

DECKERS OUTDOOR CORP  
Form PREC14A  
October 06, 2017

**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

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**DECKERS OUTDOOR CORPORATION**

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
  - (2) Aggregate number of securities to which transaction applies:
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  - (4) Proposed maximum aggregate value of transaction:
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(3) Filing Party:

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**PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION**

**2017  
PROXY STATEMENT  
SUMMARY**

*This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting.*

**ANNUAL MEETING OF STOCKHOLDERS**

**DATE** December 14, 2017  
**TIME** [ ] Pacific Time  
**PLACE** [ ]  
**RECORD DATE** [ ]  
**VOTING** Stockholders as of the close of business on [ ] are entitled to vote at the Annual Meeting

**PROPOSALS TO BE VOTED ON**

<b>PROPOSALS</b>	<b>MATTER</b>	<b>BOARD VOTE RECOMMENDATION</b>	<b>PAGE REFERENCE</b>
1	Election of 10 directors	FOR EACH OF THE BOARD'S NOMINEES FOR DIRECTOR	[15]
2	Ratification of selection of KPMG LLP as independent registered public accounting firm for fiscal year 2018	FOR	[95]
3	Advisory vote to approve Named Executive Officer compensation	FOR	[97]
4	Advisory vote on the frequency of future advisory votes on Named Executive Officer compensation	ONE YEAR	[98]
5	If properly presented, stockholder proposal to repeal certain provisions or amendments to our bylaws	AGAINST	[99]

## HOW TO VOTE

**Your vote is important to the future of Deckers Outdoor Corporation.** You are eligible to vote if you were a stockholder at the close of business on [ ]. Please refer to the section of this Proxy Statement titled "*Questions and Answers about the 2017 Annual Meeting of Stockholders and Voting*" for additional information on how to vote your shares.

**It is important that your shares be represented and voted at the Annual Meeting. Whether or not you plan to attend the Annual Meeting, please vote as soon as possible.** Please sign, date and return the enclosed WHITE proxy card in the postage-paid envelope provided, or use the telephone or Internet voting instructions on the enclosed WHITE proxy card, even if you plan to

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attend the Annual Meeting. If you hold your shares in an account at a bank, broker, dealer or other nominee, follow the instructions provided by your nominee to vote your shares. Voting your shares by proxy ensures that if you are unable to attend the Annual Meeting, your shares will be voted at the Annual Meeting. Voting now will not limit your right to change your vote or to attend the Annual Meeting.

If you have questions about the election of directors, this Proxy Statement or the Annual Meeting, if you would like additional copies of this Proxy Statement, or if you need assistance voting your shares, please contact:

Innisfree M&A Incorporated  
501 Madison Avenue, 20th Floor  
New York, NY 10022

Stockholders call toll-free: (877) 750-0625  
Banks and brokers call collect: (212) 750-5833

**PROPOSAL NO. 1  
ELECTION OF DIRECTOR NOMINEES**

The following table provides summary information about each director nominee.

Name, Primary Occupation	Age	Director Since	Independent	Other Current Public Company Boards	Previous Public Company Boards	Deckers Committees		
						A	C	CG
<b>John M. Gibbons</b> <i>Chairman of our Board of Directors</i>	68	2000	YES		3			
<b>Karyn O. Barsa</b> <i>Director</i>	56	2008	YES		1			
<b>Nelson C. Chan</b> <i>Director</i>	56	2014	YES	3	3			
<b>Michael F. Devine, III</b> <i>Director</i>	59	2011	YES	2	2	+		
<b>Angel R. Martinez</b> <i>Director</i>	62	2005	NO	2				
<b>John G. Perenchio</b> <i>Director</i>	62	2005	YES		1			
<b>David Powers</b> <i>Chief Executive Officer</i>	51	2016	NO					

*and President at  
Deckers Brands*

<b>James Quinn</b> <i>Director</i>	65	2011	YES		3	+
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<b>Lauri M. Shanahan</b> <i>Director</i>	55	2011	YES	2		+
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<b>Bonita C. Stewart</b> <i>Vice-President, Global Partnerships at Google Inc.</i>	60	2014	YES			
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- + Committee Chair
  - A: Audit
  - C: Compensation
  - CG: Corporate Governance
-



**OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR ALL OF OUR DIRECTOR NOMINEES.**

Marcato Capital Management LP (together with its affiliates, Marcato) has notified us of its intention to propose 10 director nominees for election at the Annual Meeting in opposition to the nominees recommended by our Board of Directors. In addition, Marcato has notified us of its intention to present a stockholder proposal at the Annual Meeting. As a result, you may receive solicitation materials, including a [color] proxy card, from Marcato seeking your proxy. **Our Board does NOT endorse any Marcato nominee. WE URGE YOU TO NOT RETURN ANY [COLOR] PROXY CARD SENT TO YOU BY MARCATO, EVEN AS A PROTEST VOTE.**

**PROPOSAL NO. 2**

**RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

As a matter of good corporate governance, we are asking our stockholders to ratify the selection of KPMG LLP as our independent registered public accounting firm for fiscal year 2018.

**OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR PROPOSAL NO. 2.**

**PROPOSAL NO. 3**

**ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION**

We are asking our stockholders to approve, on a non-binding advisory basis, the compensation of our Named Executive Officers, which we sometimes refer to as NEOs, as disclosed in the section of this Proxy Statement titled "*Compensation Discussion and Analysis*".

Below is an overview of certain elements of our fiscal year 2017 and fiscal year 2018 compensation program and how they are aligned to our strategic and business objectives. We believe that this structure closely aligns executive and stockholder incentives. It also incorporates perspectives from our stockholders, as detailed below under title *Stockholder Engagement*.

**OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR PROPOSAL NO. 3** because it believes that our compensation policies and practices reflect our pay-for-performance philosophy and are effective in achieving our goals of attracting and retaining key executives with the proper background and experience required to lead the organization forward, providing meaningful incentives for achieving short-term and long-term Company financial goals, and aligning the interests of our executives with those of our stockholders.

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**ALIGNMENT OF COMPENSATION PROGRAM WITH STRATEGIC AND BUSINESS OBJECTIVES**

As previously publicly announced, we are driving toward an improvement in profitability in our long-range plan and expect that our executives will drive to a 13% operating margin by fiscal year 2020.

We have effectively and consistently tied our compensation program to our strategic and business objectives, and have evolved our program over time to emphasize profitability which reflects our long-range business and strategic plan, as well as input from our stockholders.

**Alignment of Compensation Program with Strategic and Business Objective**

<b>Compensation Element</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Annual Cash Incentive Awards</b>	Utilized a mix of both revenue and operating income metrics to drive growth while still requiring profitability discipline.  Due to our strong pay-for-performance design, no cash incentive payments were made to our executives.	Focus on core profitability metrics for all executives, with revenue metrics tailored to specific business units for certain executives.  Maintain our strong pay-for-performance track record through meaningful performance gates and targets derived from our long-range business and strategic plan.
<b>Equity Awards</b>	Changed from performance-based RSUs to performance stock options for LTIP awards to directly align the interests of our executives with our stockholders under volatile market conditions.  Changed performance conditions for LTIP awards from consolidated EBITDA and Revenue to Pre-Tax Income to focus our executives on driving profitability.	Continue to use performance stock options and Pre-Tax Income performance metric for LTIP awards.  By tying LTIP equity awards to Pre-Tax Income, we reward achievement of our profitability goals.

**PROPOSAL NO. 4**

**FREQUENCY OF FUTURE ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION**

We are asking our stockholders to vote, on a non-binding advisory basis, on whether future advisory votes on the compensation of our Named Executive Officers should occur every one year , two years , or three years.

**OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE TO CONDUCT FUTURE ADVISORY VOTES ON NAMED EXECUTIVE OFFICER COMPENSATION EVERY ONE YEAR.**

**PROPOSAL NO. 5**

**STOCKHOLDER PROPOSAL TO REPEAL CERTAIN PROVISIONS OR AMENDMENTS TO OUR BYLAWS ADOPTED AFTER MAY 24, 2016**

We received notice from Marcato of its intention to present a resolution for action at the Annual Meeting.



Adoption of this proposal would have the effect of repealing any provisions or amendments of our bylaws adopted without stockholder approval after May 24, 2016, and up to the Annual Meeting, without regard to the subject matter of any bylaw provisions or amendments in question.

