

ATHENAHEALTH INC  
Form DEF 14A  
April 28, 2016  
Table of Contents

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A INFORMATION  
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

athenahealth, Inc.  
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11  
(set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the  
filing for which the offsetting fee was paid previously. Identify the previous filing by the registration  
statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

April 28, 2016

Dear Shareholder:

You are cordially invited to attend the 2016 Annual Meeting of Shareholders of athenahealth, Inc. to be held on Tuesday, June 14, 2016, at 5:00 p.m. Eastern Time, at our headquarters at 311 Arsenal Street, Watertown, Massachusetts 02472. Directions to our headquarters can be found on the last page of the Proxy Statement.

Pursuant to the Securities and Exchange Commission rules that allow issuers to furnish proxy materials to shareholders over the Internet, we are posting the proxy materials on the Internet and delivering a notice of the Internet availability of the proxy materials. This delivery process will allow us to provide shareholders with the information they need, while lowering the costs of delivery and reducing the environmental impact of the Annual Meeting. On or about April 28, 2016, we will begin mailing to our shareholders a Notice of Internet Availability containing instructions on how to access or request a copy of our Proxy Statement for the 2016 Annual Meeting of Shareholders and our Annual Report on Form 10-K for the year ended December 31, 2015.

The Notice of 2016 Annual Meeting of Shareholders and the Proxy Statement contain details of the business to be conducted at the Annual Meeting.

Whether or not you attend the Annual Meeting, it is important that your shares be represented and voted at the meeting. Therefore, I urge you to promptly vote by submitting your proxy via the Internet at the address listed on the proxy card or by signing, dating, and returning the enclosed proxy card in the enclosed envelope. If you decide to attend the Annual Meeting, you will be able to vote in person, even if you have previously submitted your proxy. On behalf of the Board of Directors, I would like to express our appreciation for your continued interest in the affairs of athenahealth, Inc. I look forward to greeting as many of our shareholders as possible at the Annual Meeting.

Sincerely,

Jonathan Bush

Chief Executive Officer, President, and Chairman of the Board of Directors

---

Table of Contents

athenahealth, Inc.

NOTICE OF 2016 ANNUAL MEETING OF SHAREHOLDERS

Date and Time: Tuesday, June 14, 2016

Time: 5:00 p.m. Eastern Time

athenahealth, Inc. headquarters

Place: 311 Arsenal Street

Watertown, MA 02472

1. Elect two directors, Dev Ittycheria and John Kane, to serve as Class III directors for a term of three years and until their successors are duly elected and qualified, subject to their earlier resignation or removal;

Items of Business: 2. Ratify the appointment of Deloitte LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016;

3. Hold an advisory vote to approve the compensation of our named executive officers; and

4. Transact other business as may properly come before the meeting.

Record Date:

You are entitled to vote only if you were a shareholder as of the close of business on April 15, 2016.

Voting:

Your vote is important. Whether or not you are able to attend the meeting in person, it is important that your shares be represented. To ensure that your vote is recorded promptly, please vote as soon as possible, even if you plan to attend the meeting. For instructions on how to vote your shares, please refer to the instructions on the Notice of Internet Availability of Proxy Materials you received in the mail, the section titled "How to Vote" beginning on page 1 of this Proxy Statement or, if you requested to receive printed proxy materials, your enclosed proxy card.

By Order of the Board of Directors,

Jonathan Bush

Chief Executive Officer, President, and Chairman of the Board of Directors

In this Proxy Statement, the terms "athenahealth," "we," "us," and "our" refer to athenahealth, Inc. The mailing address of our principal executive office is athenahealth, Inc., 311 Arsenal Street, Watertown, MA 02472.

athenahealth, Inc.

