MANHATTAN ASSOCIATES INC
Form DEF 14A
April 10, 2015

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

(Amendment No.)

Filed by the Registrant þ

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

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

o Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

MANHATTAN ASSOCIATES, INC.

(Name of Registrant as Specified In Its Charter)

Not Applicable

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

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date File

MANHATTAN ASSOCIATES, INC.

2300 Windy Ridge Parkway, Tenth Floor

Atlanta, Georgia 30339

(770) 955-7070

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD MAY 14, 2015

NOTICE IS HEREBY GIVEN that the 2015 Annual Meeting of Shareholders of Manhattan Associates, Inc. (the “Company”) will be held at 2300 Windy Ridge Parkway, Atlanta, Georgia 30339, at 9:00 a.m., Atlanta, Georgia time, on Thursday, May 14, 2015 (the “Annual Meeting”), to consider and act upon:

1. the election of one Class II Director to the Company’s Board of Directors;
2. a non-binding resolution to approve the compensation of the Company’s named executive officers;
3. a proposal to ratify the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2015; and
4. such other business as may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 27, 2015, as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting.

By Order of the Board of Directors,

Bruce S. Richards
Senior Vice President, Chief Legal Officer and Secretary

April 10, 2015

Atlanta, Georgia

IMPORTANT

WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE MEETING, PLEASE SUBMIT YOUR VOTE THROUGH THE INTERNET OR BY TELEPHONE, OR MARK, DATE, AND SIGN THE ENCLOSED PROXY AND RETURN IT IN THE ENVELOPE PROVIDED. NO POSTAGE IS REQUIRED FOR MAILING IN THE UNITED STATES. IF YOU ARE ABLE TO ATTEND THE MEETING, YOU MAY REVOKE YOUR PROXY AND VOTE YOUR SHARES IN PERSON.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 14, 2015:

The proxy statement and annual report to shareholders are available at http://www.manh.com/proxy15

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MANHATTAN ASSOCIATES, INC.

2300 Windy Ridge Parkway, Tenth Floor

Atlanta, Georgia 30339

Proxy Statement

Annual Meeting of Shareholders

To Be Held May 14, 2015

Information Concerning Solicitation and Voting

Shareholders Meeting

This Proxy Statement and the enclosed proxy card ("Proxy") are furnished on behalf of the Board of Directors of Manhattan Associates, Inc., a Georgia corporation (the "Company," "our" or "we"), to solicit proxies for use at the Annual Meeting of Shareholders to be held on Thursday, May 14, 2015, at 9:00 a.m., Atlanta, Georgia time (the "Annual Meeting"), or at any adjournment or postponement of the meeting, for the purposes set forth in this statement and in the accompanying Notice of Annual Meeting. The Annual Meeting will be held at 2300 Windy Ridge Parkway, Atlanta, Georgia 30339. The Company intends to mail this Proxy Statement and the accompanying Proxy on or about April 10, 2015, to all shareholders entitled to vote at the Annual Meeting.

Shareholders Entitled to Vote; Quorum

Only holders of record of the Common Stock at the close of business on March 27, 2015 (the "Record Date") will be entitled to notice of and to vote at the Annual Meeting. At the close of business on the Record Date, the Company had outstanding and entitled to vote 73,799,618 shares of Common Stock. Each holder of record of Common Stock on that date will be entitled to one vote for each share held on all matters to be voted on at the Annual Meeting. Any shareholder who signs and returns a Proxy has the power to revoke it at any time before it is voted at the Annual Meeting by providing written notice of revocation to the Secretary of the Company, by filing with the Secretary of the Company a Proxy bearing a later date, or by voting through the Internet or by telephone or in person at the Annual Meeting.

The holders of a majority of the total shares of Common Stock outstanding on the Record Date, whether present at the Annual Meeting in person, voting through the Internet or telephone, or represented by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. Abstentions and "broker non-votes" both will be counted toward fulfillment of quorum requirements. Broker non-votes occur on a matter up for vote when a broker, bank, or other custodian or nominee is not permitted to vote on that particular matter without instructions from the beneficial owners of the shares, the owner does not give those instructions, and the broker or other nominee indicates on its Proxy, or otherwise notifies us, that it does not have authority to vote its shares on that matter. Whether a broker has authority to vote its shares on uninstructed matters is determined by stock exchange rules.

Counting of Votes

The purpose of the Annual Meeting is to consider and act upon the matters that are listed in the accompanying Notice of Annual Meeting and set forth in this Proxy Statement. The enclosed Proxy and other voting methods described in the Proxy provide a means for a shareholder to vote upon each of the matters listed in the accompanying Notice of Annual Meeting and described in the Proxy Statement. Shares represented by each Proxy will be voted in accordance with the shareholder's directions.

Assuming a quorum is present, approval of the non-binding resolution to approve the compensation of the Company's named executive officers, ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015, and approval of any other matters as may properly come before the meeting, require that the votes cast in favor of each matter exceed the votes cast against that matter.

The Company's Bylaws provide that Directors are elected by a plurality of the votes cast; i.e., the nominees who receive the most votes for the available Director positions will be elected as Directors. As described in the next section below, however, the Board has adopted a policy requiring Directors who fail to receive the affirmative vote of a majority of the votes cast in an uncontested election to tender their resignation.

Neither abstentions nor broker non-votes are considered "votes cast," and therefore neither will have an effect on the results of the vote with respect to the election of Directors, approval of the non-binding resolution to approve the executive compensation of the Company's executive officers and ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.

Majority Vote Resignation Policy for Director Elections

As noted above, the Company's Bylaws provide that Directors are elected by a plurality of the votes cast. Although nominees who receive the most votes for the available positions will be duly elected, on December 5, 2014, the Board of Directors adopted a resignation policy applicable to nominees who fail to receive the affirmative vote of a majority of the votes cast in an uncontested election for Directors. A "majority affirmative vote" means that the votes cast "for" a nominee's election exceed those "withheld," with abstentions and broker non votes not being considered "votes cast." The policy requires that a nominee who does not receive a majority affirmative vote in an uncontested election promptly will tender, to the Board or its Chair, their resignation from the Board and committees on which the Director serves. The resignation may be conditioned upon Board acceptance. If it is not so conditioned, the resignation must specify that it is effective immediately on delivery.

The Nomination and Governance Committee of the Board will consider any resignation conditioned upon Board acceptance, including any information provided by the Director, and within 60 days of the shareholder meeting at which the Director failed to receive a majority affirmative vote, will recommend to the full Board what action to take on the Director's resignation. The committee may recommend, among other things, acceptance or rejection of the resignation, delayed acceptance pending the recruitment and election of a new Director or rejection of the resignation in order to address the underlying reasons for the Director's failure to receive the majority affirmative vote of the shareholders. The policy provides for the Board to act on the committee's recommendation within 90 days following the shareholder meeting.

