

ON ASSIGNMENT INC
Form DEF 14A
April 25, 2014

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 x

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))
- x Definitive Proxy Statement
- o Definitive Additional Materials
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ON ASSIGNMENT, INC.

(Name of Registrant as Specified In Its Charter)

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

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26745 Malibu Hills Road
Calabasas, California 91301

April 25, 2014

Dear Fellow Stockholder:

On behalf of your Board of Directors and management, you are cordially invited to attend the 2014 Annual Meeting of Stockholders (the "Annual Meeting") of On Assignment, Inc. (the "Company" or "On Assignment"), at which you will be asked to vote upon:

1. the election of Peter T. Dameris and Jonathan S. Holman as directors for three-year terms to expire at our 2017 Annual Meeting of Stockholders;
2. the approval of our Amended and Restated Certificate of Incorporation, as set forth in various proposals;
3. an advisory vote to approve named executive officer compensation;
4. the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014; and
5. such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

The Annual Meeting will be held on Thursday, June 19, 2014, at 9:00 a.m. Eastern Daylight Time, at the Boston College Club located at 100 Federal Street, 36th Floor, Boston, Massachusetts 02210. The Notice of Annual Meeting of Stockholders and Proxy Statement accompanying this letter describe the business to be acted upon. Please promptly vote your shares by telephone, using the Internet, or by signing and returning your proxy in the enclosed envelope.

Before voting, you should carefully review all the information contained in the accompanying Proxy Statement.

Your vote is important no matter how many shares you own. In order to ensure that your shares will be represented at the Annual Meeting, please vote your shares using one of the voting instruments available to you. If you attend the Annual Meeting and desire to vote in person, you may do so even though you have previously submitted your proxy card.

We thank you for your continued interest in On Assignment and look forward to seeing you at the Annual Meeting.

Sincerely,

/s/ Peter T. Dameris
Peter T. Dameris
President and Chief Executive Officer

26745 Malibu Hills Road
Calabasas, California 91301

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
to be held on Thursday, June 19, 2014

The 2014 Annual Meeting of Stockholders of On Assignment, Inc. will be held on Thursday, June 19, 2014, at 9:00 a.m. Eastern Daylight Time, at the Boston College Club located at 100 Federal Street, 36th Floor, Boston, Massachusetts 02210, for the purpose of considering and voting upon:

1. the election of Peter T. Dameris and Jonathan S. Holman as directors for three-year terms to expire at our 2017 Annual Meeting of Stockholders;
2. the approval of our Amended and Restated Certificate of Incorporation as follows:
 - 2A: Amending Article V to remove the requirement that stockholders adopt a resolution if the Board of Directors adopts any Bylaw amendment that increases or reduces the authorized number of directors;
 - 2B: Amending Article V to remove the supermajority vote requirement to repeal, alter, amend or rescind certain provisions of the Amended and Restated Bylaws;
 - 2C: Amending Article IX to remove (1) the requirement that stockholders take action by meetings and (2) the restriction which prohibits stockholders from taking any action by written consent without a meeting;
 - 2D: Amending Article XII to remove the supermajority vote requirement to amend, alter, change or repeal certain provisions of the Certificate of Incorporation; and
 - 2E: Amending Article II to update the Company's registered office and adding a new Article XIII which establishes Delaware as the exclusive forum for certain disputes;
3. an advisory vote to approve named executive officer compensation;
4. the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014; and
5. such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this notice. The expenses of printing proxy materials, including expenses involved in forwarding materials to beneficial owners of stock will be paid by On Assignment, Inc. We have retained Morrow & Co. to assist in the solicitation of proxies. Only stockholders of record at the close of business on April 21, 2014 are entitled to notice of and to vote at the Annual Meeting.

All stockholders are cordially invited to attend the Annual Meeting in person. Please call (818) 878-7900 to obtain directions. However, to ensure your representation at the Annual Meeting, you may access your proxy card by going to www.proxyvote.com, entering the information requested on your computer screen and following the simple instructions, or by calling (in the United States, U.S. territories, and Canada) toll free 1-800-690-6903 on a touchtone telephone and following the simple instructions provided by the recorded message. The instructions for voting can be found with your proxy card, on the Notice, and on the website listed in the Notice. If you received or requested a printed version of the proxy card, you may also vote by mail. Any stockholder of record attending the Annual Meeting may vote in person even if he or she has previously returned a proxy card. If you hold your shares in "street name," you must obtain a proxy in your name from your bank, broker or other holder of record in order to vote by ballot at the Annual Meeting.

By Order of the Board,

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/s/ Jennifer Hanks Painter
Jennifer Hanks Painter
Secretary

April 25, 2014
Calabasas, California

2014 PROXY STATEMENT
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On Assignment, Inc.
26745 Malibu Hills Road
Calabasas, California 91301

PROXY STATEMENT

For the Annual Meeting of Stockholders to be Held

Thursday, June 19, 2014

On Assignment, Inc. (the “Company,” “On Assignment,” “we,” “our,” or “us”) is providing these proxy materials in connection with the solicitation by the Board of Directors of On Assignment, Inc. (the “Board”) of proxies to be voted at On Assignment’s 2014 Annual Meeting of Stockholders to be held on Thursday, June 19, 2014 at 9:00 a.m. Eastern Daylight Time, or at any adjournment or postponement thereof. This Proxy Statement, the proxy card and On Assignment’s Annual Report to Stockholders will be mailed to each stockholder entitled to vote at the Annual Meeting commencing on or about April 25, 2014.

GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

The following questions and answers address some questions you may have regarding the matters to be voted upon at the Annual Meeting. These questions and answers may not address all questions that may be important to you as an On Assignment stockholder. Please refer to the more detailed information contained elsewhere in this Proxy Statement and the documents referred to or incorporated by reference in this Proxy Statement.

Who is soliciting my vote?

The Board of On Assignment is soliciting your vote at the 2014 Annual Meeting of Stockholders for the following matters:

Proposal 1: the election of Peter T. Dameris and Jonathan S. Holman as directors for three-year terms to expire at our 2017 Annual Meeting of Stockholders;

Proposals 2A – 2E: the approval of our amended and restated certificate of incorporation as follows:

2A: Amending Article V to remove the requirement that stockholders adopt a resolution if the Board of Directors adopts any Bylaw amendment that increases or reduces the authorized number of directors;

2B: Amending Article V to remove the supermajority vote requirement to repeal, alter, amend or rescind certain provisions of the Amended and Restated Bylaws of On Assignment dated January 28, 1998 (the “Bylaws”);

2C: Amending Article IX to remove (1) the requirement that stockholders take action by meetings and (2) the restriction which prohibits stockholders from taking any action by written consent without a meeting;

2D: Amending Article XII to remove the supermajority vote requirement to amend, alter, change or repeal certain provisions of the Restated Certificate of Incorporation of On Assignment, dated April 14, 1993, as amended by the Certificate of Amendment dated August 17, 2000 (the “Certificate of Incorporation”), as well as revise paragraph 1 and remove paragraph 5 of Article VI of the Certificate of Incorporation; and

2E: Amending Article I to update the Company’s registered office and adding a new Article XIII which establishes Delaware as the exclusive forum for certain disputes;

Proposal 3: an advisory vote to approve named executive officer compensation; and

Proposal 4: the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014;

If any such other matters properly come before the Annual Meeting or any adjournments or postponements thereof, the persons named as proxies shall vote the shares represented thereby in their discretion.

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What is included in the proxy materials?

Proxy materials include this Proxy Statement for the Annual Meeting and the Company's Annual Report on Form 10-K for the year ended December 31, 2013 (the "Annual Report") filed with the Securities and Exchange Commission (the "SEC") on March 3, 2014. The Company will provide without charge to each person solicited hereunder, upon the written request of any such person, a copy of the Annual Report, including the financial statements and the financial statement schedules thereto. This Proxy Statement and our Annual Report are available free of charge on our website (<http://www.onassignment.com>). Information on our website is not and should not be considered part of, nor is it incorporated by reference into, this Proxy Statement.

Who may vote at the Annual Meeting?

The Board has set April 21, 2014, as the record date for the Annual Meeting. If you were the owner of shares of On Assignment, Inc. common stock at the close of business on April 21, 2014, you may vote at the Annual Meeting. You are entitled to one vote for each share of common stock you held on the record date, including shares held directly in your name with our transfer agent as a "holder of record" and shares held for you in an account with a broker, bank or other nominee (shares held in "street name").

Delivery of Proxy Materials: What is Notice and Access?

In accordance with the e-proxy rules of the SEC, On Assignment will mail a Notice of Internet Availability of Proxy Materials (the "Notice") to our stockholders of record, and brokers, bank and other nominees (collectively, "nominees") who hold shares on behalf of beneficial owners (also called "street name holders") on or about April 21, 2014. The Notice describes the matters to be considered at the Annual Meeting and how the stockholders can access the proxy materials online. It also provides instructions on how those stockholders can vote their shares. If you received the Notice, you will not receive a print version of the proxy materials, unless you request one. If you would like to receive a print version of the proxy materials, free of charge, please follow the instruction on the Notice. If you hold your shares in street name, you may request paper copies of the proxy statement and proxy card from your nominee by following the instructions on the notice your nominee provides you.

A list of stockholders entitled to vote at the Annual Meeting will be open to the examination of any stockholder, for any purpose germane to the Annual Meeting, during normal business hours for a period of 10 days before the Annual Meeting at our principal executive offices at 26745 Malibu Hills Road, Calabasas, California 91301, and at the time and place of the Annual Meeting.

How many shares must be present to hold the meeting?

A majority of On Assignment's outstanding shares of common stock as of the record date must be present in person or represented by proxy at the Annual Meeting in order to hold the meeting and conduct business. This is called a quorum. Abstentions and broker non-votes will be counted for purposes of establishing a quorum at the meeting. On March 31, 2014, there were 54,318,986 shares of On Assignment common stock outstanding (all of which are entitled to vote at the Annual Meeting).