311 Arsenal Street

Watertown, Massachusetts

April 28, 2016

---

Table of Contents

## TABLE OF CONTENTS

<u>GENERAL INFORMATION</u>	<u>1</u>
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	<u>4</u>
<u>DIRECTORS AND EXECUTIVE OFFICERS</u>	<u>6</u>
<u>RELATED PERSON TRANSACTIONS</u>	<u>9</u>
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	<u>10</u>
<u>CORPORATE GOVERNANCE</u>	<u>10</u>
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	<u>16</u>
<u>Executive Summary</u>	<u>16</u>
<u>Say on Pay</u>	<u>17</u>
<u>Executive Compensation Policies and Practices</u>	<u>18</u>
<u>Roles in the Compensation-Setting Process</u>	<u>19</u>
<u>Components of Executive Compensation</u>	<u>20</u>
<u>Peer Group</u>	<u>20</u>
<u>Setting Compensation</u>	<u>21</u>
<u>Base Salary</u>	<u>21</u>
<u>Cash Bonus</u>	<u>22</u>
<u>Equity</u>	<u>25</u>
<u>Other Compensation Policies</u>	<u>27</u>
<u>Prospective Changes to 2016 Compensation</u>	<u>29</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>30</u>
<u>Compensation Committee Report</u>	<u>30</u>
<u>COMPENSATION TABLES</u>	<u>31</u>
<u>Summary Compensation</u>	<u>31</u>
<u>Grants of Plan-Based Awards</u>	<u>32</u>
<u>Outstanding Equity Awards at Fiscal Year End</u>	<u>33</u>
<u>Option Exercises and Stock Vested</u>	<u>34</u>
<u>Potential Payments Upon Termination or Change-in-Control</u>	<u>35</u>
<u>Director Compensation</u>	<u>37</u>
<u>Equity Compensation Plan Information</u>	<u>38</u>
<u>OVERVIEW OF PROPOSALS</u>	<u>39</u>
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	<u>40</u>
<u>PROPOSAL 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS</u>	<u>41</u>
<u>Audit Committee Report</u>	<u>42</u>
<u>PROPOSAL 3 ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	<u>43</u>
<u>HOUSEHOLDING OF PROXY MATERIALS</u>	<u>43</u>

Table of Contents

PROXY STATEMENT

GENERAL INFORMATION

Our board of directors (the “Board of Directors”) has made this Proxy Statement and related materials available to you on the Internet, or at your request has delivered printed versions to you by mail, in connection with the Board of Directors’ solicitation of proxies for our 2016 Annual Meeting of Shareholders (the “Annual Meeting”).

Internet Availability of Proxy Materials

We are providing access to our proxy materials over the Internet. On April 28, 2016, we mailed a Notice of Internet Availability of Proxy Materials (the “Notice”) to shareholders, unless they requested a printed copy of proxy materials. The Notice contains instructions on how to access our proxy materials and how to vote. If you would like to receive a paper or e-mail copy of our proxy materials, please follow the instructions in the Notice. If you requested printed versions of these materials by mail, the materials will include a proxy card for the Annual Meeting.

Important Notice Regarding the Availability of Proxy Materials for the 2016 Annual Meeting of Stockholders

This Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 (the “Annual Report”) are available at [www.proxyvote.com](http://www.proxyvote.com). You may also find a copy of this Proxy Statement and our Annual Report (with exhibits) on the SEC website at [www.sec.gov](http://www.sec.gov). A copy of our Annual Report, excluding exhibits, may be obtained by shareholders, without charge, by written request to the attention of our Secretary at 311 Arsenal Street, Watertown, MA 02472.

Who May Vote

You are entitled to vote at the Annual Meeting only if you owned shares of athenahealth common stock at the close of business on April 15, 2016, which is referred to as the “record date.” Each share entitles its owner to one vote.

Quorum

The holders of a majority of shares entitled to vote, present in person or represented by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. Shares that are voted “for”, “abstain”, “withheld”, and broker “non-votes” are counted as present for purposes of determining whether a quorum is present at the Annual Meeting. On April 15, 2016, the record date, there were 39,262,893 shares of athenahealth common stock outstanding. No shares of athenahealth preferred stock were outstanding on the record date.

How to Vote

Shareholders of record (e.g., shareholders who hold their shares in their own name) can vote in the following ways:

• **Via Internet:** You can vote online at: [www.proxyvote.com](http://www.proxyvote.com) by following the instructions in the Notice.