In considering a conditional resignation, the committee and the Board may consider those factors it deems relevant to its recommendation, including but not limited to the underlying reasons for the failure of the Director to receive a majority affirmative vote, the tenure and qualifications of the Director, the Director's past and expected future contributions, other policies and the overall composition of the Board, including whether accepting the resignation would cause the Company to fail to meet legal or stock market requirements.

Following the Board's decision, the Company will publicly announce the Board's decision regarding any conditional resignation. A resigning Director cannot participate in committee or Board decisions regarding their resignations, except in certain cases where multiple Directors have failed to receive majority affirmative votes, which circumstances are described in the full policy posted in the Investor Relations section of our web site at www.manh.com. The preceding summary of the policy is qualified in its entirety by reference to the full policy.

Proxies

When the enclosed Proxy is properly signed and returned, or submitted via Internet or telephone as described on the Proxy, the shares that it represents will be voted at the Annual Meeting in accordance with the instructions noted on it. In the absence of instructions, the shares represented by a signed Proxy will be voted in favor of the nominees for election to the Board of Directors, the non-binding resolution to approve the compensation of the Company's named executive officers, and ratification of the appointment of our independent registered public accounting firm.

Proxy Solicitation Costs

The Company will bear the entire cost of soliciting proxies to be voted at the Annual Meeting, including the preparation, printing, and mailing of proxy materials. In addition to the solicitation of proxies by mail, solicitation may be made by certain Directors, officers, and other employees of the Company by personal interview, telephone, email, or facsimile. No additional compensation will be paid to those persons for that solicitation. We have engaged The Proxy Advisory Group, LLC®, to assist in the solicitation of proxies and provide related advice and informational support, for a services fee and the reimbursement of customary disbursements that are not expected to exceed $14,000 in the aggregate. The Company will reimburse brokers, banks, and other nominees for their reasonable out-of-pocket expenses for forwarding the proxy materials to their customers who are beneficial owners.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the amount and percent of shares of Common Stock that, as of March 3, 2015, unless a different date is noted below, are deemed under the rules of the Securities and Exchange Commission (the “SEC” or “Commission”) to be “beneficially owned” by (i) each member of the Board of Directors of the Company and each nominee to become a member of the Board of Directors, (ii) the Chief Executive Officer, the Chief Financial Officer, and the other executive officers identified as the “named executive officers” in the Summary Compensation Table appearing in this Proxy Statement, (iii) all Directors and executive officers of the Company as a group, and (iv) any person or “group” (as that term is used in the Securities Act of 1934, as amended) known to the Company as of that date to be a “beneficial owner” of more than 5% of the outstanding shares of Common Stock.

Name of Beneficial Owner	Common Stock Beneficially Owned [1] Number of Shares of Common Stock	Percentage of Class
Eddie Capel	226,409	*
Brian J. Cassidy [2]	157,116	*
John J. Huntz, Jr.	73,548	*
Dan J. Lautenbach	72,164	*
Thomas E. Noonan	115,952	*
Deepak Raghavan	14,956	*
Bruce S. Richards	42,377	*
Peter F. Sinisgalli	43,236	*
Dennis B. Story	64,737	*
Robert G. Howell	47,330	*
Steven P. Smith	50,763	*
All executive officers and Directors as a group (11 persons) [2]	908,588	1.23%
BlackRock, Inc. [3]	7,870,475	10.64%
The Vanguard Group, Inc. [4]	6,478,497	8.76%
Neuberger Berman Group LLC [5]	6,377,783	8.62%
Brown Capital Management, Inc. [6]	5,822,989	7.87%
Eaton Vance Management [7]	4,381,911	5.92%

*Less than 1% of the outstanding Common Stock.

(1) For purposes of calculating the percentage beneficially owned, the number of shares of Common Stock deemed outstanding include (i) 73,994,070 shares outstanding as of March 3, 2015 and (ii) shares issuable by the Company pursuant to options held by the respective person or group that may be exercised within 60 days following March 3, 2015 (“Presently Exercisable Options”). Presently Exercisable Options are considered to be

outstanding and to be beneficially owned by the person or group holding such options for the purpose of computing the percentage ownership of such person or group but are not treated as outstanding for the purpose of computing the percentage ownership of any other person or group. Unless otherwise noted, the address for each beneficial owner is the Company's corporate headquarters located at 2300 Windy Ridge Parkway, Tenth Floor, Atlanta, Georgia 30339.

(2) Includes 30,000 shares issuable pursuant to Presently Exercisable Options.

(3) Based on a Schedule 13G/A filed with the Commission on January 9, 2015 by BlackRock, Inc. Various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Common Stock of the Company. No one person's interest in the Common Stock of the Company is more than five percent of the total outstanding common shares. The address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10022.

(4) Based on a Schedule 13G/A filed with the Commission on February 11, 2015 by The Vanguard Group, Inc., Vanguard Fiduciary Trust Company ("VFTC"), a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 95,024 shares or 0.12% of the Common Stock outstanding of the Company as a result of its serving as investment manager of collective trust accounts. Vanguard Investments Australia, Ltd. ("VIA"), a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 7,400 shares or .00% of the Common Stock outstanding of the Company as a result of its serving as investment manager of Australian investment offerings. The address of The Vanguard Group, Inc. is 100 Vanguard Blvd., Malvern, Pennsylvania 19355.

(5) Based on a Schedule 13G filed with the Commission on February 12, 2015 by Neuberger Berman Group LLC, Neuberger Berman LLC, Neuberger Berman Management LLC, and Neuberger Berman Equity Funds. Neuberger Berman Group LLC and its affiliates may be deemed to be beneficial owners of securities for purposes of Exchange Act Rule 13d-3 because they or certain affiliated persons have shared power to retain, dispose of or vote the securities of unrelated clients. Neuberger Berman Group LLC or its affiliated persons do not, however, have any economic interest in the securities of those clients. The clients have the sole right to receive and the power to direct the receipt of dividends from or proceeds from the sale of such securities. No one client (other than clients otherwise disclosed herein) has an interest of more than 5% of the issuer. With regard to 6,361,883 shares with shared power to vote or to direct the vote, Neuberger Berman Group LLC may be deemed to be the beneficial owner for purposes of Rule 13d-3 because certain affiliated persons have shared power to retain, dispose of and vote the securities. In addition to the holdings of individual advisory clients, each of Neuberger Berman LLC and Neuberger Berman Management LLC serve as a sub-adviser and investment manager, respectively, of Neuberger Berman Group LLC's various registered mutual funds which hold such shares. The holdings belonging to clients of Neuberger Berman Trust Co N.A., Neuberger Berman Trust Co of Delaware N.A., NB Alternatives Advisers LLC, Neuberger Berman Fixed Income LLC and NB Alternative Investment Management LLC, affiliates of Neuberger Berman LLC, are also aggregated to comprise the holdings referenced in this footnote. In addition to the shares for which Neuberger entities also have shared power to dispose of the shares, 6,377,783 shares with shared power to dispose or to direct the disposition also includes shares from individual client accounts over which Neuberger Berman LLC has shared power to dispose but does not have voting power over these shares. The holdings of Neuberger Berman Trust Co N.A., Neuberger Berman Trust Co of Delaware N.A., NB Alternatives Advisers LLC, Neuberger Berman Fixed Income LLC and NB Alternative Investment Management LLC, affiliates of Neuberger Berman LLC, are

also aggregated to comprise the holdings referenced in this footnote. The address of Neuberger Berman Group LLC, Neuberger Berman LLC, Neuberger Berman Management LLC, and Neuberger Berman Equity Funds is 605 3rd Avenue, New York, NY 10016.

