

Sabre Corp  
Form DEF 14A  
April 17, 2015  
Table of Contents

**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 Under Rule 14a-12

**Sabre Corporation**

**(Name of Registrant as Specified In Its Charter)**

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:



**Table of Contents**

April 17, 2015

Dear Fellow Stockholders:

We are pleased to invite you to the 2015 Annual Meeting of Stockholders. The meeting will be held on Thursday, May 28, 2015, at 9:30 a.m. local time, at our Global Headquarters, located at 3150 Sabre Drive, Southlake, Texas 76092.

Details about the business to be conducted at the Annual Meeting can be found in the accompanying Notice of Annual Meeting of Stockholders and proxy statement.

**Your vote is important.** Regardless of whether you plan to attend the Annual Meeting, we urge you to vote your shares as soon as possible. You can vote by marking, signing and dating the enclosed proxy card, by using the internet or by telephone. Instructions on all three methods of voting are contained on the proxy card.

On behalf of your Board of Directors, thank you for your continued interest and support.

Sincerely,

Larry Kellner  
Chairman of the Board

Tom Klein  
President and Chief Executive Officer

Table of Contents

**SABRE CORPORATION**

3150 Sabre Drive

Southlake, Texas 76092

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

The Annual Meeting of Stockholders of Sabre Corporation, a Delaware corporation, will be held at 9:30 a.m. local time on Thursday, May 28, 2015, at our Global Headquarters, 3150 Sabre Drive, Southlake, Texas 76092, for the following purposes:

1. To elect Lawrence Kellner, Judy Odom and Karl Peterson to our Board of Directors, each to serve a three-year term,
2. To ratify the appointment of Ernst & Young LLP as our independent auditor for the fiscal year ending December 31, 2015,
3. To hold an advisory vote on the compensation of our named executive officers,
4. To hold an advisory vote on the frequency of the advisory stockholder vote on the compensation of our named executive officers, and
5. To transact any other business that may properly come before the Annual Meeting or any adjournments or postponements.

Our Board of Directors recommends you vote (i) **FOR** the election of directors named in this proxy statement from the Class of 2015, (ii) **FOR** ratification of the appointment of our independent auditors, (iii) **FOR** the advisory vote on the compensation of our named executive officers, and (iv) for the option of every **THREE YEARS** as the frequency of the advisory stockholder vote on the compensation of our named executive officers.

Only stockholders of record at the close of business on March 30, 2015 are entitled to notice of, to attend, and to vote at the Annual Meeting and any adjournments or postponements.

Whether or not you expect to attend the Annual Meeting, we encourage you to vote your shares promptly. Please sign, date and mail the included proxy card in the enclosed envelope, or vote your shares electronically via the internet or by telephone.

By order of the Board of Directors.

Steve Milton  
Corporate Secretary  
April 17, 2015

**Important Notice Regarding the Availability of Proxy Materials**

**for the Stockholder Meeting to be Held on May 28, 2015**

**This proxy statement and the 2014 annual report are available at**

**[www.proxydocs.com/SABR](http://www.proxydocs.com/SABR)**

**Table of Contents****TABLE OF CONTENTS**

<b><u>INFORMATION ABOUT OUR ANNUAL MEETING</u></b>	1
<u>Date, Time and Place of Meeting</u>	1
<u>Record Date; Mailing Date</u>	1
<u>How to Vote</u>	1
<u>How to Revoke Your Vote</u>	2
<u>Quorum</u>	3
<u>Votes Required</u>	3
<u>Abstentions and Broker Non-Votes</u>	3
<u>Solicitation of Proxies</u>	3
<u>Other Business</u>	4
<b><u>CORPORATE GOVERNANCE</u></b>	5
<u>Corporate Governance Guidelines</u>	5
<u>Board Leadership Structure</u>	5
<u>Principal Stockholders</u>	5
<u>Stockholders Agreement</u>	5
<u>Board Composition and Director Independence</u>	7
<u>Director Nominee Criteria and Process</u>	7
<u>Attributes of Current Directors</u>	8
<u>Diversity of Directors</u>	8
<u>Stockholder Nominations for Directors</u>	8
<u>Board Meetings and Annual Meeting Attendance</u>	9
<u>Board Committees</u>	9
<u>Compensation Committee Interlocks and Insider Participation</u>	11
<u>Other Corporate Governance Practices and Policies</u>	12
<b><u>PROPOSAL 1: ELECTION OF DIRECTORS</u></b>	14
<u>General Information</u>	14
<u>Certain Information Regarding Nominees for Director</u>	14
<u>Director Compensation Program</u>	19
<b><u>PROPOSAL 2: RATIFICATION OF INDEPENDENT AUDITORS</u></b>	22
<u>Principal Accounting Firm Fees</u>	22
<u>Audit Committee Approval of Audit and Non-Audit Services</u>	22
<u>Audit Committee Report</u>	23
<b><u>PROPOSAL 3: ADVISORY VOTE ON EXECUTIVE COMPENSATION</u></b>	25
<b><u>PROPOSAL 4: FREQUENCY OF ADVISORY VOTE ON EXECUTIVE COMPENSATION</u></b>	26
<b><u>COMPENSATION DISCUSSION AND ANALYSIS</u></b>	27
<u>Executive Summary</u>	28
<u>Compensation Philosophy and Objectives</u>	32
<u>Compensation Mix</u>	33
<u>Compensation-Setting Process</u>	33
<u>Compensation Elements</u>	36
<u>Employment Agreements</u>	42

