

NCR CORP
Form DEF 14A
March 14, 2018
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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

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 Pursuant to §240.14a-12

NCR 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:

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(1) Amount Previously Paid:

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(3)

Filing Party:

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Date Filed:

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March 14, 2018

Dear Fellow NCR Stockholder:

We enter 2018 excited about the year ahead and confident in our strategy.

Last year was transformational for NCR. While we experienced short-term headwinds in financial services, we fundamentally rebuilt the entire organizational model of the company to better enable us to offer an unmatched solutions portfolio in the three areas that are pivotal to doing business in the digital economy: omni-channel software, channel transformation, and digital enablement.

The current operating environment plays to our strengths. We are a global leader in developing and deploying omni-channel solutions that are responsive to the rapid and disruptive changes in consumer behavior. We are delivering the innovations that our customers need, and we are well positioned to help customers navigate their digital transformations.

While success of the magnitude we aspire to is not going to be linear, we have come a long way already, and we are on the precipice of achieving many important medium-term goals that are laying the foundation for long-term growth. I am more confident than ever about our vision and our strategy. Today, NCR is close to a \$2 billion software company, with almost \$600 million in revenue coming from the cloud.

A few of our highlights from 2017 include:

Continued momentum in strategic areas. Year over year we saw 6% growth in cloud revenue, net ACV growth of 46%, and significant Services gross margin expansion. NCR continues to position itself as one of the world's largest cloud companies facilitating omni-channel commerce and digital transformation, and our SaaS solutions are gaining traction.

Continued our business transformation. In 2017, we launched our Mission One Services initiative, a transformational program to enhance productivity and efficiency in NCR's Services business.

Marked the 50th anniversary of the first ATM. In connection with the ATM anniversary, we published a commemorative video about the ground-breaking technology and also had an op-ed published on the topic in *The Wall Street Journal*. I delivered a speech to the ATM Industry Association, and received the association's inaugural Lifetime Global Innovation Award. We also announced the NCR SelfServ™ 80 Series, a new family of ATM solutions designed to help financial institutions redefine the banking experience and change the way consumers interact with the ATM forever.

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Received more industry analyst accolades for our solutions. We were ranked first again in POS software by RBR, and we were positioned as a leader in IDC reports for both retail omni-channel commerce and mobile banking.

Reached agreements with two leading food-delivery platforms. DoorDash and Grubhub will integrate with NCR Aloha POS to manage orders.

Andrea Ledford named Chief Human Resources Officer of the Year – Sustainable Workforce. This award, from HRO Today, speaks volumes about NCR’s commitment to driving talent initiatives and creating a culture that enables us to lead in a global marketplace. Andrea and her team are literally redefining our culture so we are positioned for business success today and in the future.

Gave back through NCR Foundation. The foundation funded STEM education, disability issues, and health support programs in the United States and throughout the world. The funding was part of our long-standing commitment to give back to the communities where our employees and customers live and work.

Opened a state-of-the-art research and development center in Hyderabad, India. Spread across 140,000 square feet, the center will help extend NCR’s leadership in omni-channel solutions and also contribute to the creation of innovative products and platforms for channel transformation and digital enablement.

We also kicked off 2018 by opening a new state-of-the-art Global Headquarters Campus in Atlanta, Georgia, marking the start of an exciting new era in NCR’s history. The campus is a physical representation of the goal to create one of the most dynamic tech companies in the world in the Silicon Valley of the East and a powerful reminder of our role as the omni-channel solutions leader. Additionally, at the beginning of 2018 NCR was recognized as a Top 100 Global Technology Leader by Thomson Reuters.

In 2018, we will look to accelerate our transformation into a software-led solutions company. We are working to further expand our leadership position in the omni-channel market, while continuing to focus on disruptive innovation, solution development, and market-leading Services delivery. As this process moves forward, we expect to see a continued move toward the cloud, as well as the emergence of a portfolio of omni-channel decision support platform-enabled solutions, accessed via Smart Edge devices and supported with automated, predictive managed services. We also expect to launch a suite of industry solutions, focused in areas such as data analytics/insights and branch, store, and restaurant transformation.

