shares of the Company that are owned beneficially and held of record by such stockholder and such beneficial owner. Notwithstanding this procedure, the Board may, in its discretion, exclude from any proxy materials sent to stockholders any matters that may properly be excluded under the Exchange Act, SEC rules or other applicable laws. The Nomination and Corporate Governance Committee treats recommendations for directors that are received from the Company s stockholders equally with recommendations received from any other source, so long as the recommendations comply with the procedures for stockholder recommendations set forth in the Company s Bylaws, as outlined above.

The charter of the Nominating and Corporate Governance Committee sets forth the minimum requirements for a person to be qualified to be a member of the Board of Directors, which are that a person must (i) be an individual of the highest character and integrity and have an inquiring mind, a vision and a willingness to ask hard questions, and the ability to work well with others; (ii) be free of any conflict of interest that would violate any applicable law or regulation or interfere with the proper and reasonable performance of the responsibilities of a director; (iii) be willing and able to devote sufficient time to the affairs of the Company and be diligent in fulfilling the responsibilities of a director and Board committee member (including developing and maintaining sufficient knowledge of the Company and its industry; reviewing and analyzing reports and other information important to the Board and committee responsibilities; preparing for, attending and participating in Board and committee meetings; and satisfying appropriate orientation and continuing education guidelines); and (iv) have the capacity and desire to represent the balanced, best interest of the stockholders as a whole and not primarily a special interest group or constituency. The Nominating and Corporate Governance Committee evaluates whether certain individuals possess the foregoing qualities and recommends to the Board for nomination candidates for election or re-election as directors at the annual meeting of stockholders, or if applicable, at a special meeting of stockholders. This process is the same regardless of whether the nominee is recommended by our Board or by one of our stockholders.

Independent Board Composition

NASDAQ requires that a majority of the board of directors of a listed company be independent. NASDAQ s rules provide that an independent director is a person other than an officer or employee of the Company or its subsidiaries or any other individual having a relationship that, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board has determined that each of Ms. Malson, Mr. Bob Martin, Mr. Saunders, Mr. Schofman, Mr. Shein and Mr. Haworth is independent as defined under applicable SEC and NASDAQ rules. Mr. Bob Martin was appointed our Lead Independent Director in August 2012 and has since served as our Lead Independent Director.

The independent directors of the Board held executive sessions at each regular meeting of the Board of Directors during fiscal year 2018.

At the meeting of the Nominating and Corporate Governance Committee held in March 2018, the Committee discussed the relationships of Mr. Bob Martin with The Stephens Group, LLC, and whether his relationship or ownership interest impacted his ability to exercise independent judgment in carrying out his responsibility as a director. The Committee discussed the current position of Mr. Bob Martin with The Stephens Group, LLC, and the fact that the position is not substantively different from the consulting work that Mr. Bob Martin has done in previous years for The Stephens Group, LLC, the continuous exercise of independent judgment by Mr. Bob Martin since his election to our Board in 2003, and his lack of control of voting of Common Stock owned by The Stephens Group, LLC or any of its affiliates, including SG-1890 LLC. The Committee has determined that Mr. Martin is properly considered an independent director and recommended to the Board of Directors that it approve Mr. Bob Martin s independence as defined under the SEC and the NASDAQ rules.

At its meeting in March 2018, our Board of Directors approved the independence of Mr. Bob Martin.

Board Meetings

During fiscal year 2018, the Board of Directors held seven meetings. With the exception of one director, each director attended 75% or more of all meetings of the Board and the committees on which such director served during fiscal year 2018. Mr. Schofman was unable to attend Board and Committee meetings at the 75% attendance threshold. Mr. Schofman provided prior notice of his unavailability to attend meetings to the Board.

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Policy Regarding Director Attendance at the Annual Meeting of Stockholders

It is our policy that each member of the Board of Directors is encouraged to attend our annual meeting of stockholders. All of our directors serving at the time of last year s annual meeting attended our May 31, 2017 annual meeting of stockholders.

Committees of the Board

Audit Committee

The Audit Committee is responsible for the appointment, compensation, retention and oversight of the work of our independent auditors. It also approves audit reports and plans, accounting policies, audit fees and certain other expenses. In connection with the rules adopted by the SEC and NASDAQ, we adopted a written charter for the Audit Committee, which is posted on our website at www.conns.com under Investor Relations Corporate Governance. The Audit Committee reviews and reassesses the adequacy of the written charter on an annual basis.