<u>Other Compensation Policies</u>	42
<u>Tax and Accounting Considerations</u>	44
<u>Compensation Committee Report</u>	45
<u>EXECUTIVE COMPENSATION</u>	46
<u>2014 Summary Compensation Table</u>	46



**Table of Contents**

<u>2014 Grants of Plan-Based Awards Table</u>	48
<u>2014 Outstanding Equity Awards at Year-End Table</u>	49
<u>2014 Options Exercised and Stock Vested Table</u>	50
<u>2014 Pension Benefits Table</u>	51
<u>Nonqualified Deferred Compensation</u>	52
<u>Employment Agreements</u>	52
<u>Potential Payments upon Termination or Change in Control</u>	57
<b><u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u></b>	64
<b><u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u></b>	67
<u>Stockholders Agreement</u>	67
<u>Registration Rights Agreement</u>	67
<u>Directors</u>	68
<u>Management Services Agreement</u>	68
<u>Management Stockholders Agreement</u>	68
<u>Tax Receivable Agreement</u>	69
<u>Certain Relationships</u>	71
<b><u>OTHER INFORMATION</u></b>	71
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	71
<u>2015 Stockholder Proposals</u>	71
<u>Annual Meeting Advance Notice Requirements</u>	71
<u>Householding</u>	72

**Table of Contents**

**PROXY STATEMENT**

for the Annual Meeting of Stockholders

to be Held on May 28, 2015

**INFORMATION ABOUT OUR ANNUAL MEETING**

**Date, Time and Place of Meeting**

Our 2015 Annual Meeting will be held on Thursday, May 28, 2015, at 9:30 a.m. local time, at our Global Headquarters, 3150 Sabre Drive, Southlake, Texas 76092.

Only stockholders as of the record date and persons holding proxies from stockholders as of the record date may attend the Annual Meeting. If your shares are registered in your name, you must bring a form of photo identification to the Annual Meeting. If your shares are held in the name of a broker, trust, bank or other nominee, otherwise known as holding in street name, you must bring a proxy or letter from that broker, trust, bank or other nominee that confirms you are the beneficial owner of those shares, together with a form of photo identification, to the Annual Meeting. If you are a representative of an entity that owns shares, you must bring a form of photo identification, evidence that you are the entity's authorized representative or proxyholder, and, if the entity holds the shares in street name, proof of the entity's beneficial ownership to the Annual Meeting. If you are a proxyholder, you must bring a valid legal proxy and a form of photo identification to the Annual Meeting. Use of cameras and recording devices will not be permitted at the Annual Meeting.

**Record Date; Mailing Date**

The Board of Directors established the close of business on March 30, 2015 as the record date for determining the holders of Sabre stock entitled to notice of and to vote at the Annual Meeting.

On the record date, 271,278,583 shares of common stock were outstanding and entitled to vote at the Annual Meeting.

We are first mailing this proxy statement and the accompanying proxy materials to holders of Sabre common stock on or about April 17, 2015.

**How to Vote**

You may direct how your shares are voted by proxy, without attending the Annual Meeting. The manner in which your shares may be voted by proxy depends on whether you are a:

- i **Registered stockholder.** Your shares are represented by certificates or book entries in your name on the records of Sabre's stock transfer agent, American Stock Transfer & Trust Company, LLC, or
- i **Beneficial stockholder.** You hold your shares in street name through a broker, trust, bank or other nominee.

---

## Table of Contents

You may vote your shares by proxy in any of the following three ways:

- i ***Using the Internet.*** Registered stockholders may vote using the internet by going to [www.proxypush.com/SABR](http://www.proxypush.com/SABR) and following the instructions. Beneficial stockholders may vote by accessing the website specified on the voting instruction forms provided by their brokers, trusts, banks or other nominees. You will be required to enter the control number that is included on the voting instruction form provided by your broker, trust, bank or other nominee.
  
- i ***By Telephone.*** Registered stockholders may vote, from within the United States, using any touch-tone telephone by calling (866) 206-5104 and following the recorded instructions. Beneficial owners may vote, from within the United States, using any touch-tone telephone by calling the number specified on the voting instruction forms provided by their brokers, trusts, banks or other nominees. You will be required to enter the control number that is included on the voting instruction form provided by your broker, trust, bank or other nominee.
  
- i ***By Mail.*** Registered stockholders may submit proxies by mail by requesting printed proxy cards and marking, signing and dating the printed proxy cards and mailing them in the accompanying pre-addressed envelopes. Beneficial owners may vote by marking, signing and dating the voting instruction forms by their brokers, trusts, banks or other nominees provided and mailing them in the accompanying pre-addressed envelopes.