No provisions or amendments to our bylaws have been adopted after May 24, 2016. Although our Board does not currently expect to adopt any amendments to our bylaws prior to the Annual Meeting, our Board could determine prior to the Annual Meeting that an amendment is necessary and in the best interests of our Company or our stockholders. Our Board believes that the automatic repeal of any bylaw amendment, irrespective of its content, duly adopted by our Board (whether with or without stockholder approval) could have the effect of repealing one or more properly adopted bylaw amendments that our Board determined to be in the best interests of our Company and our stockholders and adopted in furtherance of its fiduciary duties, including in response to future events not yet known to us.

Our Board believes that this proposal represents no purpose other than to limit the actions of our Board that are otherwise permitted by our governing documents and Delaware law.

**OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE AGAINST PROPOSAL NO. 5.**

## **STOCKHOLDER ENGAGEMENT**

We remain committed to enhancing and expanding our stockholder outreach efforts, including by proactively soliciting and incorporating stockholder feedback on the design and effectiveness of our executive compensation program.

For example, as more fully described below under the title *Compensation Discussion and Analysis*, in early 2017 we contacted investors holding over 60% of our common stock to discuss their views and any concerns regarding our compensation philosophy and program.

During these conversations, we reviewed our business strategies and performance, discussed our executive compensation program design, reviewed our corporate governance initiatives, previewed potential changes to our executive compensation program, and provided responses to specific concerns raised by proxy advisory groups.

In response to feedback from our stockholders and proxy advisory groups during these outreach efforts, we have made a number of significant changes to our executive compensation program during fiscal year 2017, and have continued to evolve our compensation program for fiscal year 2018.

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**PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION**

**NOTICE OF ANNUAL MEETING OF  
STOCKHOLDERS**

**TO OUR STOCKHOLDERS:**

We are pleased to invite you to attend the 2017 Annual Meeting of Stockholders of Deckers Outdoor Corporation, to be held on December 14, 2017, beginning at [ ] Pacific Time. The meeting will be held at [ ]. We refer to the 2017 Annual Meeting of Stockholders, together with any postponements, adjournments or other delays thereof, as the Annual Meeting.

**Proposals to be Voted Upon:**

- 1 Election of Directors.** To elect 10 directors to serve until the Annual Meeting of Stockholders to be held in 2018, or until their successors are duly elected and qualified.
- 2 Ratification of Appointment of Independent Registered Public Accounting Firm.** To ratify the selection of KPMG LLP as our independent registered public accounting firm for fiscal year 2018, which covers the period from April 1, 2017, to March 31, 2018.
- 3 Advisory Vote to Approve Named Executive Officer Compensation.** To approve, on a non-binding advisory basis, the compensation of our Named Executive Officers, as disclosed in the section of this Proxy Statement titled "*Compensation Discussion and Analysis.*"
- 4 Frequency of Future Advisory Votes on Named Executive Officer Compensation.** To vote, on a non-binding advisory basis, on the frequency of future advisory votes on the compensation of our Named Executive Officers.
- 5 Stockholder Proposal.** To consider a stockholder proposal, if properly presented at the Annual Meeting, to repeal certain provisions or amendments to our bylaws adopted after May 24, 2016, and prior to the Annual Meeting.

**Board Recommendations:**

Our Board of Directors recommends that you vote:

**FOR** ALL director nominees named in Proposal No. 1;

**FOR** Proposal No. 2;

**FOR** Proposal No. 3;

For every **ONE YEAR** with respect to Proposal No. 4; and

**AGAINST** Proposal No. 5.

**Voting at the Annual Meeting:**

Our Board of Directors has fixed the close of business on [ ] as the record date for determining stockholders entitled to notice of and to vote at the Annual Meeting. Only stockholders as of the close of business on the record date are entitled to notice of, and to vote at, the Annual Meeting.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ David Powers

**David Powers**

*Chief Executive Officer and President*

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**Your vote is very important.**

**It is important that your shares be represented and voted at the Annual Meeting. Whether or not you plan to attend the Annual Meeting, please vote as soon as possible.** Please sign, date and return the enclosed WHITE proxy card in the postage-paid envelope provided, or use the telephone or Internet voting instructions on the enclosed WHITE proxy card, even if you plan to attend the Annual Meeting. If you hold your shares in an account at a bank, broker, dealer or other nominee, follow the instructions provided by your nominee to vote your shares. Voting your shares by proxy ensures that if you are unable to attend the Annual Meeting, your shares will be voted at the Annual Meeting. Voting now will not limit your right to change your vote or to attend the Annual Meeting.