The current members of our Audit Committee are Mr. Shein, Mr. Saunders, and Ms. Malson, who was appointed as chair of the Audit Committee in November 2012. Ms. Malson will serve as Audit Committee chair until the 2018 annual meeting. Mr. Shein has been nominated to become chair of the Audit Committee at the 2018 annual meeting. The Audit Committee held four meetings during fiscal year 2018. The Board has determined that Mr. Shein, Ms. Malson, and Mr. Saunders are audit committee financial experts as described in Item 407(d)(5) of Regulation S-K. In addition, each of the members of the Audit Committee is independent as defined by the NASDAQ listing standards and Sarbanes-Oxley, as determined by our Board of Directors.

Compensation Committee

The Compensation Committee establishes, reviews and approves the compensation program for the Chief Executive Officer and other executive officers based upon recommendations by its independent compensation consultant. Our Chief Executive Officer does not play a role, nor does he make any recommendations in respect of, the determination of his own compensation. The Compensation Committee also evaluates the compensation plans, policies and programs of the executive officers of the Company and makes recommendations to the Board of Directors concerning such plans, policies and programs. It addition, it advises the Board regarding compensation plans, policies and programs applicable to non-employee directors for their services as members of our Board, and administers our stock option, stock purchase and other equity plans. The Compensation Committee also evaluates the competitiveness of our compensation and the performance of our Chief Executive Officer and other executive officers. In connection with rules adopted by the SEC and NASDAQ, the Company adopted a written charter for the Compensation Committee, which was amended by our Board in March 2014 to provide that, before engaging a compensation adviser (other than in-house legal counsel), the Compensation Committee shall consider all factors that could affect the independence of such consultant, counsel or advisor as may be identified from time to time in the rules and regulations of the SEC and the listing standards of NASDAQ relevant to that adviser s independence from management. A copy of the Compensation Committee charter, as amended, is posted on our website at www.conns.com under Investor Relations Corporate Governance.

The current members of the Compensation Committee are Mr. Bob Martin (Chair), Mr. Schofman and Mr. Haworth.

The Compensation Committee held five meetings during fiscal year 2018. All members of the Compensation Committee were determined by the Board of Directors to be independent directors, as defined by NASDAQ listing standards. Additional information on the Compensation Committee s processes and procedures for consideration of executive compensation are addressed in the section of this proxy statement captioned Compensation Discussion and Analysis below.

Compensation Committee Interlocks and Insider Participation

For fiscal year 2018, the Compensation Committee consisted of Mr. Haworth, Mr. Bob Martin and Mr. Schofman, each of whom our Board determined was independent in accordance with NASDAQ listing requirements. No member of the Compensation Committee during fiscal year 2018 is or was formerly an officer or employee of the Company or any of its subsidiaries or was a related person in a related person transaction with the Company required to be disclosed under applicable SEC rules.

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Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee assists the Board in identifying and recommending individuals for election or reelection as directors, including director candidates submitted by our stockholders, and advises the Board with respect to corporate governance policies and procedures. The Nominating and Corporate Governance Committee will periodically review and make recommendations regarding our corporate governance policies and procedures, which are discussed in part below under the caption Corporate Governance and copies of which are posted on our website at www.conns.com under Investor Relations Corporate Governance. We adopted a written charter for the Nominating and Corporate Governance Committee, and a summary corporate governance policies and procedures which are posted on our website at www.conns.com under Investor Relations Corporate Governance.

The Nominating and Corporate Governance Committee is also responsible for overseeing a formal evaluation process to assess the composition and performance of the Board, each committee, and each individual director on an annual basis. The assessment is conducted to identify opportunities for improvement and skill set needs, as well as to ensure that the Board, committees, and individual members have the appropriate blend of diverse experiences and backgrounds, and are effective and productive. As part of the process, each member of the Board completes a questionnaire that includes Board, committee and individual assessments. While results are aggregated and summarized for discussion purposes, individual responses are not attributed to any member and are kept confidential to ensure honest and candid feedback is received.