All proxies properly submitted and not revoked will be voted at the Annual Meeting in accordance with the instructions indicated on the proxies. If you are a stockholder of record and submit your proxy voting instructions but do not direct how to vote on each item, the persons named as proxies will vote your shares as follows:

- i **FOR the election of directors named in this proxy statement,**
  
- i **FOR ratification of the appointment of our independent auditors,**
  
- i **FOR the advisory vote on the compensation of our named executive officers, and**
  
- i **for the option of every THREE YEARS as the frequency of advisory stockholder votes on the compensation of our named executive officers.**

You may also vote in person at the Annual Meeting. Votes in person will replace any previous votes you have made by mail, telephone or the internet. We will provide a ballot to registered stockholders who request one at the meeting. Shares held in your name as the stockholder of record may be voted on that ballot. Shares held beneficially in street name may be voted on a ballot only if you bring a legal proxy from the broker, trust, bank or other nominee that holds your shares giving you the right to vote the shares. Attendance at the Annual Meeting without voting or revoking a previous proxy in accordance with the voting procedures will not in and of itself revoke a proxy.

## **How to Revoke Your Vote**

Edgar Filing: Sabre Corp - Form DEF 14A

Any stockholder of record submitting a proxy has the power to revoke the proxy at any time prior to its exercise by (1) submitting a new proxy with a later date or time, including a proxy given over the Internet or by telephone, (2) notifying our Corporate Secretary at 3150 Sabre Drive, Southlake, Texas 76092 in writing, which notice must be received by the Corporate Secretary before the meeting or (3) voting in person at the meeting.

If you are a beneficial stockholder, you may revoke your proxy or change your vote only by following the separate instructions provided by your broker, trust, bank or other nominee.

## **Table of Contents**

### **Quorum**

Transaction of business at the Annual Meeting may occur if a quorum is present. The presence at the Annual Meeting, in person or by proxy, of the holders of a majority in voting power of the outstanding shares of capital stock entitled to be voted at the meeting, present in person or by proxy, constitutes a quorum. If a quorum is not reached, the Annual Meeting will be adjourned until a later time.

### **Votes Required**

**Item 1: Election of Directors.** The election of directors will be determined by a plurality of the votes cast in respect of the shares present in person or represented by proxy at the meeting and entitled to vote, meaning that the nominees with the greatest number of votes cast, even if less than a majority, will be elected.

**Item 2: Ratification of Appointment of Our Independent Auditors.** The affirmative vote of the holders of not less than a majority of the voting power of the outstanding shares of capital stock entitled to vote and present, in person or by proxy, at the meeting is required.

**Item 3: Advisory Vote to Approve Sabre's Executive Compensation.** The affirmative vote of a majority of the outstanding common stock present in person or represented by proxy at the Annual Meeting and entitled to vote is required for the advisory vote to approve Sabre's executive compensation.

**Item 4: Frequency of Submission to Stockholders of the Advisory Vote on Sabre's Executive Compensation.** The option of one year, two years or three years that receives a majority of votes cast by stockholders will be the frequency for the advisory vote on executive compensation that has been selected by stockholders.

### **Abstentions and Broker Non-Votes**

Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. For Items 2 and 3, however, because the affirmative vote of the holders of a majority of the shares present and entitled to vote is required for approval, abstentions will be counted as votes against these proposals.

If you hold Sabre shares in street name, you must provide your broker, bank or other holder of record with instructions in order to vote these shares. If you do not provide these voting instructions, whether your shares can be voted by your bank, broker or other nominee depends on the type of item being considered for a vote.

- i **Non-Discretionary Items.** The election of directors, the advisory vote on executive compensation and the advisory vote on the frequency of stockholder votes on named executive officer compensation are non-discretionary items and may NOT be voted on by your broker, bank or other nominee absent specific voting instructions from you.
- i **Discretionary Items.** The ratification of Ernst & Young LLP as Sabre's independent registered public accounting firm for the fiscal year ending December 31, 2015 is a discretionary item. Generally, brokers, banks and other nominees that do not receive voting instructions may vote on this proposal in their discretion.

### **Solicitation of Proxies**

Edgar Filing: Sabre Corp - Form DEF 14A

This solicitation is being made by our Board of Directors. We will bear all costs of this proxy solicitation, including the cost of preparing, printing and delivering materials, the cost of the proxy solicitation and the expenses of brokers, fiduciaries and other nominees who forward proxy materials to stockholders.

**Table of Contents**

In addition to mail and electronic means, our employees may solicit proxies by telephone or otherwise. In addition, we may enlist the help of banks, brokers, broker-dealers and similar organizations in soliciting proxies from their customers (*i.e.*, beneficial stockholders)

**Other Business**

The Board of Directors does not presently intend to bring any business before the Annual Meeting other than the proposals discussed in this proxy statement and specified in the Notice of Annual Meeting of Stockholders. If any other matters should properly come before the Annual Meeting, the persons designated in the proxy will vote on them according to their best judgment.