If you have additional questions about the election of directors, this Proxy Statement or the Annual Meeting, if you would like additional copies of this Proxy Statement, or if you need assistance voting your shares, please contact:

Innisfree M&A Incorporated  
501 Madison Avenue, 20th Floor  
New York, NY 10022

Stockholders call toll-free: (877) 750-0625  
Banks and brokers call collect: (212) 750-5833

*Approximate Date of Mailing of this Proxy Statement: [ ]*

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**PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION**

**ANNUAL MEETING OF STOCKHOLDERS**

**Meeting Date: December 14, 2017**

**PROXY STATEMENT**

The enclosed Proxy Statement is solicited on behalf of the Board of Directors of Deckers Outdoor Corporation, which we sometimes refer to as our Company, we, us, or our, for use at our Annual Meeting of Stockholders or any postponements, adjournments, or other delays thereof, or the Annual Meeting, to be held on December 14, 2017, at [ ] Pacific Time. The meeting will be held at [ ]. The Annual Meeting is being held for the purposes described in this Proxy Statement.

**Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to be Held on December 14, 2017.**

This Proxy Statement and the Annual Report are available at [www.deckers.com/investors](http://www.deckers.com/investors).

## QUESTIONS AND ANSWERS ABOUT THE 2017 ANNUAL MEETING OF STOCKHOLDERS AND VOTING

The following questions and answers are intended to briefly address potential questions that our stockholders may have regarding this Proxy Statement and the Annual Meeting. They are also intended to provide our stockholders with certain information that is required to be provided under the rules and regulations of the Securities and Exchange Commission, or SEC. These questions and answers may not address all of the questions that are important to you as a stockholder. If you have additional questions about the election of directors, the Proxy Statement or the Annual Meeting, please see the question titled "*Whom should I contact with other questions?*" below.

**Q:** *When and where will the Annual Meeting be held?*

A: You are invited to attend the Annual Meeting on December 14, 2017, beginning at [ ] Pacific Time. The Annual Meeting will be held at [ ].

**Q:** *What is our fiscal year end?*

A: Our fiscal year end is March 31.

**Q:** *On what securities exchange are our shares traded?*

A: Our shares are traded on the New York Stock Exchange, or NYSE.

**Q:** *Why did I receive these proxy materials?*

A: We are providing this Proxy Statement in connection with the solicitation by our Board of Directors of proxies to be voted at the Annual Meeting. This Proxy Statement contains important information for you to consider when deciding how to vote on the matters brought before the Annual Meeting. You are invited to attend the Annual Meeting to vote on the proposals described in this Proxy Statement. However, you do not need to attend the Annual Meeting to vote your shares. Instead, you may vote your shares using one of the other voting methods described below. **Whether or not you expect to attend the Annual Meeting, please vote your shares as soon as possible in order to ensure your representation at the Annual Meeting.**

### **Your vote is very important.**

Please sign, date and return the enclosed WHITE proxy card in the postage-paid envelope provided, or use the telephone or Internet voting instructions on the enclosed WHITE proxy card. If you hold your shares in an account at a bank, broker, dealer or other nominee, follow the instructions provided by your nominee to vote your shares. Voting your shares by proxy ensures that if you are unable to attend the Annual Meeting, your shares will be voted at the Annual Meeting. Voting now will not limit your right to change your vote or to attend the Annual Meeting.

**Q:** *What proposals am I being asked to vote upon at the Annual Meeting?*

A: At the Annual Meeting, you will be asked to:

Elect 10 director nominees to serve until the Annual Meeting of Stockholders to be held in 2018, or until their successors are duly elected and qualified (**Proposal No. 1**);

Ratify the selection of KPMG LLP as our independent registered public accounting firm for fiscal year 2018 (**Proposal No. 2**);

Approve, on a non-binding advisory basis, the compensation of our Named Executive Officers, as disclosed in the section of this Proxy Statement titled "*Compensation Discussion and Analysis*" (**Proposal No. 3**);

To vote, on a non-binding advisory basis, on the frequency of future advisory votes on executive compensation (**Proposal No. 4**); and

To consider a stockholder proposal, if properly presented at the Annual Meeting, to repeal certain provisions or amendments to our bylaws adopted after May 24, 2016 (**Proposal No. 5**).