Members of the Nominating and Corporate Governance Committee are appointed by the Board. The members of the Nominating and Corporate Governance Committee serve until their successors are duly elected and qualified, and they may be removed by the Board of Directors in its discretion. Each member of the Nominating and Corporate Governance Committee is an independent director (who, for the avoidance of doubt, is not an employee of the Company or any of its subsidiaries).

Our Nominating and Corporate Governance Committee currently consists of Mr. Bob Martin (Chair), Ms. Malson and Mr. Haworth.

All members of the Nominating and Corporate Governance Committee were determined by the Board to be independent as defined by the SEC and NASDAQ listing standards. The Nominating and Governance Committee held two meetings during fiscal year 2018.

Credit Risk and Compliance Committee

In December 2014, the Board established a Credit Risk and Compliance Committee. The Credit Risk and Compliance Committee is responsible for reviewing credit risk, underwriting strategy, compliance activities, the provision methodology, and monitoring trends in the Company s loan portfolio. We adopted a written charter for the Credit Risk and Compliance Committee, which is posted on our website at www.conns.com under Investor Relations Corporate Governance. Our Credit Risk and Compliance Committee currently consists of Mr. Saunders (Chair), Mr. Doug Martin and Mr. Shein. The Credit Risk and Compliance Committee held nine meetings during fiscal year 2018. In March 2018, the Board approved the continuation of the Credit Risk Committee and the formation of a separate Compliance Committee.

Compliance Committee

The Compliance Committee is responsible for reviewing the Company s compliance activities and the Company s compliance management system. We adopted a written charter for the Compliance Committee, which is posted on our website at www.conns.com under Investor Relations Corporate Governance. Our Compliance Committee will consist of Mr. Miller (chair), Mr. Saunders and Mr. Shein.

Compensation of Non-Employee Directors

The Compensation Committee periodically reviews director compensation for service on the Board and for service on any Board committees, and recommends director compensation and any changes to such compensation to the Board for approval. The Board annually reviews and approves director compensation for Board and committee service based on the recommendations of the

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Compensation Committee. The Compensation Committee engaged Frederic W. Cook & Co. (F.W. Cook) to review the competitiveness of the compensation program for our non-employee directors. Based on a review by F.W. Cook, in May 2014 the Compensation Committee recommended to the Board that the director compensation program be adjusted for fiscal year 2015 for Board and committee retainers and annual equity grants to non-employee directors to align with median peer group compensation. For fiscal years 2016, 2017 and 2018, the Compensation Committee recommended no changes to the compensation program. The following table summarizes the fiscal year 2018 non-employee director compensation plan:

Fee	Fiscal Year 2018
Annual Cash Retainer (1)	$ 70,000
Additional Annual Retainer for:	
Lead Independent Director	$ 20,000
Audit Committee Chair	$ 15,000
Credit Risk and Compliance Committee Chair	$ 10,000
Compensation Committee Chair	$ 10,000
Nominating & Corporate Governance Committee Chair	$ 7,500
Annual Equity Awards (2)	$ 75,000

(1) In addition to the following fees, the Company reimburses all directors for reasonable travel and out-of-pocket expenses incurred in connection with their duties as directors, including attendance at meetings.
(2) Annual equity awards issued under our 2011 Non-Employee Director Restricted Stock Plan are granted on the first day following the date of the annual stockholders meeting, are payable in the form of restricted stock units (RSUs), are valued at the grant date, and fully vest on the one-year anniversary of the date of grant. The number of shares of restricted stock granted pursuant to each such RSU grant to the directors is determined by dividing the total dollar amount awarded by the closing price of the Company s common stock on the date of grant.

Directors who are also employees of the Company do not receive any compensation for service as a Board or Committee member. Non-employee directors are eligible to participate in the employee discount program and are subject to the same terms of the program as Company employees. Pursuant to the employee discount program, non-employee directors can purchase Conn s merchandise at product cost plus ten percent.

At our 2011 annual meeting, our stockholders approved the adoption of the Company s 2011 Non-Employee Director Restricted Stock Plan. This Plan is administered by our Compensation Committee and only non-employee directors are eligible recipients of awards under the Plan. The Plan permits the awarding of restricted stock and RSUs to our non-employee directors.