• **By Phone:** You can vote by telephone by following the instructions in the Notice.

• **By Mail:** If you requested printed copies of proxy materials, you can vote by mailing your proxy as described in the proxy materials.

• **In Person:** You can vote by attending the Annual Meeting, or sending a person with an appropriate proxy, to vote by ballot.

If your shares are held in “street name” (e.g., the name of a bank, broker, trustee, or nominee), you will receive instructions from the shareholder of record that you must follow in order for your shares to be voted. If you wish to vote in person at the Annual Meeting, you must obtain a legal proxy from the bank, broker, trustee, or nominee that holds your shares.

If you have any questions about voting, please call Okapi Partners LLC at (877) 629-6356.

Revoking a Proxy

If you are a shareholder of record, you may revoke your proxy by (1) entering a new vote over the Internet, by telephone, or by mail before the Annual Meeting, (2) providing a written notice of revocation to our Secretary prior to the taking of the vote at the Annual Meeting, or (3) attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not in and of itself revoke a proxy). Any written notice of revocation or subsequent proxy card should be hand delivered to our Secretary or sent to our principal executive offices, athenahealth, Inc., 311 Arsenal Street, Watertown, MA 02472, Attention: Secretary. If a bank, broker, trustee, or nominee holds your shares, you must contact them in order to find out how to change your vote.



## Table of Contents

### Required Vote

Under our By-laws, any proposal other than an election of directors is decided by a majority of the votes properly cast for and against such proposal, except where a larger vote is required by law or by our Certificate of Incorporation or By-laws. Our majority voting policy included in our corporate governance guidelines requires that each director nominee in an uncontested election must be elected by a majority of the votes cast in that election. The elections for the Annual Meeting are uncontested elections and, accordingly, each director nominee must be elected by a majority of votes cast in that election. Abstentions and broker “non-votes” are not included in the tabulation of the voting results on any such proposal and, therefore, do not have the effect of votes in opposition to such proposals. A broker “non-vote” occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

### How Shares Will Be Voted

Your shares will be voted in accordance with your instructions. If you submit a proxy without giving voting instructions, your shares will be voted in the manner recommended by the Board of Directors on all matters presented in this Proxy Statement, and as the persons named as proxies may determine in their discretion with respect to any other matters properly presented at the Annual Meeting.

If your shares are held in “street name” by a brokerage firm, your brokerage firm is required to vote your shares according to your instructions. If you do not give instructions to your brokerage firm, the brokerage firm will still be able to vote your shares with respect to certain “discretionary” items, but will not be allowed to vote your shares with respect to “non-discretionary” items. Proposals 1 and 3 are “non-discretionary” items. If you do not instruct your broker how to vote with respect to those proposals, your broker may not vote for those proposals, and those votes will be counted as broker “non-votes.” In contrast, we believe that Proposal 2 is considered to be a discretionary item, and your brokerage firm will be able to vote on this proposal even if it does not receive instructions from you.

### Other Matters

If any other matters are properly presented for consideration at the Annual Meeting, including, among other things, consideration of a motion to adjourn the Annual Meeting to another time or place (including, without limitation, for the purpose of soliciting additional proxies), the persons named in the proxy card and acting thereunder will have discretion to vote on those matters in accordance with their best judgment. We do not currently anticipate that any other matters will be raised at the Annual Meeting.

### Expenses of Solicitation

Our Board of Directors is making this solicitation and we will pay the entire cost of preparing and distributing the Notice and these proxy materials and soliciting votes. If you choose to access the proxy materials or vote over the Internet, you are responsible for any Internet access charges that you may incur. Our officers and employees may, without compensation other than their regular compensation, solicit proxies through further mailings, personal conversations, facsimile transmissions, e-mails, or otherwise. We have engaged Okapi Partners LLC to assist in the solicitation of proxies and provide related advice and informational support, for a services fee and the reimbursement of customary disbursements that are not expected to exceed \$15,000 in the aggregate.