**Your vote is very important. Whether or not you plan to attend the Annual Meeting, please take the time to vote via the internet, by telephone or by returning your marked, signed and dated proxy card so that your shares will be represented at the Annual Meeting.**



---

**Table of Contents**

**CORPORATE GOVERNANCE**

**Corporate Governance Guidelines**

The Board of Directors has adopted Corporate Governance Guidelines, which govern the Board of Directors' structure and proceedings and contain its position on many governance issues. These Guidelines are available in the investors section of our website at [www.sabre.com](http://www.sabre.com).

**Board Leadership Structure**

Our Corporate Governance Guidelines provide that our Board of Directors has the right to exercise its discretion to either separate or combine the offices of the Chairman of the Board and the CEO. This decision is based upon the Board of Directors' determination of what is in the best interests of Sabre and its stockholders, in light of the circumstances and taking into consideration succession planning, skills and experience of the individuals filling those positions and other relevant factors.

Mr. Kellner was appointed as non-executive Chairman of the Board in August 2013, and Mr. Klein has served as President and CEO since August 2013. The current leadership structure is based on the leadership provided by a non-executive Chairman of the Board (currently Mr. Kellner) and a full-time CEO (currently Mr. Klein), with both positions being subject to oversight and review by Sabre's Board of Directors. The Board of Directors recognizes that, if circumstances change in the future, other leadership structures might also be appropriate and it has the discretion to revisit this determination of Sabre's leadership structure.

The principal duty of the Chairman is to lead and oversee the Board of Directors, and the Chairman presides at all meetings of the Board of Directors and the stockholders. The Chairman, in consultation with the CEO (and any other executive officers as needed), also establishes an agenda for each meeting of the Board of Directors.

**Principal Stockholders**

The Principal Stockholders own approximately 68.6% of our common stock as of February 28, 2015. See Security Ownership of Certain Beneficial Owners and Management. The TPG Funds, the Silver Lake Funds and the Sovereign Co-Invest own approximately 32.2%, 19.8% and 16.6%, respectively, of our common stock as of February 28, 2015. As a result, we are a controlled company within the meaning of the corporate governance requirements of NASDAQ.

TPG refers to TPG Global, LLC and its affiliates, the TPG Funds refer to one or more of TPG Partners IV, L.P. (TPG Partners IV), TPG Partners V, L.P. (TPG Partners V), TPG FOF V-A, L.P. (TPG FOF V-A) and TPG FOF V-B, L.P. (TPG FOF V-B), Silver Lake refers to Silver Lake Management Company, L.L.C. and its affiliates and Silver Lake Funds refer to either or both of Silver Lake Partners II, L.P. and Silver Lake Technology Investors II, L.P. Sovereign Co-Invest refers to Sovereign Co-Invest, LLC, an entity co-managed by TPG and Silver Lake. Principal Stockholders refer to the TPG Funds, the Silver Lake Funds and Sovereign Co-Invest.

**Stockholders Agreement**

We are a party to an amended and restated Stockholders Agreement with the Silver Lake Funds, the TPG Funds and the Sovereign Co-Invest. The Stockholders Agreement provides that the Silver Lake Funds and the TPG Funds have certain nomination rights to designate candidates for nomination to our Board of Directors and, subject to any restrictions under applicable law or NASDAQ rules, the ability to appoint members to each Board committee.

Edgar Filing: Sabre Corp - Form DEF 14A

As set forth in the Stockholders Agreement, for so long as the Silver Lake Funds collectively own at least 22 million shares of our common stock, they are entitled to designate for nomination two of the seats on our Board of Directors. Thereafter, the Silver Lake Funds will be entitled to designate for

---

**Table of Contents**

nomination one director so long as they own at least 7 million shares of our common stock. Further, for so long as the TPG Funds collectively own at least 44 million shares of our common stock, they are entitled to designate for nomination three of the seats on our Board of Directors. When the TPG Funds collectively own less than 44 million shares of our common stock, but at least 22 million shares of our common stock, the TPG Funds will be entitled to designate for nomination two directors. Thereafter, the TPG Funds will be entitled to designate for nomination one director so long as they own at least 7 million shares of our common stock.

In addition, the Silver Lake Funds and the TPG Funds also jointly have the right to designate for nomination one additional director (the Joint Designee), who must qualify as independent under NASDAQ rules and must meet the independence requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the Exchange Act), so long as the Silver Lake Funds and the TPG Funds collectively own at least 10% of their collective shares of our common stock held by them at the closing of our initial public offering (the Closing Date Shares). However, if the Silver Lake Funds and the TPG Funds collectively own at least 10% of their collective Closing Date Shares and either individually owns less than 5% of its individual Closing Date Shares, then the Joint Designee shall be designated for nomination solely by the entity that owns more than 5% of its individual Closing Date Shares.