In May 2017, all non-employee directors received 4,425 RSUs with an aggregate fair value of approximately $75,000. The following table presents the total compensation for each non-employee director for fiscal year 2018:

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in	Stock Awards	Option Awards	Non-Equity Incentive	Change in Pension and Nonqualified	All Other	Total ($)

	Cash ($)[1]	($)[2]	($)	Plan Compensation ($)	Deferred Compensation Earnings ($)	Compensation ($)	
Bob L. Martin	$ 107,500	$ 75,000					$ 182,500
Douglas H. Martin	$ 70,000	$ 75,000					$ 145,000
James H. Haworth	$ 70,000	$ 75,000					$ 145,000
Kelly M. Malson	$ 85,000	$ 75,000					$ 160,000
Oded Shein	$ 70,000	$ 75,000					$ 145,000
William (David) Schofman	$ 70,000	$ 75,000					$ 145,000
William E. Saunders, Jr.	$ 80,000	$ 75,000					$ 155,000

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(1) Reflects cash retainer fee of $70,000 per year, annual Committee chair fees paid to Mr. Bob Martin ($20,000 for serving as Lead Independent Director, $10,000 for serving as chair of the Compensation Committee, and $7,500 for serving as chair of the Nominating and Corporate Governance Committee), Ms. Malson ($15,000 for serving as chair of the Audit Committee), and Mr. Saunders ($10,000 for serving as chair of the Credit Risk and Compliance Committee). Directors who begin their Board service mid-year receive a pro-rata portion of the cash retainers and annual equity compensation.

(2) Represents aggregate grant date fair value of awards granted during the year in accordance with FASB ASC Topic 718. Information regarding the assumptions used in calculating the fair value under FASB ASC Topic 718 can be found in Note 1 to the financial statements contained in the Company s Annual Report on Form 10-K for fiscal year 2018. Each of our non-employee directors was issued 4,425 RSUs pursuant to the Company s 2011 Non-Employee Director Restricted Stock Plan on May 30, 2017. All of the awards vest on May 30, 2018.

In November 2017, the Compensation Committee approved, and the Board ratified, the stock ownership guidelines for non-employee directors to attain aggregate equity in Conn s stock valued at four times the value of the annual cash retainer before the first five-year anniversary of their appointment as non-employee directors. As of January 31, 2018, Mr. Bob Martin, Mr. Doug Martin, Ms. Malson, Mr. Saunders, Mr. Schofman and Mr. Shein met these ownership requirements, and Mr. Haworth continues to make progress toward his ownership threshold.

Based on a review by F.W. Cook, in November 2017, the Compensation Committee approved, and the Board ratified, the following increases in the annual cash retainers and stock awards for non-employee directors, effective for fiscal year 2019:

Fee	Fiscal year 2019	
Annual Cash Retainer	$	80,000
Additional Annual Retainer for:		
Lead Independent Director	$	25,000
Audit Committee Chair	$	20,000
Credit Risk Committee Chair	$	15,000
Compliance Committee Chair (1)	$	10,000
Compensation Committee Chair	$	15,000
Nominating & Corporate Governance Committee Chair	$	10,000
Annual Equity Awards	$	100,000

(1) Mr. Miller will not receive a retainer fee as chair of the Compliance Committee as he is employed by the Company.

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Listed below are the aggregate outstanding stock awards and option awards (by number of underlying shares) held by each non-employee director as of January 31, 2018:

Name	Stock Awards	Option Awards (1)
Bob L. Martin	4,425	30,000
Douglas H. Martin	4,425	30,000
James H. Haworth	4,425	
Kelly M. Malson	4,425	
Oded Shein	4,425	
William (David) Schofman	4,425	
William E. Saunders, Jr.	4,425	

(1) Both Mr. Bob Martin and Mr. Douglas Martin had 10,000 stock options expire unexercised during fiscal year 2018. The options that expired were granted on July 2, 2007 with an exercise price of $29.24.

The remaining options held by Mr. Bob Martin and Mr. Doug Martin will expire according to the following schedule, unless otherwise exercised:

# of Options	Expiration Date	Exercise Price
10,000	06/03/18	$ 16.93
10,000	06/02/19	$ 10.21
10,000	05/25/20	$ 7.54

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COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

This Compensation Discussion and Analysis provides stockholders with an understanding of our compensation philosophy, objectives, policies and practices in place during fiscal year 2018, as well as the factors considered by our Compensation Committee in making compensation decisions for fiscal year 2018. This Compensation Discussion and Analysis focuses on the compensation of our Chief Executive Officer, our Chief Financial Officer, and our three other most highly compensated officers for fiscal year 2018 (the named executive officers).

