

BLUE NILE INC  
Form DEF 14A  
April 24, 2015

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 Pursuant to § 240.14a-12

BLUE NILE, INC.

(Name of Registrant as Specified In Its Charter)

N/A

(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:

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 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:

BLUE NILE, INC.  
411 First Avenue South  
Suite 700  
Seattle, Washington 98104  
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
To Be Held On June 4, 2015

Dear Stockholder:

You are cordially invited to attend the 2015 Annual Meeting of Stockholders (the "Annual Meeting") of Blue Nile, Inc., a Delaware corporation ("Blue Nile"). Notice is hereby given that the Annual Meeting will be held on Thursday, June 4, 2015 at 8:00 a.m. Pacific Time at 411 First Avenue South, Suite 210, Seattle, Washington 98104 for the following purposes:

1. To elect our two nominees for director to hold office until the 2018 Annual Meeting of Stockholders;
2. To ratify the selection by the audit committee of the board of directors of Deloitte & Touche LLP as independent registered public accounting firm for Blue Nile for fiscal year ending January 3, 2016;
3. To approve an advisory resolution approving executive compensation; and
4. To conduct any other business properly brought before the Annual Meeting.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

The record date for the Annual Meeting is April 13, 2015. Only stockholders of record at the close of business on that date may vote at the Annual Meeting or any adjournment thereof. For ten days prior to the Annual Meeting, a complete list of stockholders entitled to vote at the Annual Meeting will be available for examination by any stockholder, for any purpose relating to the Annual Meeting, during ordinary business hours at our principal offices located at 411 First Avenue South, Suite 700, Seattle, Washington 98104.

By Order of the Board of Directors,  
Lauren Neiswender  
General Counsel and Corporate Secretary

Seattle, Washington  
April 24, 2015

You are cordially invited to attend the Annual Meeting in person. Directions to our Annual Meeting are available at <http://investor.blunenile.com>. Whether or not you expect to attend the Annual Meeting, please complete, date, sign and return the proxy mailed to you or vote over the telephone or the Internet as instructed in these materials, as promptly as possible in order to ensure your representation at the Annual Meeting. A return envelope (which is postage prepaid if mailed in the United States) is enclosed for your convenience. Even if you have voted by proxy, you may still vote in person if you attend the Annual Meeting. Please note, however, that if your shares are held of record by a broker, bank or other agent and you wish to vote at the Annual Meeting, you must obtain a proxy issued in your name from that record holder.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be Held on June 4, 2015. Blue Nile's Proxy Statement and Annual Report to security holders for the fiscal year ended January 4, 2015 are also available at <http://investor.blunenile.com>.

## 2015 SHAREHOLDER VOTING AND MEETING INFORMATION

Date & Time: June 4, 2015

8:00 a.m. Pacific Time

Place: Blue Nile, Inc.  
411 First Avenue South - Suite 210  
Seattle, WA 98104

Voting: Shareholders as of the record date, April 13, 2015, are entitled to vote.

## HOW TO CAST YOUR VOTE

You can vote by any of the following methods:

Internet (<http://www.voteproxy.com>) until 8:59 p.m. Pacific Time on Wednesday, June 3, 2015.

Telephone, if you requested printed materials, by using the toll-free number listed on your proxy card until 8:59 p.m. Pacific Time on Wednesday, June 3, 2015.

Mail, by completing, signing, and returning your proxy or voting instruction card to us before the Annual Meeting at 8:00 a.m. Pacific Time (11:00 a.m. Eastern Time) on June 4, 2015.

In person, if you are a shareholder of record, by voting your shares at the Annual Meeting. If your shares are held in the name of a broker, nominee, or other intermediary, you must obtain a proxy, executed in your favor, to bring to the meeting.

## VOTING MATTERS

### Proposal

- 1 – Election of Directors
- 2 – Ratification of Selection of Independent Registered Public Accounting Firm
- 3 – Advisory Vote Approving Executive Compensation

Board Vote Recommendation  
FOR each Director Nominee  
FOR  
FOR

## BOARD NOMINEES

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Name	Age	Director Since	Independent	Committee Memberships
Michael Potter	53	2007	X	Audit, Chair
Mary Alice Taylor	65	2000	X	Nominating and Corporate Governance, Chair

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BLUE NILE, INC.  
411 First Avenue South  
Suite 700  
Seattle, Washington 98104

PROXY STATEMENT  
FOR THE 2015 ANNUAL MEETING OF STOCKHOLDERS

Thursday, June 4, 2015

QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

Why did I receive a notice regarding the availability of proxy materials on the Internet?