### Procedure for Submitting Shareholder Proposals

Shareholder proposals intended to be presented at the next annual meeting of our shareholders must satisfy the requirements of the notice procedures set forth in our By-laws. To be timely for our next annual meeting of shareholders, any such proposal must be delivered in writing to our Secretary at our principal executive offices between the close of business on February 14, 2017 and March 16, 2017. If the date of the next annual meeting of the shareholders is scheduled to take place before May 15, 2017 or after August 13, 2017, notice by the shareholder must be delivered no earlier than the close of business on the 120<sup>th</sup> day prior to such annual meeting and no later than the close of business on the later of (1) the 90<sup>th</sup> day prior to such annual meeting or (2) the 10<sup>th</sup> day following the day on which public announcement of the date of such meeting is first made.

In addition, any shareholder proposal intended to be included in the Proxy Statement for the next annual meeting of our shareholders must also satisfy the Securities and Exchange Commission (the “SEC”) regulations under Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and be received not later than December 29,

2017. If the date of the annual meeting is moved by more than 30 days from the date contemplated at the time of the previous year's Proxy Statement, then notice must be received within a reasonable time before

2

---



Table of Contents

we begin to print and send proxy materials. If that happens, we will publicly announce the deadline for submitting a proposal in a press release or in a document filed with the SEC.

3

---

Table of Contents

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding beneficial ownership of our common stock as of April 15, 2016 for: each person known to us to be the beneficial owner of more than five percent of our outstanding common stock; each of our named executive officers ("NEOs"); each of our directors and nominees; and all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Except as noted by footnote, and subject to community property laws where applicable, we believe based on the information provided to us that the persons and entities named in the table below have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them.

The table lists applicable percentage ownership based on 39,262,893 shares of our common stock outstanding as of April 15, 2016. The number of shares beneficially owned includes shares of our common stock that each person has the right to acquire within 60 days of April 15, 2016, including upon the exercise of stock options or the vesting of restricted stock units ("RSUs"). These stock options and RSUs are deemed outstanding for the purpose of computing the percentage of outstanding shares of our common stock owned by such person but are not deemed outstanding for the purpose of computing the percentage of outstanding shares of our common stock owned by any other person.

Name and Address of Beneficial Owner(1)	Number of Shares Beneficially Owned	Percent of Class
FMR LLC(2) 245 Summer Street Boston, MA 02210	5,824,495	14.83 %
Sands Capital Management, LLC(3) 1101 Wilson Blvd., Suite 2300 Arlington, VA 22209	4,167,503	10.61 %
Morgan Stanley(4) 1585 Broadway New York, NY 10036	3,812,261	9.71 %
Janus Capital Management LLC(5) 151 Detroit Street Denver, CO 80206	3,331,131	8.48 %
Wellington Management Company LLP(6) 280 Congress Street Boston, MA 02210	3,306,403	8.42 %
Capital Research Global Investors(7) 333 South Hope Street Los Angeles, CA 90071	3,008,523	7.66 %
Artisan Partners Limited Partnership(8) 875 East Wisconsin Avenue, Suite 800 Milwaukee, WI 53202	2,642,944	6.73 %
The Vanguard Group(9) 100 Vanguard Blvd. Malvern, PA 19355	2,609,701	6.65 %
T. Rowe Price Associates, Inc.(10) 100 E. Pratt Street Baltimore, MD 21202	2,549,522	6.49 %
The Growth Fund of America(11) 333 South Hope Street	2,529,861	6.44 %

Los Angeles, CA 90071

Jonathan Bush(12)	1,034,489	2.59 %
Kristi A. Matus(13)	10,455	*
Stephen N. Kahane(14)	39,348	*
Ed Park(15)	31,691	*
Kyle Armbrester	—	— %
Amy Abernethy(16)	2,949	*
Brandon Hull(17)	30,652	*
Dev Ittycheria(18)	9,842	*
John A. Kane(19)	37,713	*
Jacqueline B. Kosecoff(20)	7,279	*
David E. Robinson(21)	11,569	*
All directors and executive officers as a group (15 persons)(22)	1,218,318	3.04 %

4

Table of Contents

\*Represents beneficial ownership of less than one percent of outstanding common stock.