Name	Title
Norman L. Miller	President, Chief Executive Officer and Chairman of the Board
Lee A. Wright	Executive Vice President, Chief Financial Officer
Coleman R. Gaines	President and Chief Operating Officer, Retail
George L. Bchara	Vice President, Chief Accounting Officer
Mark L. Prior	Vice President, General Counsel, Secretary

Continuing Investment in Leadership and Business Highlights and Initiatives

Continuing Investment in Leadership

Mr. Miller has worked to assemble an executive leadership team focused on setting the Company on a path to profitable growth aligned with shareholder value creation interests. In fiscal year 2018, our executive team, led by Mr. Miller, made significant investments in both personnel and key functional areas including credit analytics, warehouse, delivery and distribution, and our loan management system platform.

Business Highlights and Company Initiatives

We are a leading specialty retailer that offers a broad selection of quality, branded durable consumer goods and related services in addition to a proprietary credit solution for our core credit-constrained consumers. We operate an integrated and scalable business through our retail stores and website. Our complementary product offerings include furniture and mattresses, home appliances, consumer electronics and home office products from leading global brands across a wide range of price points. Our credit offering provides financing solutions to a large, under-served population of credit-constrained consumers who typically have limited financing options. We provide customers the opportunity to comparison shop across brands with confidence in our competitive prices as well as affordable monthly payment options, next-day delivery and installation in the majority of our markets, and product repair service. We believe our large, attractively merchandised stores and credit solutions offer a distinctive shopping experience compared to other retailers that target our core customer demographic.

Fiscal year 2018 was a transformative year for our Company. We maintained our focus on enhancing our credit platform to support the pursuit of our long-term growth objectives. Our credit segment delivered solid results, reflecting the higher yield we earn on our direct loan product, more sophisticated underwriting which has led to lower delinquency rates and losses, and better execution and performance in the capital markets which has led to lower cost of funds. We continue to see the benefit in our credit operations from the structural changes we have made to increase yield, reduce losses and improve overall credit performance. Retail operating margins remained strong, demonstrating our differentiated business model, improved product mix, and emphasis on disciplined cost management. We demonstrated the resiliency of our business model and the significant value we provide our customers as we endured the challenges caused by Hurricane Harvey.

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We delivered the following financial and operational results in fiscal year 2018:

- Returned to full-year profitability, driven by an 80% increase in operating income in fiscal year 2018 compared to fiscal year 2017;
- Delivered a record quarterly yield on our customer receivables portfolio of 20.5% in the fourth quarter of fiscal year 2018 as a result of the successful transition to our higher-yielding direct loan program;
- For the first time in five years, reduced, year-over-year, the balance of accounts 60 days past due as a percentage of the customer receivables portfolio to 9.9% at January 31, 2018 from 10.7% at January 31, 2017;
- Delivered record retail gross margin of 39.6% in fiscal year 2018, an increase of over 220 basis points compared to 37.4% in fiscal year 2017, driven primarily by improved product margins across all product categories, favorable product mix, and continued focus on increasing efficiencies;
- Extended our successful asset-backed securitization program, securitizing $1.2 billion of customer receivables in two transactions in fiscal year 2018. These securitizations led to the early redemption of the Series 2015-A Class B Notes and the Series 2016-A Class B Notes, which contributed to an 18.7% reduction in interest expense in fiscal year 2018 compared to fiscal year 2017;
- Increased sales financed with the lease-to-own product offered through Progressive Leasing, which we offer to our customers who do not qualify for our proprietary credit programs, to 6.5% in the fourth quarter of fiscal year 2018 from 3.8% in the second quarter of fiscal year 2018, the quarter in which we transitioned to Progressive Leasing; and
- Stock price performance responded positively to the results summarized above such that as of January 31, 2018, our fiscal year end, our annualized total shareholder return was up 215.6% on a one-year basis and 28.4% on a three-year basis compared to 13.2% and 0.0%, respectively, at the median for Conn s executive compensation peers discussed under the section captioned Industry Peer Group below.