We are required, to the extent permitted by applicable law, to take all necessary action (as defined in the Stockholders Agreement) to cause the Board of Directors and the Governance and Nominating Committee to include the persons designated by the Silver Lake Funds or the TPG Funds, as applicable, in the slate of director nominees recommended by the Board of Directors for election by the stockholders and solicit proxies and consents in favor of such director nominees. Subject to the terms of the Stockholders Agreement, each Principal Stockholder agrees to vote its shares in favor of the election of the director nominees designated by the Silver Lake Funds and the TPG Funds.

In accordance with the Stockholders Agreement, the TPG Funds have appointed Mr. Bravante, Mr. Kusin and Mr. Peterson to our Board of Directors, and the Silver Lake Funds have appointed Mr. Mondre and Mr. Osness to our Board of Directors.

In addition, the Stockholders Agreement contains agreements among the parties, including with respect to transfer restrictions, tag-along rights, drag-along rights and rights of first refusal. The Stockholders Agreement also provides that, so long as the Silver Lake Funds and the TPG Funds collectively own at least 40% of their collective Closing Date Shares, approval of at least a majority of the Board of Directors, including at least one director nominated for designation by the Silver Lake Funds and one director nominated by the TPG Funds must be obtained before we are permitted to take any of the following actions:

- i any merger, consolidation or sale of all or substantially all of the assets of Sabre or any of its subsidiaries,
- i any voluntary liquidation, winding up or dissolution of Sabre or any of its subsidiaries or the initiation of any actions related to a voluntary bankruptcy, reorganization or recapitalization of Sabre or any of its subsidiaries,
- i acquisitions or dispositions, or a related series of acquisitions or dispositions, of assets with a value in excess of \$50 million or the entering into of a joint venture requiring a capital contribution in excess of \$50 million by either Sabre or any of its subsidiaries,

Edgar Filing: Sabre Corp - Form DEF 14A

- i any fundamental change in Sabre s or its subsidiaries existing lines of business or the entry by Sabre or any of its subsidiaries into a new significant line of business,
- i any amendment to the Certificate of Incorporation or Bylaws of Sabre or Sabre Holdings Corporation,

---

## **Table of Contents**

- i incurrence by Sabre or any of its subsidiaries of any indebtedness or derivatives liability, or any series of indebtedness or derivative liabilities in an aggregate amount in excess of \$150 million or amending in any material respect the terms of existing or future indebtedness or derivatives liability in excess of \$150 million, and
- i hiring and termination of our CEO.

In the case of a vacancy on our Board of Directors created by the removal or resignation of a director designated by the Silver Lake Funds or the TPG Funds, as applicable, the Stockholders Agreement will require us to nominate an individual designated by that entity for election to fill the vacancy.

## **Board Composition and Director Independence**

Our Board of Directors is currently comprised of eight directors. Our Certificate of Incorporation provides that the number of directors on our Board of Directors shall be not less than five directors nor more than eleven directors, as determined by the affirmative vote of the majority of the Board of Directors then in office. However, prior to the time when the Principal Stockholders beneficially own, collectively, less than 40% of the outstanding shares of our common stock, the Board of Directors shall not consist of more than nine directors. At any meeting of the Board of Directors, the attendance of a majority of the total number of authorized directors and, if the Silver Lake Funds or the TPG Funds, as applicable, then-currently has designated, solely and not jointly, for nomination pursuant to the Stockholders Agreement at least one director who is serving on the Board of Directors, one director designated by the Silver Lake Funds or the TPG Funds, as applicable, will constitute a quorum; provided that the Silver Lake Funds or the TPG Funds, as applicable, may, in its sole discretion, agree to waive the requirement that at least one director designated for nomination by such entity must be present to constitute a quorum.

Our Board of Directors has determined that George Bravante, Jr., Lawrence Kellner, Gary Kusin, Greg Mondre, Joseph Osness, Judy Odom and Karl Peterson are independent as defined under the corporate governance rules of NASDAQ. In making these determinations, the Board of Directors considered the applicable legal standards and any relevant transactions, relationships or arrangements, including (i) the fees paid to TPG and Silver Lake under the management services agreement (the MSA), which was terminated at the completion of our initial public offering, and (ii) that we do business with other companies affiliated with the Principal Stockholders. See Certain Relationships and Related Party Transactions.

Because we are a controlled company under the NASDAQ rules, our Compensation Committee and our Governance and Nominating Committee are not required to be fully independent, though they currently are. If such rules change in the future or we no longer meet the definition of a controlled company under the current rules, we will adjust the composition of these committees accordingly in order to comply with these rules.

## **Director Nominee Criteria and Process**

The Board of Directors is responsible for approving candidates for membership to the Board of Directors. The Board of Directors has delegated the screening and recruitment process to the Governance and Nominating Committee, in consultation with our Chairman of the Board and with our President and CEO. The Governance and Nominating Committee believes that the criteria for director nominees should support Sabre's strategies and business, ensure effective governance, account for individual director attributes and the overall mix of those attributes and support the successful recruitment of qualified candidates for the Board of Directors.



**Table of Contents**

Qualified candidates for director are those who, in the judgment of the Governance and Nominating Committee, possess all of the general attributes and a sufficient mix of the specific attributes listed below to ensure effective service on the Board of Directors.