(6) Based on a Schedule 13G/A filed with the Commission on February 5, 2015 by Brown Capital Management, LLC. All of the 5,822,989 shares of Common Stock are owned by various investment advisory clients of Brown Capital Management, LLC, which is deemed to be a beneficial owner of those shares pursuant to Rule 13d-3 under the Securities Exchange Act of 1934, due to it discretionary power to make investment decisions over such shares for its clients and/or its ability to vote such shares. In all cases, persons other than Brown Capital Management, LLC have the right to receive, or the power to direct the receipt of, dividends from, or the proceeds from the sale of the shares. No individual client holds more than five percent of the class. The address of Brown Capital Management, LLC is 1201 N. Calvert Street, Baltimore, MD 21202.

(7) Based on a Schedule 13G filed with the Commission on January 13, 2015 by Eaton Vance Management. The address of Eaton Vance Management is 2 International Place, Boston, MA 02110.

PROPOSAL 1

ELECTION OF CLASS II DIRECTOR

Introduction

At the Annual Meeting, one Director is to be elected for the term described below. The Board of Directors is divided into three classes. The term of each Director is three years, and the terms of the Directors in each of the respective classes are staggered vis-à-vis the terms of the Directors in the other two classes. The Board currently comprises two Class I Directors (Messrs. Cassidy and Capel), two Class II Directors (Messrs. Raghavan and Sinisgalli), and three Class III Directors (Messrs. Huntz, Lautenbach, and Noonan). Mr. Sinisgalli notified the Company that he did not intend to stand for reelection as a Class II Director when his current term expires in May 2015 because of the time demands of his other business activities, including his acceptance of the chief executive officer position with another software company. The Nomination and Governance Committee of the Board has undertaken to recruit a candidate to fill the Class II Director seat being vacated by Mr. Sinisgalli. On the recommendation of the Nomination and Governance Committee, the Board has nominated Mr. Raghavan for re-election as a Class II Director, and the other Class II Director seat temporarily will be vacant following the Annual Meeting.

At each Annual Meeting of Shareholders, a class of Directors will be elected for a three year term to succeed the Directors of the same class whose terms are then expiring. The terms of the Class I Directors, Class II Directors, and Class III Directors will expire on the election and qualification of successor Directors at the 2017, 2018, and 2016 Annual Meeting of Shareholders, respectively. There are no family relationships among any of the Directors or Director nominee of the Company.

Shares represented by executed Proxies will be voted, if authority to do so is not withheld, for the election of the nominee named below. If any nominee is unavailable for election as a result of an unexpected occurrence, those shares will be voted for the election of such substitute nominee as the Board of Directors may select. The person nominated for election has agreed to serve if elected, and management has no reason to believe that the nominee will be unable to serve.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE NAMED NOMINEE.

Nominee

Nominee to Serve as a Class II Director (Term Expires in 2018)

Deepak Raghavan, age 48, has served as a member of our Board of Directors since May 1998. Dr. Raghavan served as our Senior Vice President - Product Strategy from January 2001 until June 2002, as Senior Vice President and Chief Technology Officer from August 1998 until January 2001, and as Chief Technology Officer from our inception in October 1990 until August 1998. From 1987 until 1990, Dr. Raghavan served as a Senior Software Engineer for Infosys Technologies Limited, a software development company, where he specialized in the design and implementation of information systems for the apparel manufacturing industry. Dr. Raghavan earned a Civil Engineering degree from the Indian Institute of Technology, New Delhi in 1987 and a Ph. D. degree in Astronomy from Georgia State University in 2009 and is currently an adjunct faculty member at Georgia State University.

Dr. Raghavan has been an officer of the Company or member of our Board of Directors since its inception and during that time has helped guide the Company through its transformation from a small private software and services company to a growing public company. With over 20 years of experience at the Company, Dr. Raghavan brings deep institutional knowledge and perspective to our Board of Directors regarding our strengths, challenges, and opportunities, as well as long experience with our industry.

Continuing Directors

The members of the Board of Directors continuing in office as Class III directors, elected to serve until the 2016 Annual Meeting, are as follows:

John J. Huntz, Jr., age 64, has served as Chairman of our Board of Directors since April 2003 and has served as a member of our Board of Directors since January 1999. Mr. Huntz has more than 30 years of private equity, venture capital, and operational experience. Since 2014, Mr. Huntz served as Managing Director of Huntz & Co., LLC, a venture advisory firm. Prior to that, since 2013, he served as a consultant to Arcapita, Inc., an international investment firm. Prior to 2013, Mr. Huntz served as Executive Director, Venture Capital Investments and President, of Arcapita, since 2005. From 2007 until 2004, Mr. Huntz also served as Chairman of the Board of CardioMEMS, Inc., the designer of a heart failure monitoring system. From 1994 through 2005, Mr. Huntz worked at the Fuqua companies, most recently as Managing Director of Fuqua Ventures. Mr. Huntz also served as Executive Vice President and Chief Operating Officer of Fuqua Enterprises, Inc., a public company.

Mr. Huntz' prior experience includes, from September 1989 to January 1994, serving as Managing Partner of Noble Ventures International, a private equity firm. From 1984 to 1989, Mr. Huntz provided financial and investment management as Director of Capital Resources for Arthur Young & Company, and from 1979 to 1984, he was an investment professional at Harrison Capital, a private equity investment subsidiary of Texaco. Mr. Huntz has also served as a Board member for the National Venture Capital Association, and the Securities and Exchange Commission's Small Business Capital Formation Task Force Executive Committee. He founded and leads the Southern Capital Forum and is an Advisory Board member of the Metro Atlanta Chamber of Commerce, a Board member and past Chairman of the Georgia Logistics Innovation Council, and a member of the Board of Georgia Advanced Technology Ventures (Georgia Tech). He also is on the Board of the American Heart Association and has served in numerous other business and community organizations.

Mr. Huntz has over 30 years of both private and public company operating and leadership experience, and has served on numerous boards. In addition, he has extensive financial industry experience through his private equity and venture capital work. We believe Mr. Huntz's extensive experience, his operational, leadership and finance expertise, and his business and community prominence make him well suited to be our Chairman. His financial expertise in particular also qualifies him eminently to chair our Audit Committee, and the Board has determined he is an "audit committee financial expert" as defined in SEC rules.