How many votes are required to approve each item?

Directors are elected by a plurality of the votes cast at the Annual Meeting. This means that the nominees who receive the largest number of FOR votes cast will be elected as directors.

Each of the proposals for our Amended and Restated Certificate of Incorporation requires a FOR vote of two-thirds of the shares having voting power of all of our outstanding shares of stock, except that Proposal 2E regarding updating the Company's registered office and establishing Delaware as the exclusive forum for certain disputes requires a FOR vote of a majority of the shares having voting power present in person or represented by proxy at the Annual Meeting.

The advisory vote on executive compensation requires a FOR vote of the holders of a majority of the shares having voting power present in person or represented by proxy at the Annual Meeting.

The ratification of the appointment of the independent registered public accounting firm requires the FOR vote of the holders of a majority of the shares having voting power present in person or represented by proxy at the Annual Meeting.

Why are there so many parts to the Proposal to approve an Amended and Restated Certificate of Incorporation?

We are setting out each separate matter intended to be acted upon, so that stockholders are able to express their views on each proposed amendment separately. The approval of any proposal is not conditioned on the approval of another proposal.

How may I cast my votes?

You may either vote FOR or WITHHOLD AUTHORITY TO VOTE for the director nominees. If you withhold authority to vote with respect to the director nominees, your shares will be counted for purposes of establishing a quorum, but will have no effect on the election of the nominees.

You may vote FOR, AGAINST or ABSTAIN on each of the proposals to amend our Certificate of Incorporation which are up for approval, the advisory vote on executive compensation, and the ratification of the appointment of our independent registered public accounting firm.

If you sign and submit your proxy card without voting instructions, your shares will be voted FOR the director nominees put forth by the Board, FOR the approval of each of the proposals to amend our Certificate of Incorporation, FOR the approval of the advisory vote on executive compensation, and FOR the appointment of Deloitte & Touche LLP as our independent registered public accounting firm.

What if I abstain from voting?

If you attend the Annual Meeting or send in your signed proxy card, but abstain from voting on any proposal, your shares will still be counted for purposes of determining whether a quorum exists and your abstention will have the same effect as a vote against the proposals.

Will my shares be voted if I do not sign and return my proxy card or vote in person?

If you do not sign and return your proxy card or vote in person, your shares will not be voted at the Annual Meeting. If your shares are held in "street name" and you do not issue instructions to your broker, your broker may vote your shares at its discretion on routine matters, but may not vote your shares on non-routine matters. If a broker who holds shares for another person does not vote on a particular proposal because that broker does not have discretionary voting power for the proposal and has not received voting instructions from the owner of the shares, then a "broker non-vote" will occur. It is important that you vote your shares.

The election of directors, the proposals to amend our Certificate of Incorporation, and the advisory vote on executive compensation are non-routine matters, whereas the appointment of our independent registered public accounting firm is a routine matter. Therefore, if your shares are held in "street name" by your broker and you do not provide your broker with instructions on how to vote your "street name" shares, your broker will not be permitted to vote on the election of directors, the amendment to the Certificate of Incorporation, or the advisory vote on executive compensation. However, with regards to the appointment of our independent registered public accounting firm, your broker will be permitted to vote your shares at its discretion. You should therefore be sure to provide your broker with instructions on how to vote your shares. Please check the voting form used by your broker to see if it offers telephone or Internet submission of proxies.

Broker non-votes are counted as present for purposes of determining the presence or absence of a quorum for the transaction of business, but they will not be counted for purposes of determining whether the proposals have been approved.

How does the Board recommend that I vote?

The Board recommends that you vote your shares:

Proposal 1: FOR Peter T. Dameris and Jonathan S. Holman, the director nominees named in this Proxy Statement;

Proposals 2A-2E: FOR each of the separate proposals that are presented to amend the Company's Certificate of Incorporation;

Proposal 3: FOR the proposal regarding an advisory vote to approve named executive officer compensation; and

Proposal 4: FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm.

What do I need to do now?

All stockholders are urged to vote by telephone or on the Internet by following the instructions on the Notice. If you have properly requested and received a paper copy of this proxy statement, you may vote your shares by (a) submitting a proxy by telephone or on the Internet by following the instructions on the proxy card or (b) completing, dating and signing the proxy card included with the proxy statement and promptly returning it in the pre-addressed, postage-paid envelope provided.

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On Assignment stockholders may vote by mail or at the Annual Meeting. Most of our stockholders may vote their shares by telephone or the Internet. If you vote by telephone or the Internet, you do not need to return your proxy card. The instructions for voting can be found with your proxy card or on the Notice.

How do I vote my shares without attending the Annual Meeting?

If you are a registered stockholder, you may access your proxy card by either:

• Going to the following Web site: www.proxyvote.com entering the information requested on your computer screen and then following the simple instruction, or

• Calling (in the United States, U.S. territories, and Canada), toll free 1-800-690-6903 on a touch-tone telephone, and following the simple instructions provided by the recorded message.

How do I vote my shares in person at the Annual Meeting?

Even if you plan to attend the Annual Meeting, we encourage you to vote by accessing your proxy card as noted above.

If you choose to vote in person at the Annual Meeting:

• if you are a stockholder of record, you may vote by the ballot to be provided at the Annual Meeting; or

• if you hold your shares in “street name,” you must obtain a proxy in your name from your bank, broker or other holder of record in order to vote by ballot at the Annual Meeting.

Please call (818) 878-7900 to obtain directions to attend the Annual Meeting.

What happens if my shares are held in more than one account?

If your shares are held in more than one account, you will receive a voting instrument for each account. To ensure that all of your shares in each account are voted, you must sign, date and return each proxy card you receive.

If you and other residents at your mailing address own shares of On Assignment stock in “street name,” your bank, broker or other holder of record may have notified you that your household will receive only one Annual Report and Proxy Statement for each company in which you hold stock through that bank, broker or other holder of record. This practice is known as “householding.” Unless you responded that you did not want to participate in householding, you were deemed to have consented to the process. Therefore, your bank, broker or other holder of record will send only one copy of our Annual Report and Proxy Statement to your address. Each stockholder in your household will continue to receive a separate voting instruction form.

If you would like to receive your own set of our Annual Report and Proxy Statement in the future, the Company will promptly deliver, upon oral or written request, a separate copy of the Annual Report and Proxy Statement. Requests should be directed to the Secretary at On Assignment, Inc., 26745 Malibu Hills Road, Calabasas, California 91301; tel: (818) 878-7900. If you share an address with another On Assignment stockholder and together both of you would like to receive only a single set of On Assignment annual disclosure documents, please contact our Secretary by written or telephonic request at On Assignment, Inc., 26745 Malibu Hills Road, Calabasas, California 91301; tel: (818) 878-7900. As a part of this process, you will be asked to provide your name, the name of your bank, broker or

other holder of record and your account number. The revocation of your consent to householding should be effective 30 days following receipt of your instructions.

If you did not receive an individual copy of this year's Annual Report or Proxy Statement, we will send a copy to you upon a written or oral request. Written requests for such copies should be addressed to On Assignment, Inc., Attention: Investor Relations, 26745 Malibu Hills Road, Calabasas, California 91301. Please contact our Investor Relations department by telephone at (818) 878-3136 with any oral requests for such copies.

May I revoke my proxy and change my vote?

You may revoke your proxy at any time before it is voted by:

•submitting a properly signed proxy card with a later date;

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- delivering to the Secretary of On Assignment a written revocation notice bearing a later date than the proxy card;
- voting in person at the Annual Meeting; or
- voting by telephone or the Internet after you have given your proxy.

How can I find out the results of the Annual Meeting?

The preliminary voting results will be announced at the Annual Meeting. The final voting results will be published on a Form 8-K which will be filed with the SEC within four business days after the Annual Meeting.

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PROPOSAL ONE – ELECTION OF DIRECTORS

The Bylaws of On Assignment provide that our Board shall be comprised of not less than four but no more than seven directors and the exact number may be fixed by the Board, and it is currently fixed at seven directors. The Board is divided into three classes, as equal in number as possible. At each Annual Meeting, one class of directors is elected for a three-year term.

At this year’s Annual Meeting, two directors will be elected to serve until our 2017 Annual Meeting of Stockholders or until their successors are elected and qualified.

Peter T. Dameris, our President and Chief Executive Officer, and Jonathan S. Holman, the Chairman of our Compensation Committee, have terms that are expiring, and they have been nominated to stand for re-election. Unless otherwise instructed by stockholders, the persons named as proxies will vote the proxies received by them FOR the election of Messrs. Dameris and Holman. Messrs. Dameris and Holman have consented to serve if elected, but if they are unable or unwilling to serve, the persons named as proxies may exercise their discretion to vote for substitute nominees.

Approval of Proposal One

The nominees receiving the highest number of FOR votes cast will be elected as directors. The Board unanimously recommends that our stockholders vote FOR the election of our nominees.

Set forth below are the biographies which include the skills, qualities and experiences of each of the nominees and each director.