**General Attributes**

- i Leadership skills
- i Ethical character
- i Active participator
- i Relationship skills
- i Effectiveness
- i Independence
- i Financial literacy
- i Reflection of Sabre Values

**Specific Attributes**

- i Leadership experience
- i Industry knowledge
- i Financial background
- i Diversity
- i International experience
- i Marketing experience
- i Other functional expertise

The Governance and Nominating Committee may receive recommendations for candidates for the Board of Directors from various sources, including our directors, management and stockholders. In addition, the Governance and Nominating Committee may periodically retain a search firm to assist it in identifying and recruiting director candidates meeting the criteria specified by the Governance and Nominating Committee.

The Governance and Nominating Committee recommends nominees to the Board of Directors to fill any vacancies. As provided in our Certificate of Incorporation, the Board of Directors elects a new director when a vacancy occurs between annual meetings of stockholders. The Governance and Nominating Committee also recommends to the Board of Directors any new appointments and nominees for election as directors at our annual meeting of stockholders, as well as assesses the contributions of directors selected for re-election in accordance with our Corporate Governance Guidelines.

**Attributes of Current Directors**

The Governance and Nominating Committee believes that each director possesses all of the general attributes described above and a sufficient mix of the specific attributes. See Certain Information Regarding Nominees for Director for additional information regarding director qualifications.

**Diversity of Directors**

As noted above, the Governance and Nominating Committee believes that diversity of backgrounds and viewpoints is a key attribute for directors. As a result, the Governance and Nominating Committee considers specific attributes for director candidates, including whether the individual brings an appropriate level of diversity, which may be, among others, geographical, industry, function, gender, race or ethnicity. While the Governance and Nominating Committee carefully considers this diversity when considering nominees for director, the Governance and Nominating Committee has not established a formal policy regarding diversity in identifying director nominees.

**Stockholder Nominations for Directors**

The Governance and Nominating Committee considers nominees recommended by stockholders as candidates for election to the Board of Directors. Under our Bylaws, a stockholder wishing to nominate a candidate for election to the Board of Directors at an annual meeting of stockholders is required to give timely notice in writing to Sabre's Corporate Secretary, which notice must also fulfill the requirements of the Bylaws as described below. The

Edgar Filing: Sabre Corp - Form DEF 14A

stockholder must be a stockholder of record of Sabre at the time the notice is delivered to the Corporation and must be entitled to vote at the meeting. The notice must be received by Sabre's Corporate Secretary at Sabre's principal executive offices not earlier than the opening of business 120 days before, and not later than the close of business 90 days



## **Table of Contents**

before, the first anniversary of the date of the preceding year's annual meeting of stockholders. The notice of nomination is required to contain information, as set forth in our Bylaws, about both the nominee and the stockholder making the nomination, the nominee's consent to being named in the proxy statement, and a description of certain agreements, arrangements or understandings in connection with the making of the nomination. The Bylaws provide that the notice must also contain information about certain stock holdings of the stockholder making the nomination, including derivative holdings, dividend rights that are separated from or separable from the underlying shares and certain performance-related fees, as well as information that would be required to be disclosed in connection with a proxy solicitation (and whether a proxy solicitation will be conducted). We may require that the proposed nominee furnish other information to determine that person's eligibility to serve as a director.

A nomination that does not comply with the requirements set forth in our Bylaws will not be considered for presentation at the annual meeting, but will be considered by the Governance and Nominating Committee for any vacancies arising on the Board of Directors between annual meetings in accordance with the process described in Director Nominee Criteria and Process.

## **Board Meetings and Annual Meeting Attendance**

The Board of Directors met five times in 2014. All of the directors attended in excess of 75 percent of the total number of meetings of the Board of Directors and the committees on which they served.

Our Corporate Governance Guidelines provide that directors are expected to attend all or substantially all Board meetings and meetings of the committees of the Board on which they serve, as well as our Annual Meeting of Stockholders. Our 2014 Annual Meeting was held prior to our initial public offering, and no directors attended that meeting.

## **Board Committees**

The Board of Directors has established five standing committees to assist it in carrying out its responsibilities: the Audit Committee, the Compensation Committee, the Governance and Nominating Committee, the Technology Committee and the Executive Committee.

Each of the committees operates under its own written charter adopted by the Board of Directors, each of which is available on our corporate website at [www.sabre.com](http://www.sabre.com). In addition, ad hoc committees may be designated under the direction of our Board of Directors when necessary to address specific issues.

### *Audit Committee*

The Audit Committee assists the Board of Directors in the oversight of, among other things, the following items:

- i the integrity of Sabre's financial statements and internal control system,
- i the performance of Sabre's internal audit function,
- i the annual independent audit of Sabre's financial statements,

- i the engagement of the independent auditors and the evaluation of their qualifications, independence and performance,
- i legal and regulatory compliance, and
- i the evaluation of enterprise risk issues.