- (1) Unless otherwise indicated, the address for each beneficial owner is c/o athenahealth, Inc., 311 Arsenal Street, Watertown, MA 02472.  
Based solely on a Schedule 13G/A filed on February 12, 2016, by FMR LLC, Abigail P. Johnson, family member of Edward C. Johnson 3d, the Chairman of FMR LLC, and Fidelity OTC Portfolio reporting beneficial ownership as of December 31, 2015. FMR LLC reported sole voting power over 324,002 shares and sole dispositive power over 5,824,495 shares. Members of the Edward C. Johnson 3d family, including Abigail P. Johnson, together own approximately 49% of the voting power of FMR LLC. The Johnson family and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of
- (2) voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act of 1940 (the "Fidelity Funds") advised by Fidelity Management & Research Company, a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds' board of trustees. Fidelity Management & Research Company carries out the voting of the shares under written guidelines established by the Fidelity Funds' board of trustees.  
Based solely on a Schedule 13G/A filed on February 16, 2016, by Sands Capital Management, LLC, reporting
- (3) beneficial ownership as of December 31, 2015. The shareholder reports sole voting power over 3,254,335 shares and sole dispositive power over all of the shares.  
Based solely on a Schedule 13G/A filed on February 11, 2016, by Morgan Stanley and Morgan Stanley Investment Management, Inc. reporting beneficial ownership as of December 31, 2015. The entities reported the following
- (4) beneficial ownership: (i) 3,812,261 shares beneficially owned by Morgan Stanley, with sole voting power over 3,797,907 shares and shared dispositive power over all of the shares, and (ii) 3,812,261 shares beneficially owned by Morgan Stanley Investment Management, Inc., with sole voting power over 3,797,907 shares and shared dispositive power over all of the shares.  
Based solely on a Schedule 13G/A filed on February 16, 2016, by Janus Capital Management LLC reporting beneficial ownership as of December 31, 2015. The shareholder reported sole voting power and sole dispositive power over 3,329,131 shares and shared voting power and shared dispositive power over 2,000 shares. Janus Capital has a direct 96.81% ownership stake in INTECH Investment Management ("INTECH") and a direct 100% ownership stake in Perkins Investment Management LLC ("Perkins"). Due to the above ownership structure, holdings for Janus Capital, Perkins and INTECH are aggregated for purposes of the Schedule 13G/A. Janus Capital, Perkins and INTECH are registered investment advisers, each furnishing investment advice to various
- (5) investment companies registered under Section 8 of the Investment Company Act of 1940 and to individual and institutional clients (collectively referred to herein as "Managed Portfolios"). As a result of its role as investment adviser or sub-adviser to the Managed Portfolios, Janus Capital may be deemed to be the beneficial owner of 3,329,131 shares held by such Managed Portfolios. As a result of its role as investment adviser or sub-adviser to the Managed Portfolios, INTECH may be deemed to be the beneficial owner of 2,000 shares held by such Managed Portfolios. However, Janus Capital and INTECH do not have the right to receive any dividends from, or the proceeds from the sale of, the securities held in the Managed Portfolios and disclaim any ownership associated with such rights.  
Based solely on a Schedule 13G filed on February 11, 2016, by Wellington Management Group LLP, Wellington Group Holdings LLP, Wellington Investment Advisors Holdings LLP ("Wellington Funds"), and Wellington Management Company LLP ("WMC") reporting beneficial ownership as of December 31, 2015. The entities
- (6) reported the following beneficial ownership: (i) 3,306,403 shares beneficially owned by the Wellington Funds, with shared voting power over 1,050,469 shares and shared dispositive power over all of the shares, and (ii) 3,236,435 shares beneficially owned by WMC, with shared voting power over 1,029,484 shares and shared dispositive power over all of the shares.
- (7)

Based solely on a Schedule 13G/A filed on February 16, 2016, by Capital Research Global Investors reporting beneficial ownership as of December 31, 2015. The shareholder reports sole voting power and sole dispositive power over all the shares.