Outlook

The broad appeal of the Conn s value proposition to our geographically diverse core demographic, unit economics of our business and current retail real estate market conditions provide us ample opportunity for continued expansion. Our brand recognition and long history in our core markets give us the opportunity to further penetrate our existing footprint, particularly as we leverage existing marketing spend, logistics infrastructure, and service footprint. There are also many markets in the United States with demographic characteristics similar to those in our existing footprint, which provides substantial opportunities for future growth. We plan to continue to improve our operating results by leveraging our existing infrastructure and seeking to continually optimize the efficiency of our marketing, merchandising, distribution and credit operations. As we expand in existing markets and penetrate new markets, we expect to increase our purchase volumes, achieve distribution efficiencies and strengthen our relationships with our key vendors. We also expect our increased store base and higher net sales to further leverage our existing corporate and regional infrastructure.

We believe that we have laid the foundation to execute our long-term growth strategy and prudently manage financial and operational risk while maximizing shareholder value. We have identified the following strategic priorities for fiscal year 2019:

- Increase net income by improving performance across our core operational and financial metrics: same store sales, retail margin, portfolio yield, charge-off rate, and interest expense;
- Open five to nine new stores in our current geographic footprint to leverage our existing infrastructure;
- Increase interest income on our loan portfolio by continuing to originate higher-yielding loans;
- Continue to refine and enhance our underwriting platform;
- Reduce our interest expense despite a rising rate environment;
- Optimize our mix of quality, branded products and reduce warehouse, delivery and transportation costs to increase our retail gross margin;
- Continue to grow our lease-to-own sales; and
- Maintain disciplined oversight of our selling, general and administrative expenses.

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Fiscal Year 2018 Pay for Performance Highlights

Annual Cash Incentive Bonuses. Bonuses under our annual cash incentive Plan are based upon the achievement of adjusted EBITDA performance goals that were established at the start of fiscal year 2018. As determined by the Compensation Committee, the Company exceeded fiscal year 2018 adjusted EBITDA target goals. Accordingly, Annual Cash Incentive Plan bonuses were paid to our named executive officers. The Compensation Committee, in its discretion, also approved increasing the amounts of the cash bonuses paid to our named executive officers as a result of the transformative performance results produced by the Company in fiscal year 2018.

Base Salary Increases. As discussed below in Elements of Compensation Base Salary, adjustments were made to the base salaries for fiscal year 2018 (compared to fiscal year 2017) for certain named executive officers who were employed with the Company as of the start of fiscal year 2018.

Compensation Philosophy and Objectives

We have developed a compensation program for our named executive officers designed to: (i) reward and motivate individual and Company performance; (ii) attract and retain executive talent with competitive compensation opportunities; and (iii) build and encourage ownership of our Common Stock. Toward these goals, our compensation program has been designed and administered to reward our named executive officers based on our financial and operating performance and their individual performance, and to align their interests with those of our stockholders. In addition, these goals are intended to encourage long-term commitment to the Company by our named executive officers. We believe that our executive compensation program, which consists primarily of a base salary, an annual performance-based cash bonus opportunity, and time-based and performance-based equity awards, promotes these objectives.

Compensation Philosophy

The following is the executive compensation philosophy that has been adopted by our Compensation Committee:

Compensation realized by executives should reflect the individual skills and contributions of the executive, as well as the Company s overall performance against its business plan and changes in stockholder value.

The basic objectives of the Company s executive compensation program include:

- Attracting, motivating and retaining skilled executives necessary to execute its business strategy;
- Motivating executives by linking compensation opportunity to the achievement of the Company s short-term and long-term growth and profitability goals as well as execution of its business strategy;
- Aligning interests of management and stockholders by linking realized compensation directly to increases in stockholder value and requiring ownership of Company stock over a sustained period; and

Promoting a pay-for-performance culture on a risk-appropriate basis with a majority of the named executive officer s compensation to be earned, or increase in value, based on Company and stock performance.