Pursuant to rules adopted by the Securities and Exchange Commission (the “SEC”), Blue Nile, Inc. (sometimes referred to herein as “we,” “Blue Nile,” or the “Company”) has elected to provide access to our proxy materials over the Internet. Accordingly, we have sent you a Notice of Internet Availability of Proxy Materials (the “Notice”).

Why are the proxy materials being made available to me?

We are making proxy materials available to you because the board of directors is soliciting your proxy to vote at the 2015 Annual Meeting of Stockholders (the “Annual Meeting”). You are invited to attend the Annual Meeting to vote on the proposals described in this proxy statement. All shareholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice.

We intend to mail the Notice on or about April 24, 2015 to all stockholders of record entitled to vote at the Annual Meeting.

Will I receive any other proxy materials by mail?

We may send you a proxy card, along with a second Notice, on or after May 4, 2015.

How do I attend the Annual Meeting?

The meeting will be held on Thursday, June 4, 2015 at 8:00 a.m. Pacific Time. Directions to the Annual Meeting may be found at <http://investor.bluenile.com>. Information about how to vote in person at the Annual Meeting is discussed below.

Who may vote at the Annual Meeting?

Only stockholders of record at the close of business on April 13, 2015 will be entitled to vote at the Annual Meeting. On this record date, there were 11,876,810 shares of common stock outstanding and entitled to vote.

**Stockholder of Record: Shares Registered in Your Name.** If on April 13, 2015 your shares were registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, then you are a stockholder of record. As a stockholder of record, you may vote in person at the Annual Meeting or vote by proxy. Whether or not you plan to attend the Annual Meeting, please fill out and return the proxy card or vote by proxy over the telephone or on the Internet as instructed below to ensure your vote is counted.

**Beneficial Owner: Shares Registered in the Name of Broker or Bank.** If on April 13, 2015 your shares were held not in your name, but rather in an account at a brokerage firm, bank or similar organization, then you are the beneficial owner of shares held in “street name” and the Notice is being forwarded to you by that organization. The organization holding your account is considered to be the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

What proposals will be voted on at the meeting?

There are three proposals scheduled to be voted on at the meeting:

1. To elect our two nominees for director to hold office until the 2018 Annual Meeting of Stockholders (Proposal 1);

2. To ratify the selection by the audit committee of the board of directors of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year ending January 3, 2016 (Proposal 2); and
3. To approve an advisory resolution approving executive compensation (Proposal 3).

We will also consider any other business that properly comes before the meeting. As of the record date, we are not aware of any other matters to be submitted for consideration at the meeting. If any other matters are properly brought before the meeting, the persons named in the enclosed proxy card or voter instruction card will vote the shares they represent using their best judgment.

How do I vote?

The procedures for voting are as follows:

**Stockholder of Record: Shares Registered in Your Name.** If you are a stockholder of record, you may vote in person at the Annual Meeting, vote by proxy using the proxy card that you may request or that we may elect to deliver at a later time, vote by proxy over the telephone, or vote by proxy on the Internet. Whether or not you plan to attend the Annual Meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the Annual Meeting and vote in person even if you have already voted by proxy.

To vote in person, come to the Annual Meeting and we will give you a ballot when you arrive.

To vote using the proxy card, simply complete, sign and date the proxy card that may be delivered and return it promptly in the envelope provided. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct.

To vote over the telephone, dial toll-free 1-800-776-9437, or, if you are calling outside the U.S., dial 1-718-921-8500, using a touch-tone phone and follow the recorded instructions. Please have your Notice in hand when you call. Your vote must be received by 8:59 p.m. Pacific Time (11:59 p.m. Eastern Time) on Wednesday, June 3, 2015 to be counted.

To vote on the Internet, go to <http://www.voteproxy.com> to complete an electronic proxy card. Your vote must be received by 8:59 p.m. Pacific Time (11:59 p.m. Eastern Time) on Wednesday, June 3, 2015 to be counted.

We provide Internet proxy voting to allow you to vote your shares online, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your Internet access, such as usage charges from Internet access providers and telephone companies.

**Beneficial Owner: Shares Registered in the Name of Broker or Bank.** If on April 13, 2015, you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should have received Notice containing instructions from that organization rather than from Blue Nile. Simply follow the instructions in the Notice provided to you to ensure that your vote is counted. Alternatively, you may vote by telephone or on the Internet as instructed by your broker, bank or other agent. To vote in person at the Annual Meeting, you must obtain from the record holder a valid proxy issued in your name and present it to our inspector of elections at the Annual Meeting.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of common stock you own as of April 13, 2015.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, our directors and employees may also solicit proxies in person, by telephone, or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

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

If you receive more than one Notice, your shares are registered in more than one name or are registered in different accounts. Please follow the voting instructions on the Notices to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the Annual Meeting. If you are the record holder of your shares, you may revoke your proxy in any one of four ways:

• You may submit another properly completed proxy card with a later date.