**Q:** *How does our Board of Directors recommend voting on the proposals?*

**A:** Our Board of Directors unanimously recommends that you vote:

FOR ALL of the 10 director nominees named in this Proxy Statement (Proposal No. 1);

FOR the ratification of the selection of KPMG LLP as our independent registered public accounting firm for fiscal year 2018 (Proposal No. 2);

FOR the approval, on a non-binding advisory basis, of the compensation of our Named Executive Officers (Proposal No. 3);

For every ONE YEAR with respect to the proposal to approve, on a non-binding advisory basis, the frequency of future advisory votes on the compensation of our Named Executive Officers (Proposal No. 4); and

AGAINST the stockholder proposal, if properly presented at the Annual Meeting, to repeal certain provisions or amendments to our bylaws adopted after May 24, 2016, and prior to the Annual Meeting (Proposal No. 5).

**Q:** *Will I receive proxy materials from anyone else?*

**A:** Marcato Capital Management LP (together with its affiliates, Marcato) has provided notice to us of its intention to propose 10 director nominees for election at the Annual Meeting in opposition to the nominees recommended by our Board. In addition, Marcato has notified us of its intention to present a stockholder proposal at the Annual Meeting. As a result, you may receive solicitation materials, including a [color] proxy card, from Marcato seeking your proxy.

We are not responsible for the accuracy of any information provided by or relating to Marcato contained in any proxy solicitation materials filed or disseminated by, or on behalf of, Marcato or any other statements that Marcato may otherwise make.

**Q:** *What should I do if I receive proxy materials from Marcato?*

**A:** **Our Board does NOT endorse any Marcato nominee or stockholder proposal and urges you to vote using the WHITE proxy card. Our Board urges you NOT to vote any [color] proxy card sent to you by Marcato.**

**Voting to withhold with respect to any of Marcato's nominees on its [color] proxy card is not the same as voting for our Board's nominees. This is because a vote to withhold with respect to any of Marcato's nominees on its [color] proxy card will revoke any previous proxy submitted by you. DO NOT RETURN ANY [COLOR] PROXY CARD SENT TO YOU BY MARCATO, EVEN AS A PROTEST VOTE.**

**If you have already voted using a [color] proxy card sent to you by Marcato, you have every right to change your vote. We urge you to revoke that proxy by voting in favor of our Board's nominees by using the enclosed WHITE proxy card. Only the latest-dated and validly executed proxy that you submit will count. If you hold your shares in an account at a bank, broker, dealer or other nominee, follow the instructions provided by your nominee to change your vote.**

**Q:** *What are the voting requirements to approve the proposals?*

**A:** The voting requirements to approve each of the proposals to be voted upon at the Annual Meeting are as follows:

**Election of Directors (Proposal No. 1)** Our Board of Directors has adopted a majority voting standard for uncontested director elections. This means that each director nominee in an uncontested election will be elected by a majority of the votes cast by the shares present in person or represented by proxy at the Annual Meeting and

entitled to vote on the election of directors (assuming that a quorum is present). An uncontested election is an election in which the number of nominees for director is not greater than the number of directors to be elected. A

contested election is an election in which the number of nominees for director nominated by (i) our Board of Directors, (ii) any stockholder, or (iii) a combination of our Board of Directors and any stockholder, exceeds the number of directors to be elected.

Because of the nomination by Marcato of candidates for election to our Board, in September 2017, our Board determined that the Annual Meeting will be a contested election. Accordingly, directors will be elected by a plurality of the votes cast by the shares present or represented by proxy at the Annual Meeting and entitled to vote on the election of directors. The 10 candidates receiving the most votes at the Annual Meeting will be elected as directors.

Under the rules applicable to brokers, brokers no longer possess discretionary authority to vote shares with respect to the election of directors. Accordingly, broker non-votes may result for this proposal if brokers do not receive instructions from beneficial owners of our shares. Broker non-votes are not votes cast and may result in the applicable nominees receiving fewer FOR votes for purposes of determining the nominee receiving the highest number of &#1