In addition, the efficiency of the overall program from a tax, accounting, cash flow and stockholder dilution perspective should be balanced against the above objectives. In support of the stated objectives, the Company delivers an executive compensation program that includes the following fundamental elements:

1. Base salary;

2. Short-term cash incentive bonuses; and

3. Long-term equity incentives in the form of stock options, time-based RSUs and performance-based RSUs.

Additional benefits and perquisites may be included when appropriate. A named executive officer s total direct compensation opportunity (*i.e.*, base salary, short-term cash incentives and long-term equity incentives) should be competitive with market practice. Market practice generally means the median (*i.e.*, 50^{th} percentile) of the total direct compensation opportunity of peer executives at companies in our peer group (defined below). However, the Compensation Committee may, in its discretion, provide a named executive officer with a total direct compensation opportunity above or below market practice, based on the following factors:

The named executive officer s individual skills, experience, and performance; and

The difficulty of replacing the named executive officer and importance of the position to the Company.
Actual compensation earned by a named executive officer may be above or below market level depending on the named executive officer s individual performance and the Company s absolute or relative performance compared with its peers.

Compensation Objectives

Reward Performance: A significant portion of the total direct compensation of each of our named executive officers is performance-based. One way in which we reward performance is through grants of equity, the value of which is tied to changes in our stock price. While we recognize that stock price performance is one measure of performance, given the volatile nature of business conditions in our industry and the financial markets, we believe that it may not always be the most appropriate performance measure for incentive plan purposes. As a result, in fiscal year 2018, a portion of our named executive officers total direct compensation is based on the Company s financial results, as measured by adjusted EBITDA in the case of annual cash incentive bonuses and fiscal year 2018 performance-based RSUs and by return on invested capital in the case of performance-based RSUs granted prior to fiscal year 2018. The Compensation Committee may also award discretionary bonuses based on its review of individual performance.

Attract, Retain and Motivate: We structure the compensation of our named executive officers with the goal of attracting and retaining excellent executives in our significant areas of operations sales, merchandising, financial and liquidity, consumer credit, distribution, product service and training. We promote these objectives by ensuring that our compensation is competitive within our industry and by providing that equity awards vest over a three or four-year period (subject to our Compensation Committee s discretion in determining a different vesting schedule as it deems appropriate under the circumstances) for purposes of retention. In addition, a significant portion of a named executive officer s total direct compensation opportunity is tied to performance-based incentives that motivate our named executive officers to achieve strong financial and operational results.

Encourage Ownership of our Common Stock: We believe that ownership of Common Stock by our named executive officers directly aligns their interests with those of our stockholders. To reinforce this belief, our Compensation Committee adopted stock ownership guidelines for our named executive officers, as further described under the caption Compensation Discussion and Analysis Stock Ownership Guidelines.

Determining Compensation

The Compensation Committee is responsible for administering the executive compensation program for each of the named executive officers, including the Chief Executive Officer. The Chief Executive Officer assists the Compensation Committee with administering the executive compensation program for the other named executive officers, except with regard to certain actions and responsibilities that are specifically reserved to the Compensation Committee or Board of Directors. The Chief Executive Officer plays no role in the compensation process, and is not present during voting or deliberations, with respect to his own compensation. The Compensation Committee s responsibilities are identified in its charter posted on our website at www.conns.com under Investor Relations Corporate Governance.

Our Compensation Committee seeks to structure compensation of our named executive officers in such a manner as to avoid encouraging excessive risk taking. To align shareholder interests and appropriate risk-taking the Compensation Committee: (i) caps the annual incentive target bonus opportunity at 200%; (ii) adopted equity ownership guidelines for our named executive officers; and (iii) imposes varying time horizons for short and long-term incentive compensation, intending to balance the executive s attention to our short and long-term performance goals and business objectives. The Compensation Committee also periodically reviews and adjusts the cash and equity award amounts tied to our short- and long-term performance goals and objectives to better address changes in the market and Company risks as they arise and adjust our direction and actions to compensate for such risks. We believe that these actions ensure ongoing alignment of our pay-for-performance objectives and our stockholder interests with a view to long-term value creation.

In applying the above-described objectives for our executive compensation program, the Compensation Committee, in making its final determination, primarily relies upon:

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input and recommendations received from the Chief Executive Officer regarding the day-to-day performance, areas of responsibilities and expectations for future performance of executive officers other than the Chief Executive Officer;

publicly available information with respect to the executive compensation practices of our peer group companies;

the analysis and recommendations of its independent compensation consultant regarding our compensation programs for our executive officers; and