NAVIGANT CONSULTING INC
Form DEF 14A
April 10, 2017
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

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

Navigant Consulting, Inc.

(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:

(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:

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April 10, 2017

Dear Shareholder:

You are cordially invited to attend the 2017 Annual Meeting of Shareholders of Navigant Consulting, Inc., which will be held on Tuesday, May 16, 2017, at 10:00 a.m., Central time. This year s annual meeting will be a completely virtual meeting of shareholders. You will be able to attend the annual meeting, as well as vote your shares and submit questions during the meeting, via live webcast by visiting www.virtualshareholdermeeting.com/NCI2017. We are excited to embrace the latest technology to provide expanded access to the annual meeting to our shareholders.

Details regarding how to attend the meeting online and the business to be conducted at the meeting are described in the attached Notice of Annual Meeting and Proxy Statement.

Whether or not you plan to attend the virtual meeting, we encourage you to vote your shares as soon as possible to ensure your shares are represented at the meeting. You may vote your shares by signing the enclosed proxy card or voter instruction form provided by your bank or broker and returning it by mail. You may also vote your shares by telephone or the Internet. Even if you submit your vote prior to the meeting, you may subsequently withdraw your proxy and vote live during the meeting.

We look forward to your attendance and participation in this year s annual meeting.

Sincerely,

Julie M. Howard

Chairman and Chief Executive Officer

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NAVIGANT CONSULTING, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Time and Date: 10:00 a.m., Central time, on Tuesday, May 16, 2017

Place: Online at www.virtualshareholdermeeting.com/NCI2017

Agenda: The purposes of the meeting are to:

1. Elect the eight nominees identified in the Proxy Statement to the Company s Board of Directors to serve for one-year terms;
2. Approve the Navigant Consulting, Inc. 2017 Long-Term Incentive Plan;
3. Re-approve the material terms of the performance measures under the Navigant Consulting, Inc. Annual Incentive Plan;
4. Approve an amendment to the Navigant Consulting, Inc. Employee Stock Purchase Plan;
5. Approve, on an advisory basis, the compensation paid to the Company s named executive officers, as disclosed in the Proxy Statement;
6. Recommend, on an advisory basis, the frequency that the Company will hold an advisory shareholder vote to approve the compensation paid to the Company s named executive officers;
7. Ratify the appointment of KPMG LLP as the Company s independent registered public accounting firm for fiscal year 2017; and
8. Transact any other business properly brought before the meeting, or any adjournments or postponements of the meeting.

Record Date: If you were a shareholder of record at the close of business on March 30, 2017, you are entitled to notice of, and to vote at, the annual meeting.

IMPORTANT

Whether or not you plan to attend the annual meeting via the live webcast, we urge you to vote your shares as soon as possible. Please return your proxy card or voting instruction form promptly in the mail or vote your shares by telephone or the Internet. Sending in your proxy will not prevent you from attending and voting your shares at the annual meeting because you have the right to revoke your proxy at any time before it is voted.

We have also enclosed the Proxy Statement and 2016 Annual Report to Shareholders, which includes our Form 10-K for the year ended December 31, 2016, with this Notice of Annual Meeting.

By Order of the Board of Directors,

Monica M. Weed

Secretary

Chicago, Illinois

April 10, 2017

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 16, 2017

The Notice of Annual Meeting and Proxy Statement are available on our website at *www.navigant.com/2017proxy*. The 2016 Annual Report to Shareholders, which includes our Form 10-K for the year ended December 31, 2016, is available on our website at *www.navigant.com/2016annualreport*.

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YOUR VOTE IS IMPORTANT.

PLEASE VOTE YOUR PROXY BY TELEPHONE (800-690-6903)

OR THE INTERNET BY VISITING www.proxyvote.com

OR

MARK, SIGN, DATE AND RETURN YOUR PROXY CARD BY MAIL

WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING.

NAVIGANT CONSULTING, INC.

PROXY STATEMENT FOR 2017 ANNUAL MEETING OF SHAREHOLDERS

This Proxy Statement is being mailed or otherwise furnished to our shareholders on or about April 10, 2017 in connection with the solicitation of proxies by our Board of Directors for the 2017 Annual Meeting of Shareholders of Navigant Consulting, Inc. which will be held on May 16, 2017.

The words we, us, our and the Company used throughout this Proxy Statement refer to Navigant Consulting, Inc.