Directors with Terms Ending in 2017

Name	Age	Principal Occupation and Directorship
Peter T. Dameris	54	Mr. Dameris was appointed as our President and Chief Executive Officer as of September 2004, and has served as a director since December 2004. Prior to such appointment, Mr. Dameris had been Executive Vice President and Chief Operating Officer of On Assignment since November 2003. From February 2001 through October 2002, Mr. Dameris served as executive vice president and chief operating officer of Quanta Services, Inc., a publicly-held provider of specialized contracting services for the electric and gas utility, cable and telecommunications industries. Mr. Dameris created a regional operating organization for 85 acquired businesses and developed materials to support marketing and a national corporate image to support outsourcing initiatives, established cash generation, credit management and balance sheet improvement initiatives. From December 1994 through September 2000, Mr. Dameris served in a number of different positions at Metamor Worldwide, Inc., then an international, publicly-traded information technology consulting/staffing company. Mr. Dameris’ positions at Metamor Worldwide included chairman of the board, president and chief executive officer, executive vice president, general counsel, senior vice president and secretary. Mr. Dameris negotiated the \$1.9 billion sale of Metamor to PSINet. Mr. Dameris received his juris doctor degree from the University of Texas Law School and his bachelor of science degree in business administration from Southern Methodist University. Mr. Dameris

provides the Board with extensive staffing industry experience, having served in various capacities at publicly-traded staffing companies and having represented staffing companies in the private practice of law. Mr. Dameris has comprehensive experience from his roles in senior executive management, leadership and legal positions as well as his work as an attorney in the private practice of law. Mr. Dameris has extensive experience in international and domestic staffing, financial reporting, compensation, legal matters and corporate affairs which are invaluable in his position as a director and Chief Executive Officer of the Company. Mr. Holman has served as a director since March 1994. Mr. Holman is the founder and since 1981 has been the president of The Holman Group, Inc., an executive search firm. To date, Mr. Holman has recruited over 140 chief executive officers to public and private companies, ranging from start-ups to companies with over \$1 billion in revenue and in a variety of industries. Mr. Holman was named as one of the top 200 executive recruiters in the world in The Global 200 Executive Recruiters and named as one of the top 250 executive recruiters in The New Career Makers. Mr. Holman regularly speaks at technology industry gatherings. Prior to founding The Holman Group, Mr. Holman served in various human resources-related positions. Mr. Holman received a master of business administration degree from Stanford University and a bachelor of arts degree from Princeton University, both with high academic honors. In his role at the Holman Group, Mr. Holman has developed extensive skills and experience in compensation matters. Mr. Holman provides the Board, including our Compensation Committee, with meaningful insight regarding hiring and salary practices of publicly-traded companies. In addition, Mr. Holman provides the Board with human resources experience.

Jonathan S. Holman 69

Continuing Directors

Set forth below is certain information regarding On Assignment's continuing directors including their age as of the Annual Meeting, term of office as director and business experience.

Directors with Terms Ending in 2016

Name	Age	Principal Occupation and Directorship
Senator William E. Brock	83	<p>Senator Brock has served as a director of the Company since April 1996. Senator Brock is the founder, and from 1994 to present, chief executive officer of The Brock Offices, a consulting firm specializing in international trade and human resource development. From 1988 to 1991, Senator Brock served as chairman of the National Endowment for Democracy, an organization he helped found in 1980. Senator Brock served in President Reagan's cabinet as Secretary of Labor from 1985 to 1987 and as U.S. Trade Representative from 1981 to 1985. As U.S. Trade Representative, Senator Brock organized the Quad Forum of trade and economic ministers from Europe, Japan and Canada and led the group to initiate the World Trade Organization. From 1977 to 1981, Senator Brock served as National Chairman of the Republican Party. From 1970 to 1976, he was a member of the U.S. Senate and from 1962 to 1970, he was a member of the U.S. House of Representatives. The National Academy of Human Resources has recognized Senator Brock for his outstanding contribution to human development in the United States. Senator Brock is a member of the Board of Strayer Education, Inc., a publicly-traded education services holding company that owns Strayer University, which provides professional education to working adults, and serves on its compensation and nomination and governance committees. Senator Brock is a member of the Board of ResCare, Inc., a publicly-traded provider of home care, residential support services to the elderly and persons with disabilities, as well as vocational training and job placement for people of all ages and skill levels, and he serves on its audit and mergers and acquisitions committees. Through his extensive governmental experience, he provides in-depth knowledge in the areas of business, regulatory compliance and risk management. Senator Brock provides the On Assignment Board with a wealth of business operations experience including direct experience with healthcare, human resource development and public company corporate governance.</p>
Brian J. Callaghan	43	<p>Mr. Callaghan has served as a director of the Company since May 2012. He co-founded Apex Systems, Inc. ("Apex") in 1995 and served as co-chief executive officer during his time with Apex. His duties at Apex ranged from working directly with customers, leading staff, strategizing and forecasting, and building systems to support growth. Mr. Callaghan was recognized as Ernst & Young's Entrepreneur of the Year in 2003. Prior to co-founding Apex, Mr. Callaghan began his career as a telecommunications recruiter for a staffing firm based in Reston, Virginia. Mr. Callaghan is a 1993 graduate of Virginia Polytechnic Institute and State University, where he earned a bachelor of science degree in psychology. Mr. Callaghan is also part-owner of the Richmond Flying Squirrels, the Double-A affiliate of the San Francisco Giants, as well as the Omaha Storm Chasers (Triple-A affiliate of the Kansas City Royals). Mr. Callaghan brings 20 years of staffing experience to the Board and provides extensive knowledge about all aspects of the information technology staffing business and business growth strategies.</p>
Edwin A. Sheridan,	44	<p>Mr. Sheridan has served as a director of the Company since May 2012. He co-founded Apex in 1995 and served as co-chief executive officer during his time with Apex. His roles at Apex</p>

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have included technical recruiter, account manager, and regional operations manager. He also managed the sales and recruiting operations for the company. Mr. Sheridan was recognized as Ernst & Young's Entrepreneur of the Year in 2003. Prior to co-founding Apex, Mr. Sheridan began his career as a telecommunications recruiter for a staffing firm based in Reston, Virginia. Mr. Sheridan is a 1994 graduate of Virginia Polytechnic Institute and State University, where he earned bachelor of arts degrees in English and political science, with a minor in business administration. Mr. Sheridan also serves on the boards of several non-profit organizations including the advisory board of the Virginia Commonwealth University Massey Cancer Research Center; the Greater Washington Sports Alliance; the Virginia Tech Athletic Fund; and Peace Players International, a community improvement and leadership organization with operations in Northern Ireland, South Africa, Cyprus and the Middle East. Mr. Sheridan brings 20 years of staffing experience to the Board and provides extensive knowledge about all aspects of the information technology staffing business and business growth strategies.

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Directors with Terms Ending in 2015

Name	Age	Principal Occupation and Directorship
Jeremy M. Jones	72	<p>Mr. Jones has served as a director since May 1995 and was appointed Chairman of the Board in February 2003. Mr. Jones has been an investor and business development consultant since February 1998. From 1987 to 1995, Mr. Jones was the chief executive officer and chairman of the board of Homedco Group, Inc., a home healthcare services company, which became publicly traded in 1991. Homedco merged into Apria Healthcare Group, Inc. in 1995 and from 1995 through January 1998, Mr. Jones was chief executive officer and chairman of the board of Apria Healthcare, which also provided home healthcare services. He currently serves on the boards of directors of CombiMatrix Corporation, a Nasdaq-traded molecular diagnostics company specializing in DNA-based testing services for developmental disorders and cancer diagnostics, and OxySure Systems, Inc., a publicly-traded company that is a world leader in short and emergency duration medical oxygen and respiratory solutions for mass market use. He has also been nominated to serve on the board of directors of the Hoag Hospital Foundation. Mr. Jones served as chairman of the board of Byram Healthcare Centers, a provider of retail medical supplies and wholesale medical and hospital equipment, from February 1999 until its sale in March of 2008. From July 2003 to January 2011, Mr. Jones served as a director for Lifecare Solutions, Inc., a provider of integrated home healthcare products and services. Mr. Jones possesses significant business management and corporate governance experience. Mr. Jones contributes an extensive understanding of the healthcare industry.</p>
Marty R. Kittrell	57	<p>Mr. Kittrell has served as a director of the Company and Chairman of the Audit Committee since September 2012. Mr. Kittrell served as Dresser, Inc.'s executive vice president and chief financial officer from December 2007 until February 2011. Mr. Kittrell served as chief financial officer of Andrew Corporation from 2003 until December 2007, when the company was sold to Commscope Inc. Prior to Andrew, Mr. Kittrell served in executive management positions in technology, consumer products and other commercial and industrial industry sectors. Mr. Kittrell began his business career with Price Waterhouse where he was a certified public accountant. Mr. Kittrell currently serves as a member of the Board of Directors of NiSource Inc. where he serves as chairman of the audit committee and is a member of the finance and the environmental, safety and sustainability committees. Mr. Kittrell graduated magna cum laude from Lipscomb University with a bachelor of science degree in accounting where he currently serves on the Board of Trustees and is chairman of the audit committee and is a member of the finance and real estate and buildings and grounds committees. Mr. Kittrell has extensive experience in corporate strategy, mergers and acquisitions, corporate finance, including public offerings of equity and debt, organization development, and board practices and relations. In addition, Mr. Kittrell has extensive experience with the analysis and preparation of financial statements and risk management.</p>

Non-Executive Observers of the Board of Directors

Pursuant to the terms of the Investor Rights Agreement entered into by the Company and certain former shareholders of Apex who became stockholders of On Assignment on May 15, 2012 (the "Investor Rights Agreement"), the Shareholder Representative designated under the Agreement of Merger, dated as of March 20, 2012, by and among On Assignment, Apex, OA Acquisition Corp. and the Shareholder Representative (the "Merger Agreement"), has the right to appoint a Non-Executive Observer of the Board of Directors. Jeffrey E. Veatch serves as the designated Non-Executive Observer of the Board of Directors. In addition, Arshad Matin has been appointed as a second

Non-Executive Observer to the Board, and we entered into a Consulting Agreement with him on June 21, 2013. These observers, who have extensive executive and staffing experience, provide advice and guidance to the Board. Each of these observers can be asked to depart Board meetings under certain circumstances.