• You may grant a subsequent proxy by telephone or through the Internet.

• You may send a timely written notice that you are revoking your proxy to Blue Nile's Corporate Secretary at 411 First Avenue South, Suite 700, Seattle, Washington 98104.

• You may attend the Annual Meeting and vote in person. Simply attending the Annual Meeting will not, by itself, revoke your proxy.

Your most current proxy card or telephone or Internet proxy is the one that is counted.

If your shares are held by your broker, bank or other agent, you should follow the instructions provided by that organization.

When are stockholder proposals due for next year's Annual Meeting?

To be considered for inclusion in next year's proxy materials, your proposal must be submitted in writing by December 26, 2015 (120 calendar days prior to the anniversary of the mailing date of this proxy statement), to our Corporate Secretary at 411 First Avenue South, Suite 700, Seattle, Washington 98104. In addition, stockholder proposals must otherwise comply with the requirements of Rule 14a-8 of the Securities and Exchange Act of 1934, as amended.

A stockholder proposal or nomination for director that will not be included in next year's proxy materials, but that a stockholder intends to present in person at next year's Annual Meeting, must comply with the notice, information and consent provisions contained in our bylaws. In part, the bylaws provide that to timely submit a proposal or nominate a director you must do so by submitting the proposal or nomination in writing to our Corporate Secretary at our principal executive offices no later than the close of business on March 6, 2016 (90 calendar days prior to the first anniversary of the date of the Annual Meeting) nor earlier than the close of business on February 5, 2016 (120 calendar days prior to the first anniversary of the date of the Annual Meeting). In the event that we set an annual meeting date for 2016 that is not within 30 days before or after the anniversary of the date of the Annual Meeting, notice by the stockholder must be received no earlier than the close of business on the 120th day prior to the 2016 annual meeting and no later than the close of business on the later of the 90th day prior to the 2016 annual meeting or the 10th day following the day on which public announcement of the date of the 2016 annual meeting is first made. You are also advised to carefully review our bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations, including the submission of certain information with respect to proposed nominees and proponents of any stockholder proposals. You may obtain a copy of our bylaws by mailing a request in writing to Blue Nile's Corporate Secretary at 411 First Avenue South, Suite 700, Seattle, Washington 98104.

How many votes are needed to approve each proposal?

If a quorum is present, each proposal requires the votes described below to be approved.

Proposal 1 - Election of Directors. For the election of directors, the two nominees receiving the most "For" votes (among votes properly cast in person or by proxy) will be elected. Only votes "For" or "Withheld" will affect the outcome.

Proposal 2 - Ratification of Deloitte & Touche LLP as independent registered public accounting firm. To be approved, the ratification of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year ending January 3, 2016 must receive "For" votes from the holders of a majority of shares present and entitled to vote either in person or by proxy. You may vote "For," "Against," or "Abstain" from the proposal to approve the ratification of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year ending January 3, 2016. If you "Abstain" from voting, it will have the same effect as an "Against" vote.

Proposal 3 - Advisory Vote Approving Executive Compensation. To be approved, the compensation of our named executive officers must receive "For" votes from the holders of a majority of our shares present and entitled to vote either in person or by proxy.



You may vote “For,” “Against,” or “Abstain” from the proposal to approve the compensation of our named executive officers. If you “Abstain” from voting, it will have the same effect as an “Against” vote.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid Annual Meeting. A quorum will be present if stockholders holding a majority of the outstanding shares of stock entitled to vote are present at the Annual Meeting or represented by proxy. On the record date, there were 11,876,810 shares of common stock outstanding and entitled to vote. Thus, the holders of 5,938,406 shares of common stock must be present in person or represented by proxy at the Annual Meeting to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other agent) or if you vote in person at the Annual Meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. In the absence of a quorum, the Annual Meeting may be adjourned either by the chairman of the meeting or by vote of the holders of a majority of shares present at the meeting in person or represented by proxy.

What if I return a proxy card but do not make specific choices?

If you are a stockholder of record and return a signed and dated proxy card without marking any voting selections, your shares will be voted as recommended by the board of directors. The board of directors unanimously recommends a vote:

1. “FOR” the election of the two nominees for director (Proposal 1);
2. “FOR” the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year ending January 3, 2016 (Proposal 2); and
3. “FOR” approval of the advisory resolution approving executive compensation (Proposal 3).