Our principal executive offices are currently located at 30 South Wacker Drive, Suite 3550, Chicago, Illinois 60606. Our telephone number is (312) 573-5600. Effective May 1, 2017, our new principal executive office address will be 150 North Riverside Plaza, Suite 2100, Chicago, Illinois 60606.

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QUESTIONS AND ANSWERS

Q: What is a proxy?

A: A proxy is a document, also referred to as a proxy card, on which you authorize someone else to vote for you in the way that you want to vote at the annual meeting. You may also choose to abstain from voting. **The proxies for our 2017 Annual Meeting of Shareholders are being solicited by our Board of Directors.**

Q: What is a proxy statement?

A: A proxy statement is a document, such as this one, required by the Securities and Exchange Commission (SEC) that, among other things, explains the items on which you are asked to vote on the proxy card.

Q: What am I being asked to vote on at the annual meeting?

A: At the annual meeting, our shareholders will be asked to:

- elect the eight nominees identified in this Proxy Statement to our Board of Directors for one-year terms (see page 4);
- approve the Navigant Consulting, Inc. 2017 Long-Term Incentive Plan (see page 47);
- re-approve the material terms of the performance measures under our Annual Incentive Plan for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code) (see page 55);
- approve an amendment to the Navigant Consulting, Inc. Employee Stock Purchase Plan (see page 58);
- approve, on an advisory basis, the compensation paid to the Company s named executive officers, as disclosed in this Proxy Statement (see page 62);
- recommend, on an advisory basis, the frequency that the Company will hold an advisory shareholder vote to approve the compensation paid to the Company s named executive officers (see page 64);
- ratify the appointment of KPMG LLP as our independent registered public accounting firm for fiscal year 2017 (see page 65); and
- transact any other business properly brought before the meeting or any adjournments or postponements of the meeting.

Q: Who is entitled to vote?

A: Only holders of our common stock as of the close of business on the record date, March 30, 2017, are entitled to vote at the annual meeting. Each outstanding share of our common stock is entitled to one vote. There were 46,920,618 shares of our common stock outstanding as of the close of business on March 30, 2017.

Q: How do I cast my vote?

A: If you hold your shares directly in your own name, you are a ***registered shareholder*** and may vote your shares at the annual meeting or complete and submit a proxy by mail, telephone or the Internet prior to the meeting. If your shares are registered in the name of a broker or other nominee, you are a ***street-name shareholder*** and will receive instructions from your broker or other nominee describing how to vote your shares.

Q: How do I vote by telephone or the Internet?

A: If you are a registered shareholder, you may vote by telephone or the Internet by following the instructions on your proxy card. If you are a street-name shareholder, your broker or other nominee will provide a voting instruction form for you to use in directing your broker or other nominee how to vote your shares.

Q: Who will count the votes?

A: A representative of Broadridge Financial Solutions, Inc., an independent tabulator, will count the votes and act as the inspector of election for the annual meeting.

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Q: Can I change my vote after I have voted?

A: A subsequent vote by any means will change your prior vote. For example, if you voted by telephone, a subsequent Internet vote will change your vote. If you wish to change your vote by mail, you may do so by requesting, in writing, a new proxy card from our corporate secretary at our principal executive office address indicated on the first page of this Proxy Statement. The last vote received prior to the annual meeting will be the one counted. If you are a registered shareholder, you may also change your vote by voting your shares at the annual meeting. Street-name shareholders wishing to change their votes after returning voting instructions to their broker or other nominee should contact their broker or other nominee directly.

Q: Can I revoke a proxy?

A: Yes, registered shareholders may revoke a properly executed proxy by submitting a letter addressed to and received by our corporate secretary at our principal executive office address by the close of business on May 15, 2017, or by voting live during the meeting. You may also revoke a proxy submitted by telephone or the Internet by voting again by telephone or the Internet by the deadline indicated on your proxy card. Street-name shareholders should follow the instructions provided by their brokers or other nominees to revoke an earlier proxy. Street-name shareholders cannot revoke their proxies at the annual meeting unless they obtain a legal proxy from their brokers or other nominees allowing them to vote live during the meeting.

Q: What does it mean if I receive more than one proxy card?

A: The receipt of more than one proxy card indicates that your shares are registered differently and are in more than one account. Sign and return all proxy cards, or vote each account by telephone or the Internet, to ensure that all your shares are voted at the annual meeting. We encourage you to register all your accounts in the same name and address. To do so, registered shareholders may contact our transfer agent, Computershare, by mail at P.O. Box 30170, College Station, Texas 77842 or by telephone at 800-522-6645. Street-name shareholders holding their shares through a broker or other nominee should contact their broker or other nominee and request consolidation of their accounts.