NCR is focused on helping our customers generate the next generation of productivity gains and consumer experience innovation. Our goal is to enrich the world’s interactions. We have cutting-edge technology in place, complemented by a determined workforce that’s devoted to serving our customers and continuing to innovate for the future. We are well positioned to achieve our objectives this year and for many years to come.

Bill Nuti

Chairman and CEO

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**NOTICE OF 2018 ANNUAL MEETING
AND PROXY STATEMENT**

March 14, 2018

Dear Fellow NCR Stockholder:

I am pleased to invite you to attend the 2018 Annual Meeting of Stockholders (the Annual Meeting) for NCR Corporation, a Maryland corporation (NCR or the Company), that will be held on April 25, 2018, at 9:00 a.m. Eastern Time. This year s Annual Meeting will again be a virtual meeting of stockholders. You will be able to attend the Annual Meeting and vote and submit questions during the Annual Meeting via a live webcast by visiting www.virtualshareholdermeeting.com/NCR2018. As in the past, prior to the Annual Meeting you will be able to authorize a proxy to vote your shares at www.proxyvote.com on the matters submitted for stockholder approval at the Annual Meeting, and we encourage you to do so.

The accompanying notice of the Annual Meeting and proxy statement tell you more about the agenda and procedures for the Annual Meeting. They also describe how the Board of Directors of the Company operates and provide information about our director candidates, director and executive officer compensation and certain corporate governance matters. I look forward to sharing more information with you about NCR at the Annual Meeting.

As in prior years, we are offering our stockholders the option to receive NCR s proxy materials via the Internet. We believe this option allows us to provide our stockholders with the information they need in an environmentally conscious form and at a reduced cost.

Your vote is important. Whether or not you plan to virtually attend the Annual Meeting, I urge you to authorize a proxy to vote your shares as soon as possible. You may authorize a proxy to vote your shares on the Internet or by telephone, or, if you received the proxy materials by mail, you may also authorize a proxy to vote your shares by mail. Your vote will ensure your representation at the Annual Meeting regardless of whether you attend via webcast on April 25, 2018.

Sincerely,

William R. Nuti

Chairman of the Board and

Chief Executive Officer

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS OF NCR CORPORATION

Time:

9:00 a.m. Eastern Time

Date:

Wednesday, April 25, 2018

Place:

Virtual Meeting via webcast at www.virtualshareholdermeeting.com/NCR2018

Purpose:

The holders of shares of common stock, par value \$0.01 per share (the common stock), and shares of Series A Convertible Preferred Stock, liquidation preference \$1,000 per share (the Series A Convertible Preferred Stock), of NCR Corporation, a Maryland corporation (NCR or the Company) will, voting together as a single class, be asked to:

Consider and vote upon the election of six directors identified in this proxy statement to hold office until the next annual meeting of stockholders following their election and until their respective successors are duly elected and qualify;

Consider and vote to approve, on an advisory basis, executive compensation (Say On Pay), as described in these proxy materials;

Consider and vote upon the ratification of the appointment of PricewaterhouseCoopers LLC as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018; and

Transact such other business as may properly come before the meeting and any postponement or adjournment of the meeting.

The holders of the Series A Convertible Preferred Stock will, voting as a separate class, be asked to:

Consider and vote upon the election of one director identified in this proxy statement to hold office until the next annual meeting of stockholders following his election and until his successor is duly elected and qualifies.

Other Important Information:

Record holders of NCR's common stock and Series A Convertible Preferred Stock at the close of business on February 26, 2018 may vote at the meeting.