If any other matter is properly presented at the Annual Meeting, your proxyholder (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

If your shares are held in street name and you do not instruct your broker on a timely basis on how to vote your shares, your brokerage firm, in its discretion may either leave your shares unvoted or vote your shares on routine matters. The election of directors and the advisory vote approving executive compensation are non-routine matters. Consequently, without your voting instructions, your brokerage firm cannot vote your shares on these proposals. These unvoted shares, called “broker non-votes,” refer to shares held by brokers who have not received voting instructions from their clients, and who do not have discretionary authority to vote on these matters because they are non-routine matters. In tabulating the voting results for the election of directors and the advisory approval of executive compensation, shares that constitute broker non-votes are not considered entitled to vote on such proposals. Accordingly, broker non-votes will not affect the outcome of the vote on these proposals.

The proposal to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending January 3, 2016 is considered a routine matter.

Whether or not your brokerage firm can vote or does vote your shares on your behalf on any proposal, if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other agent) your shares will be counted as present for the purpose of determining a quorum.

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

Votes will be counted by a representative of our independent inspector of elections appointed for the Annual Meeting. Preliminary voting results will be announced at the Annual Meeting. We will publish final voting results on a Form 8-K that we expect to file within four business days after our Annual Meeting. If final voting results are not available to us in time to file a Form 8-K within four business days after the meeting, we intend to file a Form 8-K to publish the preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.



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## PROPOSAL 1

### ELECTION OF DIRECTORS

The board of directors is divided into three classes. Each class consists, as nearly as possible, of one-third of the total number of directors, and each class has a three-year term. Vacancies on the board of directors may be filled only by persons elected by a majority of the remaining directors. A director elected by the board of directors to fill a vacancy in a class, including a vacancy created by an increase in the number of directors, shall serve for the remainder of the full term of that class and until the director's successor is elected and qualified.

Prior to February 23, 2015, the board of directors was comprised of eight members. Effective on February 23, 2015, the board of directors appointed Robert van Schoonenberg to the board of directors, and increased the size of the board of directors from eight to nine.

There are three directors in the class whose term of office expires in 2015: Michael Potter, Steve Scheid, and Mary Alice Taylor. Mr. Scheid has served as a director since October 2007 and has decided not to stand for re-election at the Annual Meeting. In connection with Mr. Scheid's decision not to stand for re-election, the size of the board of directors will be reduced from nine members to eight members effective as of the date of the Annual Meeting, June 4, 2015. Mr. Potter was appointed to the board of directors in 2007 and was previously elected by the stockholders. Ms. Taylor was appointed to the board of directors in 2000 and was previously elected by the stockholders. Mr. Potter and Ms. Taylor have each been designated by the board of directors as independent directors within the meaning of the applicable NASDAQ Stock Market LLC ("Nasdaq") listing standards.

On the recommendation of our nominating and corporate governance committee, the board of directors has nominated each of Mr. Potter and Ms. Taylor to stand for election at the Annual Meeting. If elected at the Annual Meeting, each of Mr. Potter and Ms. Taylor would serve until the 2018 annual meeting of stockholders and until his or her successor is elected and qualified, or, if sooner, until the director's death, resignation or removal.

For the election of directors, the two nominees receiving the most "For" votes (among votes properly cast in person or by proxy) will be elected. Only votes "For" or "Withheld" will affect the outcome. In the unexpected event that a nominee is unable or unwilling to serve as a nominee at the time of the Annual Meeting, the persons named as proxies may vote for a substitute nominee chosen by us. Alternatively, the board of directors may decide to reduce the size of the board of directors. Each person nominated for election has agreed to serve if elected, and we have no reason to believe that any nominee will be unable or unwilling to serve.

Below is a biography of each nominee and each director whose term will continue after the Annual Meeting. The biographies below include information, as of the date of this proxy statement, regarding specific and particular experience, qualifications, attributions or skills of each director that led the nominating and corporate governance committee to recommend the director nominees to the board of directors and to conclude that each of the other directors should continue to serve as members of the board of directors.

In addition to the individual information set forth below, all of our directors, including our nominees, must exemplify the highest levels of ethics and integrity, have a demonstrated willingness to devote sufficient time and energy to serve on the board of directors and its committees, and have a commitment to rigorously represent the long-term interests of our stockholders.

It is our policy to invite and encourage directors and nominees for director to attend our annual meetings. Mr. Kanter attended the 2014 annual meeting of stockholders.