(8) Based solely on a Schedule 13G/A filed on February 2, 2016, by Artisan Partners Limited Partnership (“APLP”), Artisan Investments GP LLC, Artisan Partners Holdings LP, Artisan Partners Asset Management Inc., and Artisan Partners Funds, Inc. (“Artisan Funds”) reporting beneficial ownership as of December 31, 2015. This Schedule 13G/A reports that the shares have been acquired on behalf of discretionary clients of APLP, with APLP holding 2,642,944 shares, including 1,515,116 shares on behalf of Artisan Funds. The shareholders reported that they have shared voting power over 2,405,756 shares and shared dispositive power over all of the shares.

(9) Based solely on a Schedule 13G/A filed on February 10, 2016, by The Vanguard Group reporting beneficial ownership as of December 31, 2015. The shareholder reports sole voting power over 28,473 shares, shared voting power 2,100 shares, sole dispositive power over 2,581,428 shares, and shared dispositive power over 28,273 shares.

(10) Based solely on a Schedule 13G/A filed on February 11, 2016, by T. Rowe Price Associates, Inc. reporting beneficial ownership as of December 31, 2015. The shareholder reports sole voting power over 443,366 shares and sole dispositive power over all of the shares.

(11) Based solely on a Schedule 13G/A filed on February 15, 2016, by The Growth Fund of America reporting beneficial ownership as of December 31, 2015. The Growth Fund of America, an investment company registered under the Investment Company Act of 1940, which is advised by Capital Research and Management Company (“CRMC”), is the beneficial owner of 2,529,861 shares. CRMC manages equity assets for various investment companies through three divisions, Capital Research Global Investors, Capital World Investors, and Capital International Investors. These divisions generally function separately from each other with respect to investment research activities and they make investment decisions and proxy voting decisions for the investment companies on a separate basis. The shareholder reports that it does not have voting power over any of the shares.

(12) Includes 730,380 shares issuable to Mr. Bush upon exercise of stock options. Excludes 111,994 shares held by the Bush 2004 Gift Trust for the benefit of certain of Mr. Bush’s children, for which trust Carl B. Byers and Stephanie Seldon serve as co-trustees and who, acting together by unanimous consent, have the sole voting and dispositive power over such shares. Excludes 27,998 shares held by the Oscar W. Bush 2007 Gift Trust, the beneficiary of which is Mr. Bush’s child, for which trust Carl B. Byers serves as trustee and has sole voting and dispositive power over such shares.

(13) Includes 9,462 shares issuable to Ms. Matus upon exercise of stock options and 200 shares held in an individual retirement account.

(14) Includes 25,534 shares issuable to Dr. Kahane upon exercise of stock options.

Table of Contents

- (15) Includes 12,500 shares issuable to Mr. Park upon exercise of stock options.
- (16) Includes 1,569 shares issuable to Dr. Abernethy upon vesting of RSUs.
- (17) Includes 23,565 shares issuable to Mr. Hull upon exercise of stock options.
- (18) Includes 1,569 shares issuable to Mr. Ittycheria upon vesting of RSUs.
- (19) Includes 31,580 shares issuable to Mr. Kane upon exercise of stock options and 1,569 shares upon vesting of RSUs.
- (20) Includes 1,569 shares issuable to Dr. Kosecoff upon vesting of RSUs.
- (21) Includes 10,000 shares issuable to Mr. Robinson upon exercise of stock options and 1,569 shares issuable upon vesting of RSUs.
- (22) Includes an aggregate of 844,763 shares issuable upon exercise of stock options and 7,845 shares upon vesting of RSUs held by our directors and executive officers.

**DIRECTORS AND EXECUTIVE OFFICERS**

The following table identifies our directors and executive officers and sets forth their current position(s) at athenahealth and their ages as of April 30, 2016.

Name Age