Dan J. Lautenbach, age 69, has served as a member of our Board of Directors since October 2007. He served as Chairman of Witness Systems, Inc., a provider of workforce optimization software and services, from December 2006, and as a director of that company from 2002, until it was acquired in May 2007. Since December 2001, Mr. Lautenbach has served as Chairman of DJL Consulting, a sales consulting organization. From May 2002 until March 2003, he served as the Executive Vice President, Worldwide Field Operations, for Centive Systems, Inc, an enterprise software incentive management system provider. From April 2001 to December 2001, he served as Senior Vice President of Global Sales and Operations for Vignette Corporation, a provider of content management software and services. Mr. Lautenbach was Vice President of Worldwide Software Sales for IBM and was General Manager for Software, Europe, Middle East, and Africa, from 1997 to 2001, and prior to that held various management positions with IBM.

Mr. Lautenbach has a history of demonstrated leadership in the software industry, including as Chairman of the Board of a public software company and as an executive or other officer of other software companies of differing sizes, including business software companies. Within the industry, his experience ranges across executive management, sales and consulting roles, bringing valuable perspectives to the Board.

Thomas E. Noonan, age 54, has served as a member of our Board of Directors since January 1999. Since July 2013, Mr. Noonan has served as Director and General Manager for the EnergyWise product group at Cisco Systems, which acquired Mr. Noonan's previous company, JouleX, in July 2013. Since 2010, Mr. Noonan had served as the President and Chief Executive Officer of JouleX, a leading innovator in network based enterprise energy management. From November 2006 until February 2008, Mr. Noonan served as the General Manager of IBM Internet Security Systems, a division of IBM providing information technology system security products and services. Mr. Noonan served as the President and member of the Board of Directors of Internet Security Systems, Inc., since May 1995, and as its Chief Executive Officer and Chairman from November 1996 until its acquisition by IBM in November 2006. Prior to joining Internet Security Systems, Mr. Noonan served as Vice President, Sales and Marketing with TSI International, Inc., an electronic commerce company, from October 1994 until April 1995. From November 1989 until October 1994, Mr. Noonan held high-level sales and marketing positions at Dun & Bradstreet Software, a developer of enterprise business software.

Mr. Noonan brings to the Company many years of experience in senior management in the software industry, including as co-founder, Chairman, President, and Chief Executive Officer of a public software company. We believe his entrepreneurial, executive management, and software industry experience is an indispensable resource to the Board. His past role as a Chairman, President, and Chief Executive Officer of a public software company also qualifies him well to chair our Compensation Committee, as we believe it gives him insight into the compensation dynamics of companies like Manhattan Associates. The Board has determined he is an "audit committee financial expert."

The members of the Board of Directors continuing in office as a Class I Directors, elected to serve until the 2017 Annual Meeting, are as follows:

Brian J. Cassidy, age 69, has served as a member of our Board of Directors since May 1998. Mr. Cassidy was the co-founder of Webforia Inc., a developer and supplier of computer software applications, and served as Webforia's Vice Chairman from April 1996 until February 2003. Prior to forming Webforia, Mr. Cassidy served as Vice President of Business Development of Saros Corporation, a developer of document management software, from January 1993 until March 1996. Prior to joining Saros Corporation, Mr. Cassidy was employed by Oracle Corporation as Joint Management Director of European Operations and served as a member of the Executive Management Board from 1983 until 1988 and as Worldwide Vice President of Business Development from 1988 until 1990.

Mr. Cassidy has over 30 years of experience in the software industry, much of it with business software companies. His experience includes organizations of different sizes, and he has served in co-founder, executive management, and development roles. Mr. Cassidy has also invested in, and assisted in the initial phase of, a number of software companies. We believe Mr. Cassidy's extensive industry knowledge and different industry perspectives—whether as an entrepreneur with a new "start-up" organization or as a senior executive with a large, mature one—are beneficial for the Board.

Eddie Capel, age 53, has served as our President and Chief Executive Officer since January 1, 2013. Prior to that, beginning in July 2012, Mr. Capel had begun serving as our President and Chief Operating Officer. Also in July 2012, the Board of Directors elected Mr. Capel to the Board of Directors as a Class I director. Mr. Capel served as Executive Vice President and Chief Operating Officer since January 12, 2011. Previously, Mr. Capel served as our Executive Vice President—Global Operations from January 2009 to January 2011. In this capacity, Mr. Capel was responsible for the Company's global product management, research and development, and customer support functions. From January 2008 through January 2009, Mr. Capel served as our Executive Vice President—Global Product Management and Customer Services. From January 2005 to January 2007, Mr. Capel served as our Senior Vice President—Global Product Management and Global Customer Services and from January 2004 through January 2005 as our Senior Vice President Product Management. Prior to January 2004, he held various other positions with the Company. Prior to joining Manhattan Associates in June 2000, Mr. Capel held various positions at Real Time Solutions, including chief operations officer and vice president, operations. He also served as director, operations, with Unarco Automation, an industrial automation/robotics systems integrator. Prior to joining Unarco, Mr. Capel worked as a project manager and system designer for ABB Robotics in the United Kingdom.

As our President and Chief Executive Officer, Mr. Capel provides essential insight and guidance to our Board of Directors from an insider perspective of the day-to-day operations of the Company. In addition, Mr. Capel brings many years of experience in the software industry to our Board of Directors.

Board Independence and Meetings

The Board of Directors currently consists of seven members, all of whom, with the exception of Mr. Capel, our President and Chief Executive Officer, and Mr. Sinisgalli, our former President and Chief Executive Officer, have been determined by the Board of Directors to be "independent" as that term is defined under the corporate governance rules of The Nasdaq Stock Market. In compliance with Nasdaq corporate governance rules, the independent Directors of the Company conduct regularly scheduled meetings without the presence of non-independent Directors or management. The Board's standing independent committees also regularly meet without management present. During the fiscal year ended December 31, 2014, the Board of Directors held six meetings. All of the incumbent Directors attended at least 75% of the aggregate total number of meetings of the Board of Directors and meetings of Committees of the Board of Directors on which they served that occurred during the portion of fiscal year 2014 during which each served as a Director. Our Directors are invited to the Annual Meeting of Shareholders, and two Directors attended our 2014 Annual Meeting.

Director Compensation

During 2014, the non-employee Chairman of the Board of Directors received an annual retainer of $150,000, payable in monthly installments on the first business day of each month. The other non-employee members of the Board of Directors received an annual retainer of $50,000 payable in quarterly installments on the first business day of each quarter. In addition to the foregoing retainers, the Chairman of each of the Audit Committee and the Compensation Committee received an annual retainer of $20,000, and the Chairman of the Nomination and Governance Committee received an annual retainer of $10,000. Each member of a Committee who is not the Committee Chairman received an additional retainer for service on that Committee, with those retainers being $10,000, $7,500, and $5,000 for the Audit, Compensation, and Nomination and Governance Committees, respectively. On the date of the Company’s 2014 Annual Meeting, each non-employee Director was awarded 5,592 restricted stock units (“RSUs”), which vest on the earlier of the first anniversary of the date of grant or the next Annual Meeting of Shareholders of the Company, provided that the Director remains in continuous service on the Board through such date. Upon vesting, each unit will be settled with one share of Common Stock.