Independent Directors and Material Proceedings

The Board consists of seven members, a majority of which are deemed by the Board to be independent directors under the current listing standards of the New York Stock Exchange (“NYSE”). Our independent directors are Messrs. Jones, Callaghan, Holman, Kittrell and Sheridan, and Senator Brock. For each independent director, the Board has made a subjective determination that no relationships exists which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out his responsibilities as a director. In making these determinations, the Board has considered information provided by the directors and management with regard to the business and personal activities of each director as they may relate to On Assignment and members of management. There are no family relationships among our executive officers and directors.

There are no material legal proceedings to which the Company or any of its subsidiaries is a party or of which any of their property is subject. There are no material legal proceedings to which any director, officer or affiliate of the Company, any owner of record or beneficially of more than five percent of the Company’s voting securities, or any associate of any such director, officer, affiliate of the Company or security holder is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries.

Role of the Board

The Board oversees the Company's Chief Executive Officer and other executive officers in the competent and ethical operation of the Company. The Board ensures that the long-term interests of the stockholders are considered in the operation of the Company.

Board Leadership Structure

The Board has consistently maintained an independent Chairman of the Board. The Board has made a determination that the Board leadership structure is appropriate and that the structure allows the Board to fulfill its duties effectively and efficiently. The Company has determined that its leadership structure is appropriate because the Chairman of the Board is independent, as defined by the NYSE and the SEC. An independent Chairman, like independent Board members, allows for an objective evaluation of the performance of the Company and its officers. Nonetheless, the Board recognizes that the Chief Executive Officer has invaluable insight into the Company due to the nature of his position and recognizes the value of having him on the Board. Accordingly, the Board believes that the Company's stockholders and interests are best served by keeping the position of Chief Executive Officer and Chairman of the Board as separate and independent positions.

Board Committees and Meetings

The Board held seven meetings during the year ended December 31, 2013 and acted by unanimous written consent on six additional occasions. The Board has a Compensation Committee, an Audit Committee, and a Nominating and Corporate Governance Committee. The Board has determined that the chairmen and committee members of each of the Compensation Committee, the Audit Committee and the Nominating and Corporate Governance Committee are independent under applicable NYSE and SEC rules.

The members and chairmen who served on the Committees in 2013 are identified in the table below:

Director	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
William E. Brock		X	Chair
Brian J. Callaghan	X		
Peter T. Dameris			
Jonathan S. Holman		Chair	X
Jeremy M. Jones, Chairman	X	X	
Marty R. Kittrell	Chair		
Edwin A. Sheridan, IV			X

Compensation Committee. The Compensation Committee held six meetings during 2013 and acted by unanimous written consent on seven additional occasions. The Compensation Committee meets in executive session without management present on a regular basis. The Compensation Committee reviews our general compensation policies, sets the compensation levels for our executive officers, including the Chief Executive Officer, administers our equity plans, and approves all equity grants to employees, directors and consultants. The Compensation Committee approves the compensation, including incentive compensation, of executive officers of On Assignment and determines the terms of key agreements concerning employment, compensation and termination of employment. The Committee

evaluates the Chief Executive Officer's performance in light of goals and objectives that have been set for him. The Board has determined that each member of the Compensation Committee is independent within the meaning of the NYSE rules requiring members of compensation committees to be independent. The Compensation Committee charter provides that the Compensation Committee may delegate its authority, subject to the terms in the charter, but the Compensation Committee does not do so.

Audit Committee. The Audit Committee held nine meetings during 2013. The Audit Committee reviews, acts on and reports to the Board with respect to various auditing and accounting matters. The Audit Committee performs functions required of audit committees of public companies under applicable laws, rules and regulations and the requirements of NYSE. The primary functions of the Audit Committee are to assist the Board in its responsibility for oversight of:

- the quality and integrity of our financial statements and our financial reporting and disclosure practices;
- our systems of internal controls regarding finance and accounting compliance;
- the qualification, independence and oversight of performance of our registered public accounting firm including its appointment, compensation, evaluation and retention;

- our ethical compliance programs; and
- risk issues related to financial statements.

The Audit Committee's functions include, but are not limited to, reviewing compliance with and reporting under Section 404 of the Sarbanes-Oxley Act of 2002, reviewing matters of disagreement, if any, between management and our independent registered public accounting firm, and regularly meeting with management, our independent registered public accounting firm and internal audit staff to review the adequacy of our internal controls.

Rules adopted by the NYSE and the SEC impose strict independence requirements for all members of the Audit Committee. Audit Committee members are barred from accepting, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or an affiliate of the Company, other than in the member's capacity as a member of the Board and any Board committee. In addition, an Audit Committee member may not be an affiliated person, as defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act") of the Company except in his capacity as a member of the Board and any Board committee. The Board has determined that each member of the Audit Committee meets all applicable independence requirements and that each Audit Committee member has no material relationship with the Company that would jeopardize the director's ability to exercise independent judgment. In addition, the Board has determined that Mr. Kittrell, based on his experience, skills and education as described above, is the Audit Committee financial expert, as that term is defined under the SEC rules.

The Company has adopted a process, which the Audit Committee oversees, for disclosing related-party transactions and identifying significant deficiencies each quarter in connection with filing our quarterly reports on Form 10-Q and our annual reports on Form 10-K.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee met three times in 2013. The Nominating and Corporate Governance Committee evaluates director nominee candidates and makes recommendations to the Board with respect to the nomination of individuals for election to the Board and to serve as committee members, consistent with criteria approved by the Board. In addition, the Nominating and Corporate Governance Committee makes recommendations to the Board concerning the size, structure and composition of the Board and its committees. The Committee also monitors the qualification and performance of, and the Company's succession planning regarding, key executives. The Board has determined that each member of the Nominating and Corporate Governance Committee is independent within the meaning of the NYSE rules requiring members of nominating committees to be independent. The Nominating and Corporate Governance Committee recommended the nominations of Messrs. Dameris and Holman for election at this year's Annual Meeting.

The Nominating and Corporate Governance Committee Charter, and the Corporate Governance Guidelines established by the Nominating and Corporate Governance Committee, set forth certain criteria for the committee to consider in evaluating potential director nominees. However, in considering potential director nominees, the Nominating and Corporate Governance Committee considers the entirety of each candidate's credentials. Qualifications considered by the Nominating and Corporate Governance Committee vary according to the particular areas of expertise being sought as a complement to the existing composition of the Board and include:

- personal and professional ethics and integrity;
- business judgment;
- business creativity and vision;
- willingness and ability to devote adequate time and resources to diligently perform the duties of a director;
- relevant specific industry or regulatory affairs knowledge;
- familiarity with general issues affecting our business;
- qualifications as an audit committee financial expert;
- diversity in a variety of areas;

qualifications as an independent director; and
• areas of expertise that the Board should collectively possess such as board experience, executive experience, human resources experience, accounting and financial oversight experience and corporate governance experience.

The Nominating and Corporate Governance Committee relies primarily on recommendations for director candidates from its members, other directors, the Chief Executive Officer and third parties, including professional recruiting firms. In 2013, no professional recruiting firms or consultants were needed and, accordingly, no fees were paid for recruiting director nominees. Existing directors being considered for re-nomination are evaluated based on their performance as directors, experience, skills, education and independence to ensure that they continue to meet the qualifications above.

The Nominating and Corporate Governance Committee Charter also provides for the importance of a diversified Board membership, in terms of both the individuals involved and their various experiences and areas of expertise. The Nominating and Corporate Governance Committee considers diversity in identifying nominees, including differences in skill, viewpoints and experience, as well as gender, race and nationality, and these factors will be considered for purposes of nominating directors.

Stockholders wishing to suggest a candidate for director nomination for the 2015 Annual Meeting of Stockholders should mail their suggestions to On Assignment, Inc., 26745 Malibu Hills Road, Calabasas, California 91301, Attn: Secretary. The Nominating and Corporate Governance Committee will also consider timely written suggestions from our stockholders. Unless the proposed Amended and Restated Certificate of Incorporation is approved by stockholders at the Annual Meeting, which would result in the Board amending the Bylaws, our current Bylaws state that suggestions must be received by the Secretary of On Assignment not less than 30 days nor more than 60 days prior to the 2015 Annual Meeting of Stockholders. The manner in which director nominee candidates suggested in accordance with this policy are evaluated shall not differ from the manner in which candidates recommended by other sources are evaluated. As of April 21, 2014, there were no director candidates put forward by stockholders for consideration at the Annual Meeting.

The Nominating and Corporate Governance Committee evaluates the Board's leadership structure and believes that separation of the Chief Executive Officer and Chairman of the Board positions is in the best interest of the Company, assures an adequate level of independence of the Board, and is best aligned with the interests of its stockholders.

The written charters governing the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee are posted on the Investor Relations Corporate Governance page of our website at <http://www.onassignment.com>. You may also obtain a copy of any of these documents without charge by writing to: On Assignment, Inc., 26745 Malibu Hills Road, Calabasas, California 91301, Attn: Secretary.

Risk Oversight. The Board has an active role, as a whole and at the committee level, in overseeing management of the Company's risks. Company representatives regularly report to the Board on risks that the Company faces. The Board regularly reviews and determines the Company's risk management philosophies, policies and processes. The Board is primarily responsible for overseeing the management of the Company's risks associated with the Board's governance and delegation decisions, including decisions about compensation. The Board oversees officers' identification and management of risk management issues and regularly meets with such officers regarding risk management issues of the Company, and the processes and procedures used for identifying and managing risk. The Board also regularly reviews the reporting processes from those officers that are responsible for the day-to-day management of the Company's risks to determine if these reporting processes or other flow of information to the Board could be improved.