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Your shares cannot be voted unless they are represented by proxy or in person by the record holder attending the meeting via webcast. **Even if you plan to attend the meeting via webcast, please authorize your proxy to vote your shares.**

If you wish to attend the webcast at a location provided by the Company, the Company's Maryland counsel, Venable LLP, will air the webcast at its offices located at 750 E. Pratt Street, Suite 900, Baltimore, MD 21202. Please note that no members of management or the Board of Directors will be in attendance at this location. If you wish to attend the meeting webcast at Venable LLP's office, please follow the directions for doing so set forth on the 2018 Annual Meeting of Stockholders Reservation Request Form found at the end of this proxy statement.

By order of the Board of Directors,

Edward Gallagher

Senior Vice President, General Counsel and Secretary

March 14, 2018

**Important Notice Regarding the Availability of Proxy Materials for the
Stockholder Meeting to Be Held on April 25, 2018**

This proxy statement and NCR's 2017 Annual Report on Form 10-K are available at www.proxyvote.com.

NCR Corporation

864 Spring Street NW

Atlanta, Georgia 30308-1007

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NCR CORPORATION
2018 ANNUAL MEETING PROXY STATEMENT

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Proxy Statement General Information

What is the purpose of these proxy materials?

We are making this proxy statement, notice of annual meeting and our 2017 annual report available to stockholders beginning on or about March 14, 2018 in connection with the solicitation by the Board of Directors (the **Board**) of NCR Corporation, a Maryland corporation (**NCR**, the **Company**, **we** or **us**), of proxies for the 2018 Annual Meeting of Stockholders, and any postponements or adjournments thereof (the **Annual Meeting**), to be held via a live webcast at 9:00 a.m. Eastern Time, on April 25, 2018, for the purposes set forth in these proxy materials.

How do I attend the Annual Meeting?

The Annual Meeting will be a virtual meeting of stockholders. If you are a record stockholder, a proxy for a record stockholder or a beneficial owner of either (i) NCR's common stock, par value \$0.01 per share (the **common stock**), or (ii) NCR's Series A Convertible Preferred Stock, liquidation preference \$1,000 per share (the **Series A Convertible Preferred Stock**), in either case with evidence of ownership, you will be able to attend the Annual Meeting and vote and submit questions during the Annual Meeting via a live webcast by visiting www.virtualshareholdermeeting.com/NCR2018. The meeting will convene at 9:00 a.m. Eastern Time, on April 25, 2018.

If you wish to attend the webcast at a location provided by the Company, our Maryland counsel, Venable LLP, will air the webcast at its offices located at 750 E. Pratt Street, Suite 900, Baltimore, MD 21202. Please note that no members of management or the Board will be in attendance at this location. If you wish to attend the Annual Meeting via webcast at Venable LLP's office, please complete and return the Reservation Request Form found at the end of this proxy statement.

How do I access the proxy materials?

We are providing access to our proxy materials (including this proxy statement, notice of annual meeting and our 2017 annual report) over the Internet pursuant to rules adopted by the Securities and Exchange Commission (**SEC**). Beginning on or about March 14, 2018, we will send Notices of Internet Availability of Proxy Materials (each, a **Notice**) by mail to stockholders entitled to notice of or vote at the Annual Meeting. The Notice includes instructions on how to view the electronic proxy materials on the Internet, which will be available to all stockholders beginning on or about March 14, 2018. The Notice also includes instructions on how to elect to receive future proxy materials by email. If you choose to receive future proxy materials by email, next year you will receive an email with a link to the proxy materials and proxy voting site, and will continue to receive proxy materials in this manner until you terminate your election. We encourage you to take advantage of the availability of our proxy materials on the Internet.

Will I receive a printed copy of the proxy materials?

You will not receive a printed copy of the proxy materials unless you specifically request one. Each Notice includes instructions on how to request a printed copy of the proxy materials, including the applicable proxy card, or cards, for the Annual Meeting if you are a record holder, or the applicable voting instruction form, or forms, if you are a beneficial owner, at no cost to you. In addition, by following the instructions on the Notice, you can elect to receive future proxy materials in printed form by mail. If you choose to receive future proxy materials in printed form by mail, we will continue to send you printed materials pursuant to that election until you notify us otherwise.