Q: What happens if I submit a proxy card without giving specific voting instructions?

A: If you are a registered shareholder and you submit your proxy card with an unclear voting designation or with no voting designation at all, the proxy holders will vote your shares on the proposals set forth in this Proxy Statement in accordance with the Board of Directors recommendations. With respect to any other matter that is properly brought before the annual meeting, the proxy holders will vote the proxies held by them in their discretion.

Q: What makes a quorum?

A: A majority of the outstanding shares entitled to vote, present or represented by proxy at the annual meeting, constitutes a quorum. A quorum is necessary to conduct business at the annual meeting. Abstentions are counted as shares present and entitled to vote for purposes of determining whether a quorum is present. Shares held in street name by brokers or other nominees that are not voted (also known as broker non-votes) are counted as shares present and entitled to vote for purposes of determining whether a quorum is present (because those brokers and other nominees have discretionary authority to vote on at least one proposal presented at the annual meeting).

Q: What vote is required to elect the nominees for director and approve the other proposals?

A: For each proposal, the vote required for approval is set forth below:

Proposal 1: A nominee for director will be elected if the total votes cast for the nominee s election exceed the total votes cast against the nominee s election.

Proposal 2: The Navigant Consulting, Inc. 2017 Long-Term Incentive Plan will be approved by our shareholders if a majority of the outstanding shares entitled to vote, present or represented by proxy at the annual meeting, vote for the proposal.

Proposal 3: The proposal to re-approve the material terms of the performance measures under the Navigant Consulting, Inc. Annual Incentive Plan for purposes of Section 162(m) of the Code will be approved by our shareholders if a majority of the outstanding shares entitled to vote, present or represented by proxy at the annual meeting, vote for the proposal.

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Proposal 4: The proposed amendment to the Navigant Consulting, Inc. Employee Stock Purchase Plan to increase the number of shares available for purchase under that plan, as described in Proposal 4, will be approved by our shareholders if a majority of the outstanding shares entitled to vote, present or represented by proxy at the annual meeting, vote for the proposal.

Proposal 5: The compensation paid to our named executive officers, as disclosed in this Proxy Statement, will be approved, on an advisory basis, by our shareholders if a majority of the outstanding shares entitled to vote, present or represented by proxy at the annual meeting, vote for the proposal.

Proposal 6: The frequency (one year, two years or three years) receiving the greatest number of votes at the annual meeting will be considered our shareholders preference as to the frequency of the future advisory shareholder votes to approve the compensation paid to our named executive officers.

Proposal 7: The appointment of KPMG LLP as our independent registered public accounting firm for fiscal year 2017 will be ratified by our shareholders if a majority of the outstanding shares entitled to vote, present or represented by proxy at the annual meeting, vote for the proposal.

Abstentions will have no effect on the election of directors, as they will not be counted as votes cast either for or against a nominee s election. Abstentions will also have no effect on the proposal regarding the frequency of future advisory votes on executive compensation (Proposal 6). Abstentions will have the same effect as a vote against the remaining proposals.

Broker non-votes occur when a broker lacks discretionary authority to vote on a proposal and the beneficial owner of the shares has not provided an instruction as to how to vote those shares. If you are a street-name shareholder and you do not instruct your broker or other nominee how to vote your shares, your broker or other nominee may vote your shares on routine matters only. The proposal to ratify the appointment of KPMG LLP as our independent registered public accounting firm for fiscal year 2017 (Proposal 7) is the only routine matter being presented at the annual meeting and, therefore, may be voted upon by your broker or other nominee, or left unvoted, in its discretion. A broker or other nominee does not have discretionary authority to vote on any proposal other than Proposal 7 without instructions from the beneficial owner of the shares. In the absence of receiving such an instruction, a broker non-vote will occur, and those shares will not be voted on these proposals. Broker non-votes will have no effect on these proposals.

Q: Who may attend the annual meeting?

A: Any shareholder as of the close of business on March 30, 2017 may attend the annual meeting via the live webcast. You may log into the live webcast by visiting www.virtualshareholdermeeting.com/NCI2017 and entering the 16-digit control number included on your proxy card or in the instructions that accompanied your proxy materials.

Q: Who bears the expense of this Proxy Statement?