The Audit Committee is primarily responsible for overseeing the management of the Company's accounting and financial reporting matters and risks related to the Company's accounting and financial practices. The Audit Committee Charter provides that the Audit Committee's responsibilities include inquiring of management and the Company's outside auditors regarding key financial statement risk areas, including the Company's processes for identifying and assessing such risk areas and the steps the Company has taken with regard to such risk areas. In connection with these responsibilities, the Audit Committee routinely reviews and evaluates the Company's processes for identifying and assessing key financial statement risk areas and for formulating and implementing steps to address such risk areas. The Audit Committee is also responsible for inquiring of management and the Company's outside auditors regarding significant business risks or exposures, including the Company's processes for identifying and assessing such risks and exposures and the steps management has taken to minimize such risks and exposures.

The Compensation Committee is responsible for overseeing risks associated with compensation practices. Upon evaluation, the Compensation Committee has determined that the Company's compensation practices and policies are not reasonably likely to have a material adverse effect on the Company. In making this determination, the Compensation Committee considered that none of the compensation policies and practices at a business unit carry a significant portion of the Company's risk profile, has a significantly different compensation structure than other units, is significantly more profitable than other units or pays compensation expenses as a significant percentage of the unit's revenues.

Meetings. Other than one director who was not able to attend a telephonic Board meeting, each current director attended 100% of the meetings of the Board and Committees of the Board on which he served during 2013. Our independent directors regularly meet as a group in executive sessions outside the presence of management presided over by the non-executive Chairman of our Board.

Attendance of Directors at 2013 Annual Meeting of Stockholders. In 2004, On Assignment adopted a policy with respect to director attendance at the annual meetings of stockholders; however, this policy was abandoned in practice, and is being re-instated beginning with this Annual Meeting, which is being held concurrently with the Board's quarterly in-person meeting in Boston. The policy requires that the directors attend the Annual Meeting unless they are unable to do so as a result of health reasons or exigent personal circumstances, and if that is the case, the director must notify the Chairman of the Board as promptly as possible. Messrs. Dameris and Jones attended our 2013 Annual Meeting of Stockholders.

Director Compensation

The following table shows compensation information for each of On Assignment's non-employee directors for the year ended December 31, 2013. The compensation of our President and Chief Executive Officer, who is also a director, is disclosed in the "Summary Compensation Table" set forth on page 40, and he receives no additional compensation for his service as a director.

Fiscal Year 2013 Director Compensation

Name	Fees Earned or Paid in Cash \$(1)	Stock Awards \$(2)	Total (\$)
William E. Brock	61,750	99,988	161,738
Brian J. Callaghan	54,000	99,988	153,988
Jonathan S. Holman	63,250	99,988	163,238
Jeremy M. Jones	77,750	99,988	177,738
Marty R. Kittrell	70,500	99,988	170,488
Edwin A. Sheridan, IV	49,500	99,988	149,488

- (1) Amounts include the quarterly retainer fees and fees for meeting attendance which each non-employee director earned for his service during 2013.

Amounts shown in the table above reflect the aggregate grant date fair value of the awards, computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts with respect to restricted stock units ("RSUs") are included in Note 11 to the consolidated financial statements for the year ended December 31, 2013 included in our Annual Report and are described in Part II-Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" under "Critical Accounting Policies-Stock-Based Compensation" in the Annual Report. The amounts were calculated based on the grant date fair value per share of \$30.69, which was the closing sale price of our common stock on the date of grant, August 1, 2013. As of

- (2) December 31, 2013, Senator Brock and Messrs. Callaghan, Holman, Jones, Kittrell and Sheridan each held 1,629 unvested RSUs. No other equity awards were outstanding for any director at December 31, 2013.

The Compensation Committee recommends, and the Board reviews and approves, the form and amount of director compensation. In 2012, the Compensation Committee retained Semler Brossy Consulting Group ("Semler Brossy") as its compensation consultant to help determine compensation for certain positions in the Company including members of the Board of Directors. The Compensation Committee did not engage Semler Brossy (or any other compensation consultant) for executive compensation in 2013. The current practice of the Compensation Committee is to base a substantial portion of a director's annual retainer on equity compensation. Accordingly, in 2013, each non-employee director received an annual RSU grant with a grant-date value of approximately \$100,000. These grants were made on August 1, 2013 to Senator Brock and Messrs. Callaghan, Holman, Jones, Kittrell and Sheridan in the amount of 3,258 RSUs each, which vested as to 50% of the RSUs on the grant date and which will vest as to the remaining 50% on August 1, 2014, subject to the director's continued service through that date. The grant-date fair value of these awards was \$30.69 per share.

Each non-officer director receives \$2,000 for each regularly scheduled quarterly in-person Board meeting attended, and \$750 for each other Board or committee meeting held separately and attended in person or by telephone not in conjunction with the quarterly in-person Board meetings. In addition, we reimburse all directors for their reasonable expenses incurred in attending Board or committee meetings.

The annual cash retainer fee for non-employee directors is \$40,000. In addition, committee chairs are entitled to the following chair fees:

Outside Director	Additional Cash Retainer
Chairman of the Board	\$20,000/ year
Audit Committee Chair	\$15,000/ year
Compensation Committee Chair	\$10,000/ year
Nominating and Corporate Governance Committee Chair	\$10,000/ year

All cash retainer fees are paid quarterly in arrears. In addition, the Compensation Committee recommended, and the Board adopted the requirement that, within five years of directorship, each Board member must own shares with a fair market value of three times the annual cash retainer amount. Each non-employee director serving on the Board for more than five years owns shares with a fair market value of more than three times the annual cash retainer amount.

The non-executive observers to the Board receive the same annual cash retainer, Board meeting fees and equity awards as members of the Board of Directors.

Communicating with the Board

We invite stockholders and other interested parties to communicate any concerns they may have about On Assignment with either the Chairman of the Board or the directors as a group by writing to the attention of either the Chairman of the Board or the Directors at On Assignment, Inc., 26745 Malibu Hills Road, Calabasas, California 91301. Any such communication will be forwarded by the Secretary of the Company to Mr. Jones, Chairman of the Board, or all of the directors, as applicable.

Ethics

On Assignment has adopted a Code of Business Conduct and Ethics that is applicable to all directors, officers and employees of On Assignment. It complies with the requirements of Section 406 of the Sarbanes-Oxley Act of 2002. More importantly, it reflects On Assignment's policy for dealing with all persons, including its customers, employees, investors, regulators and vendors, with honesty and integrity. A copy of On Assignment's Code of Business Conduct and Ethics can be found on the Investor Relations-Corporate Governance page of our website at <http://www.onassignment.com>. In addition, On Assignment adopted a Code of Ethics for Principal Executive Officer and Senior Financial Officers which applies to our Chief Executive Officer, Chief Financial Officer, and other senior financial officers. This policy focuses on honest and ethical conduct, full, fair and accurate disclosure in our SEC filings and other public disclosures, compliance with applicable government laws, rules and regulations, and prompt internal reporting of violations of the code. This policy is located on the same page on our website as our Code of Business Conduct and Ethics. You may also obtain a copy of these documents without charge by writing to: On Assignment, Inc., 26745 Malibu Hills Road, Calabasas, California 91301, Attn: Secretary.

Compensation Committee Interlocks and Insider Participation

During fiscal year 2013, the Compensation Committee of the Board was composed of Senator Brock, Mr. Jones and Mr. Holman. There are no Compensation Committee interlocks and no member of the Compensation Committee was or has been an officer or employee of On Assignment or its subsidiaries and no member of the Compensation Committee had any relationships requiring disclosure of certain relationships and related-party transactions. None of the Company's executives served as a member of the Compensation Committee.

PROPOSAL TWO
PROPOSALS 2A – 2E TO APPROVE AMENDMENTS TO
ON ASSIGNMENT, INC.'S
CERTIFICATE OF INCORPORATION

As part of our Board of Directors' continuing commitment to enhance our Company's corporate governance policies and acknowledge stockholders' concerns, we routinely monitor our governance documents and other issues of interest to our Company and our stockholders. We have recently reviewed and evaluated the provisions of our Certificate of Incorporation and Bylaws. As a result, the Board of Directors has determined that it is in the best interests of the Company and its stockholders to change and/or clarify a number of provisions to our Certificate of Incorporation. Our Board of Directors is committed to ensuring effective corporate governance policies for our Company that balance the needs of our directors, officers and stockholders. This helps ensure that our Company continues to demonstrate high standards of ethics, integrity and accountability and is managed in the best interests of our stockholders.

Proposals 2A – 2E relate to proposed amendments to the Certificate of Incorporation. We are setting out each separate matter intended to be acted upon, so that stockholders are able to vote on each amendment separately. The approval of any proposal is not conditioned on the approval of another proposal.

Our Board of Directors has approved, and recommends that the Company's stockholders adopt, the amendments to the Certificate of Incorporation described below. In addition to changes that are not material and are intended only to improve and clarify the Certificate of Incorporation, we are proposing amendments to the Certificate of Incorporation relating to, among other things, the following:

• Amending Article V to remove the requirement that stockholders adopt a resolution if the Board of Directors adopts any Bylaw amendment that increases or reduces the authorized number of directors. (Presented as Proposal 2A).

• Amending Article V to remove the supermajority vote requirement to repeal, alter, amend or rescind certain provisions of the Bylaws. (Presented as Proposal 2B).

• Amending Article IX to remove (1) the requirement that stockholders take action by meetings and (2) the restriction which prohibits stockholders from taking any action by written consent without a meeting. (Presented as Proposal 2C).

• Amending Article XII to remove the supermajority vote requirement to amend, alter, change or repeal certain provisions of the Certificate of Incorporation as well as revising paragraph 1 and removing paragraph 5 of Article IV. (Presented as Proposal 2D).