The following table sets forth, for the year ended December 31, 2014, the total compensation earned for our non-employee members of the Board of Directors.

Director Compensation

Name [1]	Fees Earned or Paid In Cash	Stock Awards [2]	Total
John J. Huntz, Jr.	$182,500	$ 170,165	$352,665
Thomas E. Noonan	80,000	170,165	250,165
Brian J. Cassidy	62,500	170,165	232,665
Deepak Raghavan	60,000	170,165	230,165
Dan L. Lautenbach	60,000	170,165	230,165
Peter F. Sinisgalli	50,000	170,165	220,165

(1) Amounts paid to Mr. Capel, our employee Director during 2014, are reflected in the Summary Compensation Table below.

(2) This column represents the aggregate grant date fair value for RSUs granted in 2014 in accordance with the stock compensation topic in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification (the "Codification"). These award fair values have been determined based on the closing price of the Company's stock on the date of grant.

The following table summarizes the equity awards we have made to our Board of Directors that are outstanding as of December 31, 2014.

Non-Management Director Outstanding Stock Awards as of December 31, 2014

Name	Number of Shares of Unvested Restricted Stock Units	Number of Shares Underlying Unexercised Stock Options
John J. Huntz, Jr.	5,592	-
Thomas E. Noonan	5,592	-
Brian J. Cassidy	5,592	80,000
Deepak Raghavan	5,592	-
Dan L. Lautenbach	5,592	-
Peter F. Sinisgalli	5,592	-

Board Committees

The Board of Directors has established three permanent committees that have certain responsibilities for our governance and management. They include the Audit Committee, Compensation Committee, and Nomination and

Governance Committee. The Board has adopted charters for the Audit Committee, Compensation Committee, and Nomination and Governance Committee, which can be found in the Investor Relations section of our web site at www.manh.com.

Audit Committee. During 2014, the Audit Committee consisted of Messrs. Huntz, Lautenbach, and Noonan. Mr. Huntz serves as Chairman of the Audit Committee. The Board of Directors has determined that each member of the Audit Committee meets the independence and experience requirements applicable to members of the Audit Committee of a Nasdaq-traded company, as well as the Audit Committee independence standards established by the SEC. Further, the Board has determined that Messrs. Huntz and Noonan are "audit committee financial experts," as defined by the rules of the SEC. Among other responsibilities, the Audit Committee recommends to the Board the selection and discharge of our independent registered public accounting firm, reviews the scope of the audit to be conducted by them, as well as the results of their audit, and reviews our internal controls and financial statements. The Audit Committee also reviews and discusses with management and our independent registered public accounting firm major financial risk exposure and steps management has taken to monitor and control such exposure. During the fiscal year ended December 31, 2014, the Audit Committee met four times.

Compensation Committee. During 2014, the Compensation Committee consisted of Messrs. Noonan, Cassidy, and Huntz. Mr. Noonan serves as Chairman of the Compensation Committee. The Board of Directors has determined that all members of the Compensation Committee meet the independence requirements of the Nasdaq corporate governance rules. The Compensation Committee approves the compensation of all of our executive officers, including the Chief Executive Officer, reviews compensation plans of all Directors, officers, and other key executives, and makes recommendations concerning these matters to the Board of Directors. The Compensation Committee also administers our equity incentive programs and establishes the terms and conditions of all stock, stock options, and stock units granted under these plans. During the fiscal year ended December 31, 2014, the Compensation Committee met four times.

Nomination and Governance Committee. During 2014, the Nomination and Governance Committee (the "Nomination Committee") consisted of Messrs. Raghavan, Cassidy, and Huntz. Mr. Raghavan serves as Chairman of the Nomination Committee. The Board of Directors has determined that all members of the Nomination Committee meet the independence requirements of the Nasdaq corporate governance rules. The Nomination Committee is appointed by the Board of Directors to identify and assist in recruiting outstanding individuals who qualify to serve as Board members and to recommend to the Board a slate of Director nominees for election by our shareholders at each annual meeting of our shareholders in accordance with our Articles of Incorporation, Bylaws, and Georgia law; to recommend Directors for appointment to each Board Committee; and to review the performance of the Board and its Committees and make appropriate recommendations. During the fiscal year ended December 31, 2014, the Nomination Committee met four times.

In accordance with the provisions of our Bylaws, shareholders may directly nominate prospective Director candidates by delivering to our Corporate Secretary certain information about the nominee not less than 60 days prior to the meeting as originally scheduled, or if less than 70 days' notice or prior public disclosure of the date of the scheduled meeting is given or made, delivery of notice to the Company not later than the tenth day following the earlier of the day on which notice of the date of the meeting is mailed to shareholders or public disclosure of the date of that meeting is made. The Nomination Committee has not adopted a formal policy with regard to consideration of any Director candidate nominated by shareholders for inclusion in the Board's slate. The Nomination Committee believes that such a policy is not necessary or appropriate because of the shareholders' ability to directly nominate Director candidates for the Board.

In identifying qualified individuals to become members of the Board of Directors, the Nomination Committee selects candidates whose attributes it believes would be most beneficial to the Company. The Nomination Committee evaluates each individual's experience, integrity, competence, diversity (including occupational, geographic, and age diversity), skills, and dedication in the context of the needs of the Board of Directors. The Nomination Committee generally identifies Director nominees through the personal, business, and organizational contacts of existing Directors and management. However, the Nomination Committee may use a variety of sources to identify Director nominees, including third-party search firms, counsel, advisors, and shareholder recommendations. The composition of the current Board of Directors reflects diversity in business and professional experience and skills.

Board Leadership Structure

Our Bylaws allow, but do not require, our Board of Directors to appoint an officer or a non-executive to the position of Chairman of our Board of Directors. Our Board of Directors has chosen to separate the positions of Chairman of the Board and Chief Executive Officer. Currently, John J. Huntz, Jr., a non-employee independent Director, serves as Chairman of the Board and Eddie Capel serves as our President and Chief Executive Officer. We believe separating these positions allows our Chief Executive Officer to focus on our day-to-day business, while allowing the Chairman of the Board to lead our Board of Directors in its fundamental role of providing advice to and independent oversight of management. Our Board of Directors recognizes the time, effort, and energy that the Chief Executive Officer is required to devote to his position in the current business environment, as well as the commitment required to serve as our Chairman, particularly as our Board's oversight responsibilities continue to grow. Although we do not have a policy mandating the separation of the roles of Chairman and Chief Executive Officer, our Board of Directors believes that having separate positions and having an independent outside Director serve as Chairman currently is the appropriate leadership structure for Manhattan Associates.