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What does it mean if I receive more than one Notice?

We are taking advantage of the householding rules adopted by the SEC that permit us to deliver only one Notice to stockholders who share an address, unless otherwise requested. This allows us to reduce the expense of delivering duplicate Notices to our stockholders who may have more than one stock account or who share an address with another NCR stockholder.

If you have multiple NCR common stock record accounts or multiple Series A Convertible Preferred Stock record accounts and you have received only one Notice with respect to your common stock or Series A Convertible Preferred Stock, and/or if you share an address with a family member who is an NCR stockholder and you have received only one Notice:

- you may write us at 864 Spring Street NW, Atlanta, Georgia 30308-1007, Attn: Investor Relations, or call us at 1-800-225-5627, to request separate copies of the proxy materials at no cost to you; and
- if you do no longer wish to participate in the householding program, please call 1-866-540-7095 to opt-out or revoke your consent.

If you have multiple NCR common stock record accounts or multiple Series A Convertible Preferred Stock record accounts and you have received multiple copies of the Notice with respect to either your common stock or Series A Convertible Preferred Stock, and/or if you share an address with a family member who is an NCR stockholder and you have received multiple copies of the Notice, and you wish to participate in the householding program, please call 1 866-540-7095 to opt-in .

Please note that if you hold both common stock and Series A Convertible Preferred Stock, you can expect to receive a separate Notice for each class of stock. These notices are separate, and will not be

combined even if you have opted in or consented to householding. See **What if I hold both common stock and Series A Convertible Preferred Stock** below.

What am I being asked to vote on?

The holders of shares of common stock and shares of Series A Convertible Preferred Stock, voting together as a single class, are being asked to consider and vote on the following items:

- Election of six directors to hold office until the next annual meeting of stockholders following their election and until their respective successors are duly elected and qualify;
- An advisory vote to approve executive compensation (Say on Pay), as described in these proxy materials; and
-

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Ratification of the appointment of PricewaterhouseCoopers LLC (PricewaterhouseCoopers) as our independent registered public accounting firm for the fiscal year ending December 31, 2018.

The holders of the Series A Convertible Preferred Stock, voting as a separate class, also will consider and vote on the election of one director to hold office until the next annual meeting of stockholders following his election and until his successor is duly elected and qualifies.

Why aren't we being asked to vote on the election of all Directors?

At our 2016 annual meeting of stockholders (the 2016 Annual Meeting), our stockholders approved a proposal to amend and restate NCR's charter to eliminate the classification of our Board and instead provide for the annual election of directors. In May 2016, following that approval, we filed Articles of Amendment and Restatement (the Revised Charter) with the State Department of

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Assessments and Taxation of Maryland to implement the proposal. So as not to abrogate, shorten or otherwise affect the then-existing terms of our directors, the Revised Charter provided for the phasing out of the classification of the Board over a three-year period beginning with the 2017 annual meeting of stockholders (the 2017 Annual Meeting) by specifying that the successors to each of our Class A, B and C directors, once duly elected and qualified, would serve for terms ending at the next annual meeting of stockholders following their election and when their successors are duly elected and qualify.

As a result, at the Annual Meeting, stockholders are being asked to vote on nominees to replace:

- two of our three Class A directors, whose terms expire at the Annual Meeting;
- our three former Class C directors, who were elected at the 2017 Annual Meeting and whose terms expire at the Annual Meeting; and
- two directors who were elected by our Board in October and November of 2017 and whose terms expire at the Annual Meeting.

Our two remaining Class B directors will continue to serve the remainder of their terms, which expire at the 2019 annual meeting of stockholders.

Why are the common stockholders being asked to vote on the election of only six Directors?