• Amending Article II to update the Company's registered office and effect certain conforming changes, and adding a new Article XIII which establishes Delaware as the exclusive forum for certain disputes. (Presented as Proposal 2E). This summary does not purport to be complete and cover all aspects in which the Company's governance would differ from the governance provisions currently in effect.

The complete text of our Amended and Restated Certificate of Incorporation, as it is proposed to be amended if all the proposals were approved by the stockholders, is provided at the end of this Proxy Statement as Annex A. Proposed changes are marked in Annex A by underlining (indicating additions) and struck-through text (indicating deletions). Each proposal is independent of each other, so it is possible that changes reflected in only one or more, but less than all, of the proposals could become effective. The Amended and Restated Certificate of Incorporation in Annex A is annotated with footnotes indicating the proposal that corresponds with each amendment; these footnotes are explanatory for purposes of this Proxy Statement and will not be included in the final version of the Amended and Restated Certificate of Incorporation.

In connection with the proposed adoption of the amendments discussed below, the Board of Directors has also approved ancillary and conforming amendments to the Company's Bylaws, the effectiveness of which is contingent

upon stockholder approval of certain of the proposed amendments to the Certificate of Incorporation. With the approval of certain of these proposed amendments, the Board of Directors has the power to amend certain provisions of the Bylaws without stockholder approval. As a result, assuming the approval of Proposal 2A and Proposal 2B, separate approval by our stockholders would not be required to adopt the intended amendments to the Bylaws (although, as stated above, any such amendments to the Bylaws are contingent upon stockholder approval of Proposal 2A and Proposal 2B). In addition, the Board of Directors intends to amend certain provisions of the Bylaws which would not be contingent upon stockholder approval of certain of the proposed amendments to the Certificate of Incorporation. The complete text of our Amended and Restated Bylaws, as it is proposed to be amended, is provided at the end of this Proxy Statement as Annex B. Proposed changes are marked in Annex B by underlining (indicating additions) and struck-through text (indicating deletions). The Amended and Restated Bylaws in Annex B are annotated with footnotes indicating amendments approved by the Board of Directors assuming stockholder approval of the corresponding proposal in this Proxy Statement; these footnotes are explanatory for purposes of this Proxy Statement and will not be included in the final version of the Amended and Restated Bylaws.

Upon approval by the stockholders of one or more of the proposed amendments to the Certificate of Incorporation, the Board of Directors has authorized the officers of the Company to file with the Secretary of State of the State of Delaware an Amended and Restated Certificate of Incorporation incorporating the amendments set forth on Annex A that have been approved by stockholders. While Annex A reflects amendments to implement each proposal, it is possible that certain proposals will not be approved by stockholders and, as a result, only the amendments that correspond to proposals that have been approved by stockholders will be implemented. For this reason, certain amendments reflected in Annex A will not be implemented if the corresponding proposal has not been approved by stockholders. We will file an Amended and Restated Certificate of Incorporation with the Secretary of State of Delaware as soon as practicable following stockholder approval of one or more of the proposals. The Amended and Restated Certificate of Incorporation will implement amendments where the corresponding proposal has received stockholder approval and will become effective on the date the filing is accepted by the Delaware Secretary of State.

PROPOSAL 2A

APPROVAL OF THE AMENDMENT TO THE CERTIFICATE OF INCORPORATION TO REMOVE THE REQUIREMENT THAT ANY BYLAW AMENDMENT ADOPTED BY THE BOARD OF DIRECTORS INCREASING OR REDUCING THE AUTHORIZED NUMBER OF DIRECTORS REQUIRE A RESOLUTION ADOPTED BY STOCKHOLDERS

Our Board of Directors has approved, and is proposing to the stockholders, an amendment to our Certificate of Incorporation to remove the requirement that any Bylaw amendment adopted by the Board increasing or reducing the authorized number of directors requires a resolution adopted by the affirmative vote of not less than 66 2/3% of the then outstanding shares of capital stock entitled to vote generally in an election of directors. Currently, the Certificate of Incorporation states that any Bylaw amendment adopted by the Board of Directors increasing or reducing the authorized number of directors requires a resolution adopted by the affirmative vote of not less than 66 2/3% of the then outstanding shares of capital stock entitled to vote generally in an election of directors.

If this Proposal 2A is approved by the stockholders, the first paragraph of Article V of the Certificate of Incorporation will be amended to read as follows:

“Except as otherwise provided in this Amended and Restated Certificate of Incorporation, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind from time to time any or all of the Bylaws of the Corporation.”

The Board of Directors has carefully considered the advantages and disadvantages of maintaining the requirement that 66 2/3% of stockholders adopt a resolution if the Board of Directors increases or decreases the authorized number of directors.

Granting our Board of Directors the power to increase or reduce the authorized number of directors without stockholder approval will allow the Board of Directors to effect such change in a more efficient, cost-effective manner without the necessity of incurring the expense and time delay of stockholder approval. With such an amendment, the Company will not be required to incur the expense of soliciting proxies or consents from all of the stockholders holding shares of our capital stock in order to increase or reduce the authorized number of directors. The Board of Directors believes that the proposed amendment will accommodate the practicalities of managing the Company while at the same time protecting an important right of stockholders to effect changes to our Bylaws. The ability of the Board of Directors to enact such a change to our Bylaws without the approval of stockholders would increase the power of our Board of Directors and raises the possibility that a greater percentage of shares could disagree with the changes made by our Board of Directors than previously possible prior to approval of this Proposal 2A. Although changes made by our Board of Directors may be deemed undesirable or disadvantageous by stockholders, our Board of Directors believes that the added flexibility and efficiency that would be provided by this change outweigh this risk, because our Board of Directors must currently seek stockholder approval for this amendment, and delays and costs associated with the process of holding a special meeting of stockholders may deny us the flexibility our Board of Directors believes is important to facilitate the effective and timely use of our resources in responding to changed circumstances or requirements with which we may be presented.

If Proposal 2A is approved, any amendments to the Company’s Bylaws increasing or reducing the authorized number of directors will not require stockholders adopt a resolution. Even with this amendment, the stockholders retain the power to independently adopt, amend or repeal the Bylaws. The proposed amendment would not divest or limit the power of the stockholders to adopt, amend or repeal our Bylaws. If this Proposal is not approved, our Board of Directors will not have the authority to make changes to our Bylaws without incurring the expense and delay of soliciting proxies and votes from the stockholders and holding a meeting of stockholders or seeking approval by a written action of stockholders without a meeting, if Proposal 2C were approved.

If granted the authority to amend the Company’s Bylaws, the Board of Directors intends to amend the Bylaws to permit up to nine directors rather than seven directors as currently specified in the Bylaws.

Vote Required

Approval of Proposal 2A requires a FOR vote of the 66 2/3% shares present in person or by proxy at the Annual Meeting and entitled to vote on that proposal.

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Board Recommendation

The Board recommends a vote FOR Proposal 2A.

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PROPOSAL 2B

AMENDMENT TO THE CERTIFICATE OF INCORPORATION TO REMOVE THE SUPERMAJORITY THRESHOLD FOR AMENDING CERTAIN PROVISIONS OF THE BYLAWS

Our Board of Directors has approved, and is proposing to the stockholders, an amendment to our Certificate of Incorporation to remove supermajority thresholds for amending certain provisions of the Bylaws. Currently, Article V of our Certificate of Incorporation requires the affirmative vote of (1) the combined voting power of at least 66 2/3% of the outstanding stock of the Company entitled to vote in order to repeal, alter, amend or rescind certain provisions of the Bylaws, or (2) two-thirds of the Continuing Directors, which are defined as “(i) those Directors who were members of the Board of Directors on the date of the merger of the corporation’s California predecessor with and into the corporation; and (ii) those Directors who were nominated or appointed by a Board of Directors of which a majority of the members were Continuing Directors.” The proposed amendment would amend Article V to eliminate the two-thirds supermajority requirement by stockholders or Continuing Directors.

If approved, this Proposal 2B would amend Article V of our Certificate of Incorporation to provide that the following provisions of our Bylaws may be repealed, altered, amended or rescinded by the affirmative vote of a majority of the stock having voting power present in person or represented by proxy at a meeting at which there is a quorum or a majority of the directors present at any meeting at which there is a quorum:

Sections 6 through 12 of Article II, relating to, among other things, written notice of a special meeting of stockholders, business transacted at a special meeting of stockholders, quorum at a meeting of stockholders, vote required to decide a question before a meeting of stockholders, voting power of each stockholder, nominations for election to the Board of Directors and business to be conducted at a meeting of stockholders.

Section 1 of Article III relating to, among other things, the authorized number of directors.

Section 3 of Article III relating to, among other things, filling vacancies or newly created directorships on the Board of Directors.

Article VIII relating to amendments to the Bylaws.

In addition, this proposed amendment would remove an outdated reference to Continuing Directors, which is no longer relevant.

In determining whether to recommend reducing the supermajority voting threshold for each of the individual provisions in our Bylaws referenced above, the Board of Directors considered the arguments in favor of and against maintaining the current voting requirements. The Board of Directors recognizes that the supermajority voting provision in our Bylaws is designed to protect our stockholders, including minority stockholders, by assuring that fundamental changes to our corporate governance are made with the approval of a substantial majority of our stockholders. In addition, the supermajority vote provision to amend or repeal certain provisions of the Bylaws was designed to provide safeguards and avoid disruption to the Company’s governance unless actions are approved by the holders of at least 66 2/3% of the Company’s capital stock. However, the Board of Directors believes that eliminating the voting requirement for stockholders for these matters strikes an appropriate balance between enhancing accountability to stockholders and preserving the protections to our stockholders. Removing the voting requirements for stockholders on these matters will enhance the accountability of our Board of Directors to our stockholders and eliminate the ability of a minority of stockholders to frustrate future amendments that the Board of Directors may recommend and a majority vote of stockholders may support. After weighing these factors, the Board of Directors determined that eliminating the supermajority vote requirement would be in the best interests of the Company and its stockholders.