### **Table of Contents**

The members of the Audit Committee are Judy Odom (Chairman), George Bravante, Jr. and Gary Kusin, each of whom is independent, as defined under NASDAQ rules and Rule 10A-3 of the Exchange Act. Joseph Osnoss served on the Audit Committee through March 23, 2015. Our Board of Directors has determined that each director appointed to the Audit Committee is financially literate, and the Board of Directors has determined that each director appointed to the Audit Committee meets the criteria of the rules and regulations set forth by the Securities and Exchange Commission (the SEC) for an audit committee financial expert.

The Audit Committee met ten times in 2014.

### *Compensation Committee*

The Compensation Committee assists the Board of Directors in the oversight of, among other things, the following items:

- i the operation of our executive compensation program,
- i the review and approval of the corporate goals and objectives relevant to the compensation of our CEO, the evaluation of his or her performance in light of those goals and objectives, and the determination and approval of his or her compensation based on that evaluation,
- i the establishment and annual review of any stock ownership guidelines applicable to our directors and management,
- i the determination and approval of the compensation level (including base and incentive compensation) and direct and indirect benefits of executive officers, and
- i any recommendation to the Board of Directors regarding the establishment and terms of incentive-compensation and equity-based plans, and the administration of these plans.

The members of the Compensation Committee are Gary Kusin (Chairman), Lawrence Kellner, Greg Mondre and Karl Peterson, each of whom is independent, as defined under NASDAQ rules. The Compensation Committee met four times in 2014.

### **Independent Committee Consultant**

The Compensation Committee's charter provides that the Compensation Committee has the authority to retain advisors, including compensation consultants, to assist the Compensation Committee in its work. The Compensation Committee believes that a compensation consultant can provide important market information and perspectives that can help the Compensation Committee determine compensation programs that best meet the objectives of our compensation policies. Pursuant to its charter, prior to selecting a compensation consultant the Compensation Committee considers factors relevant to the independence of the individual advisors, as well as the independence of the advisor's organization.

The Compensation Committee has engaged Compensia, Inc., a national compensation consulting firm, to assist it with compensation matters. Compensia has no other business relationship with Sabre and receives no payments from us other than fees for services to the Compensation Committee. Compensia reports directly to the Compensation Committee, and the Compensation Committee may replace Compensia or hire additional consultants at any time. A representative of Compensia attends Compensation Committee meetings and communicates with the Chairman of the Compensation Committee between meetings from time to time.

The Compensation Committee has assessed the independence of Compensia taking into account, among other things, the factors set forth in Exchange Act Rule 10C-1 and the listing standards of NASDAQ, and has concluded that no conflict of interest exists with respect to the work that Compensia performs for the Compensation Committee.

## Table of Contents

### Compensation Policies and Practices Risk Assessment

At the request of the Compensation Committee, Compensia has assessed the risk profile of Sabre's compensation programs. Based on this review, management and the Compensation Committee concluded that Sabre's compensation policies and practices, taken as a whole, are not reasonably likely to have a material adverse impact on Sabre.

### *Governance and Nominating Committee*

The Governance and Nominating Committee assists the Board of Directors in the oversight of, among other things, the following items:

- i the review of the performance of our Board of Directors and any recommendations to the Board of Directors regarding the selection of candidates, qualification and competency requirements for service on the Board of Directors and the suitability of proposed nominees as directors,
- i corporate governance principles applicable to officers, directors and employees of Sabre, and
- i the review of management's short- and long-term leadership development and succession plans and processes.

The members of the Governance and Nominating Committee are Lawrence Kellner (Chairman), Gary Kusin, Greg Mondre and Karl Peterson, each of whom is independent, as defined under NASDAQ rules. The Governance and Nominating Committee met three times in 2014.

### *Technology Committee*

The Technology Committee assists the Board of Directors in the oversight of, among other things, the following items:

- i the appraisal of major technology-related projects and recommendations to our Board of Directors regarding our technology strategies,
- i the review of the quality and effectiveness of Sabre's data security, data privacy and disaster recovery capabilities, and
- i the provision of advice to our senior technology management team with respect to existing trends in information technology and new technologies, applications and systems.

The members of the Technology Committee are Joseph Osness (Chairman), Tom Klein and Greg Mondre. The Technology Committee met three times in 2014.

### *Executive Committee*

The Executive Committee's principal function is to exercise, when necessary between meetings of the Board of Directors, certain of the Board of Directors' powers and authority in the management of our business and affairs and to act on behalf of the Board of Directors.

The members of the Executive Committee are Lawrence Kellner (Chairman), Tom Klein, Greg Mondre and Karl Peterson. The Executive Committee met two times in 2014.

#### **Compensation Committee Interlocks and Insider Participation**

None of our executive officers currently serves, or in the past year has served, as a member of the Board of Directors or compensation committee of any entity that has one or more executive officers serving on our Board of Directors or Compensation Committee.

## **Table of Contents**

### **Other Corporate Governance Practices and Policies**

#### *Communicating with Directors*

Stockholders and other interested parties may communicate with our Board of Directors by writing to the Board of Directors, c/o Corporate Secretary, Sabre Corporation, 3150 Sabre Drive, Southlake, Texas 76092. You may also communicate with the Board of Directors online at the investors section of our website at [www.sabre.com](http://www.sabre.com).