Code of Ethics

Our Board of Directors has adopted a Global Ethics and Compliance Code that is applicable to all members of our Board of Directors, our executive officers, and our employees. We have posted the Code in the Investor Relations section of our web site at www.manh.com. If, in the future, we amend, modify, or waive a provision in the Code, we may, rather than file a Form 8-K, satisfy the disclosure requirement under Item 5.05 of Form 8-K by posting such information on our web site as necessary.

Risk Management

While we believe that risk management is the responsibility of every employee, senior management is ultimately accountable to our Board of Directors and shareholders for risk management. Senior management is responsible for the day-to-day management of risks we face, while our Board of Directors, as a whole and through its Committees, oversees planning and responding to risks arising from changing business conditions or the initiation of new activities or products. Our Board of Directors also is responsible for overseeing compliance with laws and regulations, responding to recommendations from auditors and supervisory authorities, and overseeing management’s conformance with internal policies and controls addressing the operations and risks of significant activities.

Our Board of Directors believes that full and open communication between management and our Board of Directors is essential for effective risk management and oversight. Our Board of Directors receives regular reports from members of senior management on areas of material risk to Manhattan Associates, including operational, financial, legal and regulatory, strategic, competitive, and reputational risks. Additionally, senior management is available to address any questions or concerns raised by our Board of Directors on risk management-related and any other matters.

While our Board of Directors is ultimately responsible for risk oversight at Manhattan Associates, our three Board Committees assist our Board of Directors in fulfilling its oversight responsibilities in certain areas of risk. The Audit Committee assists our Board of Directors in fulfilling its oversight responsibilities with respect to risk management in the areas of financial reporting, internal controls, and compliance with legal and regulatory requirements, and discusses policies with respect to risk assessment and risk management. The Nomination Committee assists our Board of Directors in fulfilling its oversight responsibilities with respect to the management of risks associated with Board organization, membership and structure, succession planning for our Directors and executive officers, and corporate governance. The Compensation Committee assists our Board of Directors in fulfilling its oversight responsibilities with respect to the management of risks arising from our compensation policies and programs.

In keeping with its responsibilities, the Compensation Committee has evaluated potential risks arising from the Company's compensation policies and practices, and concluded that any such risks are not likely to have a material adverse effect on the Company. Among other possible risks, the Compensation Committee considered risks related to the consolidated revenue and adjusted earnings per share components of its incentive plans. In reaching its conclusion, the Compensation Committee reviewed and considered various factors, including the following:

- For many participants, there are both short-term (annual) cash and long-term equity incentives;
- Short-term incentives and long-term performance-based incentives use revenue and adjusted earnings per share as performance objectives, with a minimum to maximum range criteria (threshold, target, maximum) providing pay-for-performance opportunity with zero payout potential below threshold and maximum payout opportunity above target capped;
- Long-term equity incentives include both performance-based and service-based awards; and
- The Compensation Committee reviews and approves performance goals and reviews and approves performance payout amounts for actual results before incentives are paid.

EXECUTIVE OFFICERS

In addition to Eddie Capel, the following individuals served as our executive officers as of December 31, 2014:

Dennis B. Story, age 51, has served as our Executive Vice President, Chief Financial Officer, and Treasurer since January 12, 2011. Previously, Mr. Story served as our Senior Vice President, Chief Financial Officer, and Treasurer from joining the Company in March 2006 through January 2011. From February 2006 until he joined the Company, Mr. Story served as the Senior Vice President of Finance for Fidelity National Information Services, Inc. Prior to that, Mr. Story was the Senior Vice President of Finance for Certegy Inc., a financial services company, from 2004 until its merger with Fidelity National Information Services, Inc., in February 2006. Prior to his association with Certegy, Mr. Story served as Chief Financial Officer of NewRoads Inc., a provider of outsourced solutions for fulfillment and customer care to companies engaged in one-to-one direct commerce, from September 2003 to September 2004, and Senior Vice President and Corporate Controller of credit reporting company Equifax Inc., from December 2000 until August 2003.

Bruce S. Richards, age 60, has served as our Senior Vice President, Chief Legal Officer, and Secretary since August 2011. Prior to that, Mr. Richards was a partner in the Atlanta-based law firm Taylor English Duma LLP, where he practiced as a member of the firm's corporate and business law department since 2005. In 2007, while at Taylor English Duma, Mr. Richards also served as interim general counsel for Witness Systems, Inc. Before joining Taylor

English Duma, Mr. Richards served in various corporate legal positions, including serving as Corporate Vice President, General Counsel and Secretary of Certegy Inc., a financial services company, from 2001 through 2002, following Certegy's spinoff from Equifax Inc., Corporate Vice President and General Counsel of credit reporting company Equifax Inc., from 1996 through 2000, and Vice President and General Counsel of financial services company Telecredit, Inc., from 1989 through 1990, prior to its sale to Equifax.

Robert G. Howell, age 42, has served as our Senior Vice President, Americas Sales since May 2013. Prior to that, Mr. Howell served as our Senior Vice President, North America Sales since January 2013, our Vice President North America Sales since January 2010, and a Senior Director of Sales since January 2009. Before that, Mr. Howell served as Director of Sales since October 2006. Prior to joining the Company, Mr. Howell served in various sales executive roles at Logility, Inc., a publicly traded provider of collaborative supply chain planning solutions, from 2000 until 2006. From 1995 to 2000, he was an Account Executive with

Measurex, Inc., a provider of computer process control software and scanning sensors primarily for the pulp and paper industry that was acquired by Honeywell International.

Steven P. Smith, age 51, has served as our Senior Vice President, EMEA and APAC since July 2013. Previously, Mr. Smith served as our Senior Vice President, EMEA from January 2008 to June 2013, and Vice President from October 2004 to January 2008. Prior to joining the Company, Mr. Smith served in various capacities, most recently as EMEA General Manager - Strategic Solutions, for enterprise resource planning software developer SSA Global (subsequently acquired by Infor) and its predecessors. Mr. Smith has over 20 years of supply chain experience in consulting services and account management and began his career serving in a number of engineering, research, business development and design positions.

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

The Company delivered solid results in 2014 as evidenced by the following 2014 performance highlights:

- Total revenues increased 19%
- Adjusted and GAAP Diluted EPS increased 26% and 25%, respectively
- Stock price increased 39% (from December 31, 2013 to December 31, 2014)

The Company's strong performance is reflected in our executive compensation payouts for 2014, resulting in a payout of 144% of target earned for both the cash incentive bonus and 2014 performance-based RSU awards.