Even with this amendment, the stockholders have the power to adopt, amend or repeal the Bylaws. The proposed amendment would not divest or limit the power of the stockholders to adopt, amend or repeal our Bylaws. If this Proposal is not approved, our Board of Directors will not have the authority to make changes to Section 6 through 12 of Article II, Section 1 of Article III, Section 3 of Article III, or Article VIII of our Bylaws without incurring the expense and delay of soliciting proxies and votes from the stockholders and holding a meeting of stockholders.

In addition to other changes, if the stockholders approve this Proposal 2B, the Board of Directors intends to approve the following amendments to the Bylaws:

• Modify and update Section 11 of Article II relating to advance notice of stockholder nominations and proposals.

• Change the number of directors from seven to eight. This proposed change is also contingent on the approval of Proposal 2A.

• Specify that the number of directors will be set pursuant to a resolution adopted by a majority of the total number of directors.

• Remove the requirement that any Bylaw amendment adopted by the Board of Directors increasing or reducing the authorized number of directors requires a resolution adopted by the affirmative vote of not less than 66 2/3% of the then outstanding shares of capital stock entitled to vote generally in an election of directors. This proposed change is also contingent on the approval of Proposal 2A.

• Eliminate the supermajority vote requirements to amend certain provisions in the Bylaws.

This summary does not purport to be complete and cover all aspects in which the Company's governance would differ from the governance provisions currently in effect. The complete text of our Amended and Restated Bylaws, as it is proposed to be amended if all of the proposals were approved by the stockholders, is provided at the end of this Proxy Statement as Annex B. Proposed changes are marked in Annex B by underlining (indicating additions) and struck-through text (indicating deletions).

Vote Required

Approval of Proposal 2B requires a FOR vote of the 66 2/3% shares present in person or by proxy at the Annual Meeting and entitled to vote on that proposal.

Board Recommendation

The Board recommends a vote FOR Proposal 2B.

PROPOSAL 2C

APPROVAL OF AN AMENDMENT TO THE CERTIFICATE OF INCORPORATION TO ELIMINATE THE REQUIREMENT THAT ALL STOCKHOLDER ACTIONS MAY ONLY BE TAKEN AT A MEETING OF THE STOCKHOLDERS AND REMOVE THE PROHIBITION ON THE RIGHT OF STOCKHOLDERS TO TAKE ANY ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Our Board of Directors has approved, and is proposing to the stockholders, an amendment to our Certificate of Incorporation to remove the requirement that any action taken by the stockholders of the Company must be effected at a meeting of stockholders of the Company and that prohibits the Company's stockholders from taking any action by written consent without a meeting. Currently, the Certificate of Incorporation does not allow for corporate actions requiring stockholder approval to be effected by a consent in writing in lieu of a meeting of the stockholders.

If approved by the stockholders, the amendment would serve to delete the following sentence in Article IX of the Certificate of Incorporation:

“Stockholders of the corporation shall take action by meetings held pursuant to this Restated Certificate of Incorporation and the Bylaws and shall have no right to take any action by written consent without a meeting.” After careful consideration, the Board of Directors has determined that it would be in the best interests of the Company and its stockholders to amend our Certificate of Incorporation to remove the requirement that any action taken by the stockholders of the Company must be effected at a meeting of stockholders of the Company. Under Section 228 of the Delaware General Corporation Law, unless provided otherwise in a company's certificate of incorporation, any action required to be taken or which may be taken at any annual or special meeting of stockholders of a corporation, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Under the Company's Certificate of Incorporation, as currently in effect, the right of stockholders to act by written consent without a meeting is eliminated. Thus, adoption of this Proposal 2C would allow the Company's stockholders to act by written consent without a meeting in accordance with Section 228 of the Delaware General Corporation Law, which currently provides that the holders of a majority of the outstanding capital stock will have the ability to elect directors and take stockholder action without a meeting of stockholders.

This amendment would not relieve the Company and its stockholders from complying with federal securities and state laws with respect to solicitation of votes and, under both federal securities and state law, the Company would remain obligated to notify all non-consenting stockholders of the actions taken by written consent and other information concerning such actions. The Board of Directors believes that both Delaware law and federal securities laws provide sufficient protection for non-consenting stockholders, including notice requirements in the Delaware General Corporation Law and the Exchange Act.

The Board of Directors believes that allowing stockholders to take actions by written consent provides a more efficient and cost-effective alternative for taking certain corporate actions and allows the Company to take certain actions in the future, if the necessity arises, more expeditiously and without the delay and expense associated with calling a special meeting of stockholders. Delays in calling a meeting and distributing meeting materials, including notice of a meeting, might deny the Company the flexibility that the Board of Directors views as important in facilitating the operations of the Company. In addition, the first sentence of Article IX could delay or defer a takeover attempt that stockholders may consider in their best interests including attempts that might result in a premium over the market price for the shares held by the stockholders.

Vote Required

Approval of Proposal 2C requires a FOR vote of the 66 2/3% shares present in person or by proxy at the Annual Meeting and entitled to vote on that proposal.

Board Recommendation

The Board recommends a vote FOR Proposal 2C.

PROPOSAL 2D

AMENDMENT TO THE CERTIFICATE OF INCORPORATION TO REMOVE THE SUPERMAJORITY THRESHOLD FOR AMENDING CERTAIN PROVISIONS OF THE CERTIFICATE OF INCORPORATION AND TO REVISE PARAGRAPH 1 AND REMOVE PARAGRAPH 5 OF ARTICLE VI

Amending Article XII

Our Board of Directors has approved, and is proposing to the stockholders, an amendment to our Certificate of Incorporation to remove the supermajority threshold for amending certain provisions of the Certificate of Incorporation. Currently, Article XII of our Certificate of Incorporation requires the affirmative vote of (1) the combined voting power of at least 66 2/3% of the total voting power of all outstanding shares of stock in the Company entitled to vote in order to amend, alter, change or repeal certain provisions of the Certificate of Incorporation, or (2) two-thirds of the Continuing Directors, which are defined as “(i) those Directors who were members of the Board of Directors on the date of the merger of the corporation’s California predecessor with and into the corporation; and (ii) those Directors who were nominated or appointed by a Board of Directors of which a majority of the members were Continuing Directors.” The proposed amendment would amend Article XII to eliminate the two-thirds supermajority requirement by stockholders or Continuing Directors.

If approved, this Proposal 2D would amend Article XII of our Certificate of Incorporation to provide that the following provisions of our Certificate of Incorporation may be amended, altered, changed or repealed by the affirmative vote of not less than a majority of the issued and outstanding shares of common stock entitled to vote at a meeting:

- Article V, relating to, among other things, setting the authorized number of directors and amendments to the Bylaws.
- Article VI, relating to, among other things, the structure of the Board of Directors.
- Article IX, relating to, among other things, meetings of stockholders and the prohibition on stockholders taking action by written consent.
- Article XII, relating to amendments to the Certificate of Incorporation.

In addition, this proposed amendment would remove an outdated reference to Continuing Directors, which is no longer relevant.

If this Proposal 2D is approved by the stockholders, Article XII of the Certificate of Incorporation will be amended to read as follows:

“The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred on stockholders herein are granted subject to this reservation.”

The Board of Directors considered that the provisions requiring a supermajority vote to amend certain provisions of the Certificate of Incorporation can be viewed as facilitating corporate governance stability by requiring broad stockholder consensus to effect changes. A lower threshold for stockholder votes can increase stockholders’ ability to participate effectively in the Company’s corporate governance and increase the Board of Directors’ accountability to stockholders. The Board of Directors also recognized that maintaining supermajority voting requirements could make it more difficult for the Company to secure stockholder approval for various actions should the Company wish to make changes to certain important corporate governance provisions or to take actions viewed positively by a majority of the holders of the Company’s capital stock, and are in the best interests of the Company and its stockholders. Therefore, following careful consideration of the foregoing matters, the Board of Directors has determined that it is appropriate to propose an amendment to the Certificate of Incorporation that would eliminate the supermajority voting provision.

If this Proposal 2D is approved by the Company’s stockholders, changes to the Certificate of Incorporation would be governed by the Delaware General Corporation Law which currently requires the approval of a majority of the

outstanding shares of stock entitled to vote thereon, and a majority of the outstanding shares of stock of each class entitled to vote thereon as a class (if any).

Amending Paragraph 1 of Article VI. The Board of Directors has approved, and is proposing to the stockholders, the following change to the Certificate of Incorporation. Our Board of Directors has approved, and is proposing to the stockholders, an amendment to our Certificate of Incorporation to revise the first sentence of paragraph 1 of Article VI to read as follows:

“The number of directors of the Corporation shall be fixed from time to time pursuant to the Bylaws of the Corporation.”

The Board of Directors does not believe that this change is material or affects the substantive rights of stockholders, and it is not intended to result in any substantive change to the remaining provisions of the Certificate of Incorporation.

Deleting Paragraph 5 of Article VI. Our Board of Directors has approved, and is proposing to the stockholders, an amendment to our Certificate of Incorporation to remove paragraph 5 of Article VI, which currently reads as follows:

“Any director may be removed, with cause, by the holders of at least sixty-six and two-thirds percent (66-2/3%) of the shares then entitled to vote for that director by applicable law and the Protective Provisions.”

The language in Article VII, paragraph 5 of Article VI of our current Certificate of Incorporation is substantially redundant and thus open to varied interpretation leaving the Company subject to unnecessary risks. The proposed amendment would eliminate this provision and mitigate the current ambiguity in our Certificate of Incorporation. The provision is a vestige of the past, no longer has any operative effect, and is confusing to readers. This Proposal 2D will not amend Article VII of the Certificate of Incorporation (relating to the power of stockholders to remove directors).