#### *Business Ethics Policy and Code of Ethics*

We have adopted a Business Ethics Policy, which is the code of conduct applicable to all of our directors, officers and employees.

We have also adopted a Code of Ethics applicable to our CEO and senior financial officers (the *Senior Officers Code*), which sets forth the principles and responsibilities specifically applicable to those officers. The *Senior Officers Code* is designed to be read and applied in conjunction with our Business Ethics Policy.

Both the *Senior Officers Code* and the Business Ethics Policy are available in the investors section of our website at [www.sabre.com](http://www.sabre.com). Any change or amendment to the *Senior Officers Code*, and any waivers of the *Senior Officers Code* or the Business Ethics Policy for our directors, CEO or senior financial officers, will be available on our website at the above location. As the date of this proxy statement, no such waivers had been posted at this location.

#### *Board and Management Roles in Risk Oversight*

Our Board of Directors has the primary responsibility for risk oversight of Sabre as a whole. The Audit Committee is responsible for overseeing risks associated with financial and accounting matters, including compliance with legal and regulatory requirements and internal control over financial reporting. In addition, the Audit Committee has oversight responsibility relating to the evaluation of enterprise risk issues, including the review of major financial risk and enterprise exposures and the steps management has taken to monitor and control these exposures. The Audit Committee is also responsible for reviewing Sabre's procedures and any related policies with respect to risk assessment and risk management.

The Board of Directors has also charged the Compensation Committee with evaluating Sabre's compensation program, taking into account Sabre's business strategy and risks to Sabre and its business implied by the compensation program. See *Compensation Discussion and Analysis Compensation-Setting Process Compensation-Related Risk Assessment*. The Governance and Nominating Committee oversees risks associated with corporate governance, including Board leadership structure, succession planning and other matters. The Technology Committee, in coordination with the Audit Committee, is responsible for monitoring the quality and effectiveness of Sabre's technology security, and for periodically reviewing, appraising and discussing with management the quality and effectiveness of Sabre's information technology security, data privacy and disaster recovery capabilities.

The Board of Directors' role in risk oversight has had no significant effect on its leadership structure. In addition, we believe that the current leadership structure of the Board of Directors supports effective oversight of our risk management processes described above by providing independent leadership at the Board committee level, with ultimate oversight by the full Board of Directors as led by both the Chairman of the Board and the President and CEO.





**Table of Contents**

*Whistleblower Procedures*

The Audit Committee has established procedures for receiving, recording and addressing any complaints we receive regarding accounting, internal accounting controls or auditing matters, and for the confidential and anonymous submission, by our employees or others, of any concerns about our accounting or auditing practices. We also maintain a toll-free Code of Conduct telephone line and a website, each allowing our employees and others to voice their concerns anonymously.

**Table of Contents**

**PROPOSAL 1: ELECTION OF DIRECTORS**

**General Information**

Our business and affairs are managed under the direction of our Board of Directors. Our Certificate of Incorporation provides that our Board of Directors shall consist of at least five directors but no more than eleven directors; provided, however, prior to the time when the Principal Stockholders beneficially own, collectively, less than 40% of the outstanding shares of our common stock, the Board of Directors shall not consist of more than nine directors.

The Board of Directors is divided into three classes, as required by our Certificate of Incorporation. Directors of one class are elected each year for a term of three years. As of the date of this proxy statement, the Board of Directors consists of eight members. Three of the directors have terms that expire at this year's Annual Meeting (Class of 2015), three have terms that expire at the 2016 Annual Meeting (Class of 2016) and two have terms that expire at the 2017 Annual Meeting (Class of 2017). Any additional directorships resulting from an increase in the number of directors or a vacancy may be filled by the directors then in office.

The three nominees for director set forth on the following pages are proposed to be elected at this year's Annual Meeting to serve for a term to expire at the 2018 Annual Meeting of Stockholders (Class of 2015) and until their successors are elected and have qualified. Should any nominee become unable to serve, proxies may be voted for another person designated by management. All nominees have advised us that they will serve if elected. The remaining five directors will continue to serve as directors for the terms set forth on the following pages.

**Certain Information Regarding Nominees for Director**

The names of the nominees for the Class of 2015 and of the other directors continuing in office, their ages as of February 28, 2015, the year they first became directors, their principal occupations during at least the past five years, other public company directorships held by them as of February 28, 2015, public company boards they have served on since January 1, 2010, information regarding director qualifications and certain other biographical information are set forth below by Class, in the order of the next Class to stand for election.

**NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS**

**For a Three-Year Term Expiring at the**

**2018 Annual Meeting of Stockholders**

**(Class of 2015)**

**Lawrence W. Kellner**, 56, *Director since August 2013*

*President, Emerald Creek Group, LLC*

*Non-Executive Chairman of the Board, Sabre Corporation*

*Professional experience:*

Mr. Kellner has served as President of Emerald Creek Group, LLC, a private eq