A total of seven director nominees will be voted upon at the Annual Meeting. The holders of shares of common stock and shares of Series A Convertible Preferred Stock, voting together as a single class, are being asked to vote on six of the seven director nominees to hold office until the next annual meeting of stockholders following their election and until their respective successors are duly elected and qualify: Richard L. Clemmer, Robert P.

DeRodes, Deborah A. Farrington, Kurt P. Kuehn, William R. Nuti and Matthew A. Thompson.

The holders of Series A Convertible Preferred Stock, voting separately, as a class, are entitled to elect the seventh director nominee. Our outstanding shares of Series A Convertible Preferred Stock were originally issued to certain entities affiliated with The Blackstone Group L.P. (Blackstone) under an Investment Agreement dated November 11, 2015, and amended as of March 13, 2017 (the Investment Agreement). The Investment Agreement and the terms of the Series A Convertible Preferred Stock provide that Blackstone is entitled, as long as it beneficially owns at least 50% of the common stock that it beneficially owned, on an as-converted basis, at the time of its initial investment, to separately designate two nominees for election as a director, whom the Board shall include in its nominees for election, and that only holders of the Series A Convertible Preferred Stock have the right to vote for either of these nominees. The term of one of those nominees, Gregory R. Blank, expires at the Annual Meeting, and Blackstone has designated Mr. Blank as its Purchaser Designee (as such term is defined in our charter) to be nominated by the Board as a director to hold office until the next annual meeting of stockholders following his election and until his successor is duly elected and qualifies. The holders of Series A Convertible Preferred Stock will vote separately, as a class, on the election of Mr. Blank at the Annual Meeting. The term of the other Purchaser Designee, Chinh E. Chu, expires at the 2019 annual meeting of stockholders.

How does the Board recommend that I vote my shares?

The Board recommends a vote:

- FOR the election of each of the six director nominees to be elected by holders of shares of common stock and shares of Series A Convertible Preferred Stock, voting together as a single class;

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- FOR the election of the director nominee to be elected exclusively by the holders of Series A Convertible Preferred Stock voting separately as a class;
- FOR the advisory vote to approve executive compensation (Say On Pay), as described in these proxy materials; and
- FOR ratification of the appointment of PricewaterhouseCoopers as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018.

Who is entitled to vote at the meeting?

Record holders of our common stock and/or Series A Convertible Preferred Stock at the close of business on the record date for the Annual Meeting, February 26, 2018 (the Record Date), are entitled to notice of and to vote at the Annual Meeting.

How many votes do I have?

Each record holder of common stock will have one vote for each share of common stock held on the Record Date on each matter that is properly brought before the Annual Meeting and on which holders of common stock are entitled to vote. There were 118,571,130 shares of common stock outstanding on the Record Date.

Each record holder of Series A Convertible Preferred Stock will have a number of votes equal to the largest number of whole shares of common stock into which such shares are convertible on the Record Date on each matter that is properly brought before the Annual Meeting and on which holders of Series A Convertible Preferred Stock are entitled to vote together with common stock as a single class. In addition, each record holder of Series A Convertible Preferred Stock will have one vote for each share of Series A Convertible Preferred Stock on each matter that is properly brought before the

Annual Meeting and on which holders of Series A Convertible Preferred Stock are entitled to vote separately, as a class. As of the Record Date, there were 821,805 shares of Series A Convertible Preferred Stock outstanding, which, as of such date were convertible into 27,390,760 shares of common stock.

Are there any requirements on how the holders of Series A Convertible Preferred Stock must vote?

Under the Investment Agreement, at the Annual Meeting Blackstone is required to vote its shares of Series A Convertible Preferred Stock in favor of each of the six director nominees who are also being voted on by holders of common stock, in favor of the Say On Pay proposal, and for ratification of the appointment of PricewaterhouseCoopers as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018, as described in these proxy materials. Blackstone is entitled to vote in its discretion on the other proposals described in this proxy statement, and the other holders of the Series A Convertible Preferred