Vote Required

Approval of Proposal 2D requires a FOR vote of the 66 2/3% shares present in person or by proxy at the Annual Meeting and entitled to vote on that proposal.

Board Recommendation

The Board recommends a vote FOR Proposal 2D.

PROPOSAL 2E

AMENDMENT TO THE CERTIFICATE OF INCORPORATION TO UPDATE THE REGISTERED OFFICE OF THE COMPANY, EFFECT CERTAIN NON-MATERIAL CONFORMING CHANGES, AND INCLUDE A FORUM-SELECTION PROVISION

Our Board of Directors has approved, and is proposing to the stockholders, an amendment to our Certificate of Incorporation to update the Company's registered office in Article II. If the amendment is approved by the stockholders, Article II of the Certificate of Incorporation will be amended to read as follows:

“The address of the Corporation's registered office in the State of Delaware is the Corporation Trust Center, 1209 Orange Street, City of Wilmington, County of New Castle, State of Delaware 19801. The name of the Corporation's registered agent at such address is The Corporation Trust Company. The registered office and/or registered agent of the Corporation may be changed from time to time by resolution of the Board of Directors.”

In addition, the Board of Directors has approved, and is proposing to the stockholders, a change that the Board of Directors does not believe is material or affects the substantive rights of stockholders. This proposed change is to revise the reference to the “Restated Certificate of Incorporation” in Paragraph B of Article IV so that it refers to the “Amended and Restated Certificate of Incorporation.”

We propose to amend our Certificate of Incorporation to require that the Court of Chancery of the State of Delaware be the sole and exclusive forum for certain actions brought against the Company, its directors, officers and employees. We believe that stockholders derive a significant benefit from the inclusion of a provision in a corporation's certificate of incorporation requiring that certain stockholder lawsuits be brought exclusively in the Court of Chancery.

Consistent with this philosophy, our Board of Directors has approved, and is proposing to the stockholders, an amendment to our Certificate of Incorporation that would establish the Court of Chancery as the exclusive forum for litigating certain intra-company disputes.

The benefits of litigating intra-company disputes in the Court of Chancery are clear. Over the years, the State of Delaware has developed a well-established body of corporate law, and the Court of Chancery is the most experienced forum for deciding the outcome of such disputes. Litigating intra-company corporate disputes in Delaware results in greater certainty and predictability for all stockholders. Furthermore, there is a significant risk that allowing stockholders to bring such highly sophisticated matters in forums with little familiarity or experience in corporate governance leaves stockholders at risk that foreign jurisdictions may misapply Delaware law. Additionally, such a provision helps to eliminate duplicative litigation in multiple forums, which can be costly and inefficient. Finally, the ability of the Court of Chancery to resolve disputes on an accelerated schedule reduces the time and cost of uncertain, protracted litigation.

The Board of Directors believes that our stockholders will benefit from having disputes of this nature litigated in the Chancery Court. Although some plaintiffs may find it more convenient to litigate matters in a forum outside of Delaware, the Board of Directors believes that the proposed provision provides substantial benefits to the Company and to the vast majority of its stockholders who appreciate the certainty and predictability of litigating in Delaware. The Chancery Court is a specialist in dealing with difficult matters of corporate law and possesses streamlined procedures and processes that may help to resolve matters on a relatively expedited basis. Additionally, the Delaware courts have developed a substantial and influential body of case law interpreting Delaware's corporate law. There is also a great deal of long-standing precedent regarding corporate governance matters. These considerations will provide stockholders and the Company with more certainty with regard to the outcome of intra-corporate disputes. Similar provisions have already been upheld by the Delaware Chancery Court.

For these reasons, the Board of Directors is proposing the stockholders approve of an amendment to our Certificate of Incorporation. The amendment will add a new Article XIII and will state that, except in cases where the Company provides written consent to the selection of an alternative forum, the sole and exclusive forum for certain actions shall be the Court of Chancery of the State of Delaware. If the amendment is approved by our stockholders, the Certificate of Incorporation would be amended to include a new Article XIII which will state that, unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and

exclusive forum for (1) any derivative action or proceeding brought on behalf of the Company, (2) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or agent of the Company to the Company or the Company's stockholders, (3) any action asserting a claim arising pursuant to any provision of the General Corporation Law of Delaware, the Certificate of Incorporation or the Bylaws of the Company, (4) any action to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the Bylaws of the Company or (5) any action asserting a claim governed by the internal affairs doctrine, in each case subject to said Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein.

If the stockholders approve this proposal, the Board of Directors has approved a similar amendment to the Bylaws, the effectiveness of which is contingent upon stockholder approval. The Board of Directors is also proposing to include this provision in the Certificate of Incorporation to limit the ability of future Boards of Directors to amend this provision, and provide more certainty for the stockholders of the Company that such provisions will not be further amended without stockholder vote.

For these reasons, on March 27, 2014, the Board of Directors approved the following resolution to amend our Certificate of Incorporation, subject to the approval of the stockholders at the Annual Meeting.

“RESOLVED, the Company’s Amended and Restated Certificate of Incorporation is hereby amended to include the following:

Article XIII. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or agent of the Corporation to the Corporation or the Corporation’s stockholders, (iii) any action asserting a claim arising pursuant to any provision of the General Corporation Law of Delaware, the Certificate of Incorporation or the Bylaws, (iv) any action to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the Bylaws or (v) any action asserting a claim governed by the internal affairs doctrine, in each case subject to said Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in any share of capital stock of the Corporation shall be deemed to have notice of and consented to this Article XIII.”

The Board of Directors has also approved, and is proposing to the stockholders, the filing of an amendment and restatement of our Certificate of Incorporation. The purpose of amending and restating the Certificate of Incorporation is to consolidate the Certificate of Incorporation by reflecting all amendments to the previous Certificate of Incorporation.

Vote Required

Approval of Proposal 2E requires a FOR vote of a majority shares present in person or by proxy at the Annual Meeting and entitled to vote on that proposal.

Board Recommendation

The Board recommends a vote FOR Proposal 2E.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following tables set forth the beneficial ownership by the persons listed below of shares of On Assignment's common stock as of March 31, 2014.

Certain information in the table concerning stockholders other than our directors and officers is based on information contained in filings made by such beneficial owner with the SEC. Pursuant to Rule 13d-3 of the Exchange Act among other determining factors, shares are deemed to be beneficially owned by a person if that person has the right to acquire shares (for example, upon exercise of an option) within 60 days of the date that information is provided. In addition, we note that Section 16(a) of the Exchange Act requires the Company's officers and directors, and persons who own more than 10 percent of a registered class of the Company's equity securities, to file reports of securities ownership and changes in such ownership with the SEC. In determining the percentage ownership of any person, the amount of shares outstanding is deemed to include any shares beneficially owned by such person (and only such person) but excludes any securities held by or for the account of the Company or its subsidiaries. As a result, the percentage of outstanding shares held by any person in the table below does not necessarily reflect the person's actual voting power. As of March 31, 2014 there were 54,318,986 shares of On Assignment common stock outstanding.

The following tables set forth the beneficial ownership of On Assignment's common stock as of March 31, 2014 for the following persons:

- all stockholders known by us to beneficially own more than 5% of our common stock;
- each of our directors;
- each of our named executive officers, as identified; and
- all of our directors and named executive officers as a group.

Unless otherwise indicated, each person listed has sole voting power and sole investment power.

Ownership of More than Five Percent of the Common Stock of On Assignment

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership		Percent of Common Stock(1)	
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	4,002,062	(2)	7.4	%
TimesSquare Capital Management, LLC 7 Times Square, 42 nd floor New York, NY 10036	3,371,340	(3)	6.2	%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	3,058,884	(4)	5.6	%

(1) For each beneficial owner included in the table above, percentage ownership is calculated by dividing the number of shares beneficially owned by such holder by the 54,318,986 shares of the Company's common stock outstanding as of March 31, 2014. To the knowledge of the Company, none of the holders listed above had the right to acquire any additional shares of the Company on or within 60 days after March 31, 2014.

(2) Based on information contained in a Schedule 13G/A filed with the SEC on January 30, 2014 by Blackrock, Inc., on behalf of various subsidiaries, Blackrock, Inc. directly or indirectly has sole voting power of 3,878,920 shares of

our common stock, and sole dispositive power of 4,002,062 shares.

Based on information contained in a Schedule 13G/A filed with the SEC on February 10, 2014, TimesSquare
(3) Capital Management, LLC has sole voting power of 3,254,940 shares of our common stock, and sole dispositive power of 3,371,340 shares.

Based on information contained in a Schedule 13G/A filed with the SEC on February 12, 2014 by The Vanguard Group (“Vanguard”) on its own behalf and on behalf of two subsidiaries, Vanguard has sole voting power of 62,848
(4) shares of the Company’s common stock, sole dispositive power over 2,997,036 shares, and shared dispositive power over another 61,848 shares. The 62,848 shares that Vanguard has sole voting power belong to its wholly-owned subsidiaries, the Vanguard Fiduciary Trust Company (61,848 shares) and Vanguard Investments Australia, Ltd. (1,000 shares).

Ownership of Management and Directors of On Assignment

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (1)(2)	Percent of Common Stock(3)
William E. Brock	25,805	*
Brian J. Callaghan	760,793	1.4%
Jonathan S. Holman	23,113	*
Jeremy M. Jones(4)	83,291	*
Marty R. Kittrell	6,382	*
Edwin A. Sheridan, IV	1,795,492	3.3%
Peter T. Dameris	695,850	1.3%
Edward L. Pierce	89,868	*
Michael J. McGowan	416,750	*
Randolph C. Blazer	135,909	*
Theodore S. Hanson	337,434	*
All directors and executive officers as a group	4,599,057	8.4%