Alignment between company performance and executive compensation is the cornerstone of our executive compensation philosophy and program design. We also believe that our overall governance of executive compensation is sound and reflects many best practices, including:

- Separate CEO and Chairman of the Board
- Oversight by an active, engaged, and independent Compensation Committee
- Engagement of an outside independent compensation consultant
- Capped incentive opportunities to mitigate concerns regarding excessive risk-taking
- Equity plans that prohibit option re-pricing and cash buyouts without shareholder approval
- Double-trigger change-in-control benefits
- No excise tax gross-up provision
- Limited executive perquisites

In approving compensation arrangements for 2015, the Compensation Committee considered the strong pay-for-performance results and governance practices highlighted above, as well as the fact that 98% of the shares that were voted on the 2014 "say on pay" vote (discussed below) were voted in favor of the Company's executive compensation program.

The changes to the executive compensation program for 2015 approved by the Compensation Committee include modest increases in salaries, bonus opportunities, and long-term incentive grant values. The short-term and long-term incentive plan designs for 2015 remain the same as for 2014.

The remainder of the Compensation Discussion and Analysis provides the more detailed philosophy, process, considerations, and analysis involved in the determination of executive compensation.

Determining Executive Compensation

The Role of the Compensation Committee

The Compensation Committee is responsible for establishing compensation levels for the executive officers of the Company, including the annual bonus plan for executive officers, and for administering the Company's Stock Incentive Plan. The Compensation Committee is currently comprised of three non-employee Directors: Messrs. Noonan (Chairman), Cassidy, and Huntz. The Compensation Committee's overall objective is to establish a compensation policy that will (i) attract, retain, and reward executives

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who will and do contribute to achieving the Company's business objectives, (ii) motivate executives to obtain these objectives, and (iii) align the interests of executives with those of the Company's long-term investors.

The Role of Independent Consultants

The Compensation Committee has the authority to hire compensation consultants and other advisors it believes are necessary and appropriate to fulfill its principal duties. From 2008 to 2014, the Compensation Committee hired Pearl Meyer & Partners (PM&P) as its independent consultant. PM&P reports to and is directed by the Compensation Committee, and provides no other services to the Company. In general, PM&P is directed by the Compensation Committee to provide periodic updates on market trends and developments, provide relevant and credible market data for assessing pay competitiveness, evaluate the design of our pay programs to align with our business strategy, performance outcomes, and competitive pay practices, and to participate in Compensation Committee meetings where substantive executive compensation decisions are being made.

The Company requested and received information from PM&P addressing potential conflicts of interest. Based on an assessment of this information, the Compensation Committee concluded that the work of the consultant did not raise any conflict of interest.

The Role of Senior Management

The Chief Executive Officer ("CEO") generally makes recommendations to the Compensation Committee for compensation adjustments for the named executive officers other than himself. The Chief Financial Officer and Senior Vice President, Human Resources provide support to the CEO with respect to data, analysis, and advice in formulating specific recommendations. The Chief Legal Officer generally attends Compensation Committee meetings, prepares meeting minutes and resolutions, and is available for legal counsel as required.

The Role of Peer Groups and Survey Data

The Compensation Committee does consider pay information from other companies when making pay determinations for the Company's executives, including the named executive officers. However, this is only one of many factors considered by the Compensation Committee when making pay determinations, and the Compensation Committee does not benchmark or target a precise percentile or pay level relative to this information. Instead, the Compensation Committee uses this information as a general guide to determine if the Company's executive compensation levels in the aggregate and by component are within a reasonable range compared with other similar companies.

The precise nature of our peer comparison activities varies each year based on the needs of the Company and the Compensation Committee in making pay determinations. Generally, the Company's peer comparison activities include a review of both peer group and survey data. For purposes of determining 2014 compensation, the peer group comprised the following companies:

· ACI Worldwide, Inc.
· Aspen Technology, Inc.
· Advent Software, Inc.
· Blackbaud, Inc.
· Concur Technologies, Inc.

- Digital River, Inc.
- Interactive Intelligence Group, Inc.
- MicroStrategy Incorporated
- NetScout Systems, Inc.
- Pegasystems, Inc.
- Progress Software Corporation
- Qlik Technologies Inc.
- Synchronoss Technologies
- The Ultimate Software Group, Inc.
- Tyler Technologies, Inc.

The Compensation Committee annually reviews pay and performance data from the peer group as well as pay data from various compensation surveys. Both the peer group and survey data included in the comparisons included companies that were comparable with respect to revenue level, industry segment, and competitive employment market to the Company. The specific peer companies, survey sources, and forms of analysis change from year to year based on the best available data and the key priorities of the Compensation Committee. This information was considered by the Compensation Committee along with other relevant information, such as the performance of the Company and of each executive. Recommendations were also presented to the Compensation Committee by the CEO for executives other than himself. No other executive officer has direct input to the Compensation Committee regarding the compensation of the named executive officers.

The Role of "Say on Pay"

The Company solicits an advisory vote on executive compensation from the shareholders annually—the "say on pay" vote. In 2014, the matter received the approval of holders of approximately 98% of the shares of Common Stock that were actually voted, indicating strong support from the Company's shareholders for the compensation program for named executive officers. The Board is again soliciting this year the advisory approval of the shareholders of the compensation of the named executive officers as set forth in this Proxy Statement.

The Compensation Committee appreciates the support of the Company's shareholders for its executive compensation program, and considered that support in structuring a 2015 program largely consistent with the prior year's program. It is, however, the responsibility of the Board and Compensation Committee to determine executive compensation, and consequently, while the Board and Compensation Committee intend to consider the results of future advisory votes on executive compensation, they reserve the right to make compensation decisions that may not secure strong support from the Company's shareholders if in the Board's and Compensation Committee's judgment such actions are advisable or necessary to achieve the objectives of the executive compensation program.

Principal Elements of Executive Compensation

The Company compensates executive officers with a combination of salary and incentives designed to focus their efforts on maximizing both the near-term and long-term financial performance of the Company. The executive compensation program includes the following: (i) base salary; (ii) incentive bonuses; (iii) long-term equity incentive awards; and (iv) other benefits. Each executive officer's compensation package is designed to provide an appropriately weighted mix of these elements, which the Company believes cumulatively provide a level of compensation roughly equivalent to that paid by companies of similar size and complexity and that balances short-term and long-term performance and reward objectives.

Base Salary. Minimum salaries for the named executive officers are established in their employment agreements with the Company. The salaries of the named executive officers are reviewed annually by the Compensation Committee for adjustment. When establishing base salaries of our executive officers for 2014, the Compensation Committee considered survey data and salaries within the peer group, as well as a variety of other factors, including the global macro-economic conditions, market developments, the Company's past financial performance and future expected performance, the performance of the executives, changes in the executives' responsibilities, the CEO's recommendations for executives other than himself and cost-of-living and other local geographic considerations, where applicable. The actual base salaries paid to the named executive officers in 2014 are disclosed in the Summary Compensation Table.