## BOARD OF DIRECTORS

Name	Age	Director Since	Term Ends	Independent	Audit Committee	Compensation Committee	Nominating & Corporate Governance Committee
Michael Potter**	53	2007	2015	X	X*		
Steve Scheid (1)	61	2007	2015	X		X*	
Mary Alice Taylor	65	2000	2015	X			X*
Chris Bruzzo	45	2011	2016	X	X	X	
Harvey Kanter, chairman	53	2012	2016				
Leslie Lane	47	2008	2016	X		X	X
Mindy Meads	63	2013	2017	X	X	X	
Scott Howe	47	2014	2017	X	X		X
Robert G. van Schoonenberg (2)	67	2015	2017	X		X	
Number of Committee Meetings During Fiscal Year 2014					8	6	4

\* Committee chairperson

\*\* Lead independent director

Mr. Scheid's term expires on June 4, 2015, and he has decided not to stand for re-election at the Annual Meeting. (1) Following the end of Mr. Scheid's term on the board of directors, the board of directors will appoint another compensation committee chairman.

(2) Mr. van Schoonenberg was appointed to the board of directors and to the compensation committee effective February 23, 2015.

#### NOMINEES FOR ELECTION FOR A THREE-YEAR TERM EXPIRING AT THE 2018 ANNUAL MEETING OF STOCKHOLDERS

##### Michael Potter

Michael Potter has served as a director since October 2007 and has served as our lead independent director since January 2014. Mr. Potter also served as our lead independent director from February 2011 to February 2012. From October 2011 to March 2012, Mr. Potter served as the chief operating officer of zulily, inc. ("zulily"), an Internet retailer of daily deals for moms and children. From June 2000 to June 2005, Mr. Potter served as chairman and chief executive officer of Big Lots, Inc. ("Big Lots"), a Fortune 500 retailer. Prior to serving as the chief executive officer, Mr. Potter served in various capacities at Big Lots, including the role of chief financial officer. Prior to Big Lots, Mr. Potter held various positions at The Limited, Inc., May Department Stores, and Meier & Frank, all retail companies. Mr. Potter currently serves on the board of directors of zulily. Mr. Potter formerly served on the board of directors of Coldwater Creek, Inc., a triple channel retailer of women's apparel, gifts and accessories; Newegg, Inc., an online-only retailer specializing in high-tech products; and Big Lots. Mr. Potter holds an M.B.A. from Capital University in Ohio and a B.S. in Finance and Management from the University of Oregon. Mr. Potter brings a wealth of retail experience to the board of directors. His prior experience as a chairman, chief executive officer, and director of a Fortune 500 retailer provides the board of directors with valuable leadership skills, strategic planning, and corporate governance skills. In addition, his prior experience as a chief operating officer for an internet retailer, as well as a chief financial officer for a Fortune 500 retailer, provides valuable operational, e-commerce, and financial expertise to the board of directors. Mr. Potter has been designated by the board of directors as an audit committee financial expert. Mr. Potter's leadership, tenure, retail and executive leadership experience, and independence, make him exceptionally qualified to serve on the board of directors and to serve as our lead independent director and audit committee chair.

Mary Alice Taylor

Mary Alice Taylor has served as a director since March 2000 and served as our lead independent director from May 2004 through February 2011. Ms. Taylor has been an independent business executive since October 2000. She held a temporary assignment as chairman and chief executive officer of Webvan Group, Inc., an e-commerce company, from July 2001 to December 2001. Prior to that, she served as chairman and chief executive officer of HomeGrocer.com, an e-commerce company, from September 1999 until she completed a sale of the company to Webvan Group, Inc. in October 2000. From January 1997 to September 1999, Ms. Taylor served as corporate executive vice president of worldwide operations and technology for Citigroup, Inc., a financial services organization. Ms. Taylor also served as Senior Vice President of Federal Express Corporation, a delivery services company, from September 1991 until December 1996. Ms. Taylor also serves on the board of directors of Allstate Corporation, an insurance company. Ms. Taylor formerly served on the board of directors of Autodesk Inc., a design software company, and Sabre Holdings, an Internet travel services company. Ms. Taylor holds a B.S. in Finance from Mississippi State University. Ms. Taylor is a tenured board member with an in-depth understanding of our business, and she is a seasoned business leader and director. Her executive leadership experience, including her role as chief executive officer, provides the board of directors with valuable operational, financial, and executive leadership skills. Her experience, tenure, and in-depth knowledge about our business make her exceptionally well qualified to serve as our director and nominating and corporate governance committee chair.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS**

**A VOTE IN FAVOR OF EACH NAMED NOMINEE (PROPOSAL 1).**

**DIRECTORS CONTINUING IN OFFICE UNTIL THE 2016 ANNUAL MEETING OF STOCKHOLDERS**

Chris Bruzzo

Chris Bruzzo has served as a director since July 2011. Sin