Annual Cash Incentive Plan. The purpose of the Company's annual short-term cash incentive plan is to align the short-term incentive bonuses with the achievement of annual corporate performance. For all named executive officers, the short-term cash incentive opportunity for 2014 was based on corporate performance with regard to consolidated revenue and adjusted earnings per share ("adjusted EPS"). The Company's management uses non-GAAP measures to manage the business and evaluate its performance. Management believes adjusted EPS results are useful to investors in evaluating the Company's operating performance on a comparable basis to other software companies. Our management uses these non-GAAP measures to evaluate our financial results, develop budgets, and manage expenditures. Before any payouts are made under the bonus plan based on the achievement of Company metrics, the Compensation Committee reviews the results to confirm that the Company results have been achieved and the bonus payout percentages have been calculated according to the Company's annual cash incentive plan.

For plan target purposes, consolidated revenue excludes hardware and other revenue to minimize risk of low margin revenue lines skewing incentive plan payout percentages. Adjusted EPS is a non-GAAP financial figure. Adjusted

EPS, when applicable, excludes the following items from GAAP EPS: amortization of intangible assets, equity-based compensation expenses, restructuring charges, asset impairment charges and related recoveries, sales tax recoveries, and unusual tax adjustments. The Company included in its February 3, 2015 earnings press release, attached to its Current Report on Form 8-K of the same date, a full reconciliation from 2014 GAAP EPS to 2014 Adjusted EPS (non-GAAP EPS). In addition, when the Company establishes its annual budget, it does not plan for Common Stock repurchases. As a result, the earnings per share benefit from Common Stock repurchases, if applicable, is eliminated from the calculation of the adjusted EPS portion of annual incentives. Further, the achievement of revenue and adjusted EPS objectives is determined on a constant currency basis (i.e. actual financial results are translated to U.S. dollars at budgeted U.S. dollar exchange rates). These definitions were developed to reflect the underlying operating variables while attempting to minimize unintended consequences.

Consolidated revenue and adjusted EPS were weighted equally in the calculation of incentive bonuses to the named executive officers for 2014. Individual performance was not a factor in the determination of these incentive bonuses. Individual performance was intentionally excluded from the incentive bonus formula for named executive officers in order to focus and reward the team for collectively achieving the Company’s objectives. The Compensation Committee believes that the combination of consolidated revenue and adjusted EPS creates the proper balance for motivating and rewarding profitable growth in the near-term that will translate into strong returns for shareholders over the long-term.

In order for the Company's executive officers to earn any portion of their cash incentive compensation, the Company must attain a minimum percentage of its targeted incentive goal amounts for consolidated revenue and adjusted EPS. If the minimums are exceeded, but the performance goals are not fully attained, the executive officers receive less than their target incentive opportunity. If the performance goals are exceeded, executive officers receive more than their target incentive opportunity in the final quarter of the year, as incentive payouts for the first three quarters of the year are capped at 100% of target. For 2014, the potential cash incentive bonus was capped at 150% of the participant's target incentive opportunity.

As part of the annual budgeting process, senior management prepares an annual budget, which considers a variety of factors including but not limited to: global economic trends, supply chain management information-technology investment and growth trends as published by leading industry analysts, the competitive position of our software products, the level of investment in product development to maintain sustainable competitive advantage, and historical financial performance. The Company's goal is to extend its position as a leading global supply chain commerce solutions provider by increasing its revenues faster than its competitors. In connection with setting the annual incentive plan objectives, the Compensation Committee reviewed senior management's proposed 2014 budget and the critical assumptions underlying it and, based on the collective judgment of the Compensation Committee, approved the budgeted targets. For 2014, these budgeted revenue and adjusted EPS targets were designated the target performance requirements for payouts under the annual incentive plan.

In approving the budgeted revenue and adjusted EPS targets as performance goals, the Compensation Committee considered the degree of difficulty and probability of achieving the target performance requirements. The annual incentive plan is designed to emphasize the creation of shareholder value through growth in consolidated revenue and adjusted EPS. The specific bonus targets were selected so that the relative difficulty of achieving the 2014 consolidated revenue and adjusted EPS targets were consistent with prior year approaches in setting performance objectives.

The following table provides the 2014 cash incentive payout targets as a percentage of the targeted incentive goals for consolidated revenue and adjusted EPS:

2014 Short-Term Incentive Plan Design

	Company Performance % of Plan Target	Participant Incentive Payout % of Target
Consolidated Revenue		
Threshold goal	93%	0%
Target goal achieved	100%	100%
Maximum goal achieved	108%	150%
Adjusted EPS		
Threshold goal	91%	0%
Target goal achieved	100%	100%
Maximum goal achieved	110%	150%

Payouts for consolidated revenue and adjusted EPS amounts achieved between threshold goal and target goal and between target goal and maximum goal are calculated on a straight-line interpolation basis.

The following table sets forth each named executive officer's full year bonus targets, payout amounts and payout percentages actually earned in 2014:

		2014 Short-Term Incentive Plan Payout vs. Target		
Name	Title	Target	Payout	Payout %
Eddie Capel	Chief Executive Officer and Director	$500,000	$720,000	144 %
Dennis B. Story	EVP, Chief Financial Officer and Treasurer	270,000	388,800	144 %
Bruce S. Richards	SVP, Chief Legal Officer and Secretary	168,000	241,920	144 %
Robert G. Howell	SVP, Americas Sales	280,000	403,200	144 %
Steven P. Smith	SVP, EMEA and APAC	189,750 (1)	273,240 (1)	144 %

(1) Amount reflects an average annual conversion rate for 2014 of 1.65 U.S. Dollars per 1.00 British Pounds Sterling.

The Compensation Committee retains the right to exercise discretion to either increase or decrease a participant's incentive bonus under the short-term incentive plan. The Compensation Committee did not exercise this right with regard to incentive bonuses for executive officers in 2012, 2013, or 2014.

Equity Incentives. Equity-based incentives are used by the Company to provide incentives to improve the Company's financial performance and to assist in the recruitment, retention, and motivation of professional, managerial, and other personnel. Stock incentives are designed to align the interests of the Company's executive officers with those of its shareholders by encouraging executive officers to enhance the value of the Company, the price of the Common Stock, and hence, the shareholders' return. In addition, the vesting of stock incentives over a period of time is designed to create an incentive for the individual to remain with the Company. The Company grants RSUs to the executives on an ongoing basis to provide continuing incentives to the executives to meet future performance goals and to remain with the Company.

Equity-based compensation is an important and significant component of executive compensation at the Company. In setting the form and level of equity grants for named executive officers, the Compensation Committee considers a variety of factors including:

- Market-competitive levels of total compensation
- Market-competitive levels and forms of equity-based compensation
- Alignment with company performance and shareholder value
- The retention strength provided by outstanding and non-vested equity awards held by executives
- Global macro-economic conditions
- The Company's recent performance and trends
- The executive's recent performance and potential future contribution
- The resulting annual grant rate from aggregate awards
-