A: We will bear all expenses of the solicitation of proxies, including expenses of preparing and mailing or otherwise furnishing this Proxy Statement. We have retained MacKenzie Partners, Inc. to act as a proxy solicitor in connection with the annual meeting and have agreed to pay that firm a fee not to exceed $15,000, plus expenses, for its services. In addition, our officers, directors and employees may solicit proxies in person or by telephone, facsimile or other means of communication. They will not receive any additional compensation for, but they may be reimbursed for out-of-pocket expenses incurred in connection with, that solicitation. We will furnish copies of our proxy materials to brokerage firms, nominees, fiduciaries and custodians to forward to our street-name shareholders and will reimburse those brokerage firms and other nominees for their reasonable expenses in forwarding our solicitation materials to our street-name shareholders.

YOUR VOTE IS IMPORTANT. PLEASE RETURN YOUR MARKED, SIGNED AND DATED PROXY CARD PROMPTLY BY MAIL, OR VOTE BY TELEPHONE OR THE INTERNET, TO ENSURE THAT YOUR SHARES ARE REPRESENTED AT THE ANNUAL MEETING, EVEN IF YOU PLAN TO ATTEND THE ANNUAL MEETING VIA THE LIVE WEBCAST.

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PROPOSAL 1

ELECTION OF DIRECTORS

Pursuant to our Restated Certificate of Incorporation, all of our directors are subject to annual election. The size of our Board of Directors (the Board) is currently fixed at nine directors, and there is one vacancy on the Board due to the previously-disclosed resignation of Lloyd H. Dean as of December 31, 2016. The nominating and governance committee is currently leading a process to identify a qualified candidate to fill the vacancy. Proxies at the annual meeting cannot be voted for a greater number of persons than the number of nominees (eight) named in this Proxy Statement.

Kevin M. Blakely, Cynthia A. Glassman, Julie M. Howard, Stephan A. James, Samuel K. Skinner, Governor James R. Thompson, Michael L. Tipsord and Randy H. Zwirn have been nominated for election to the Board at the 2017 annual meeting of our shareholders. If elected at the annual meeting, they will serve for one-year terms and until their successors are elected and qualified. Their terms will expire at the 2018 annual meeting of our shareholders.

The Board unanimously recommends that our shareholders vote **FOR** the election of each of the director nominees. Proxies will be voted for the election of each of the director nominees to the Board unless your proxy card is marked otherwise (if you are a registered shareholder) or you have provided a different instruction to your broker (if you are a street-name shareholder). We have no reason to believe that any of the director nominees would be unable or unwilling to serve if elected. However, if any nominee becomes unable or unwilling to serve, proxies may be voted for the election of another person nominated as a substitute by the Board.

Under our By-Laws, each director must be elected to the Board by a majority of the votes cast with respect to such director s election (in other words, the number of votes cast for a director s election must exceed the number of votes cast against that director s election, with abstentions an broker non-votes not counted as a vote either for or against the director s election) in uncontested elections, where the number of nominees for director does not exceed the number of directors to be elected. If an incumbent director is not elected, the director is required to promptly tender his or her resignation to the Board. The nominating and governance committee (or another committee designated by the Board) will then make a recommendation to the Board as to whether to accept or reject the resignation of the director, or whether other action should be taken. The Board will act on the resignation and publicly disclose (in the manner provided in our By-Laws) its decision regarding the tendered resignation of the director and the rationale behind the decision within 90 days following certification of the election results. The Board may extend that 90-day period by an additional period of up to 90 days if it determines that the extension is in the best interests of the Company and our shareholders. The director who has tendered his or her resignation may not participate in the recommendation of the nominating and governance committee or the decision of the Board with respect to his or her resignation. If the incumbent director s resignation is not accepted by the Board, the director will continue to serve until his or her successor is elected and qualified.

Certain biographical information for each of the nominees for director is set forth in the following section. Also set forth therein is a description of the specific experience, qualifications, attributes and skills of each nominee for director that were considered by the Board, in light of the Company s current business needs and long-term operating strategy, in concluding that these individuals should serve on the Board.

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Nominees for Election at the 2017 Annual Meeting for One-Year Terms Expiring at the 2018 Annual Meeting

Kevin M. Blakely Age 65 Director since May 2016	Mr. Blakely served as Senior Advisor to Oliver Wyman Group, a global management consulting firm, and as a member of its Advisory Board of Directors, from April 2015 to May 2016. From April 2012 to April 2015, Mr. Blakely held the position of Senior Advisor to Deloitte & Touche LLP, a major international accounting and consulting firm, and from June 2009 to January 2012, held the office of Senior Executive Vice President and Chief Risk Officer for Huntington Bancshares. Prior to that, Mr. Blakely held several senior positions including at KeyCorp, and also served as Chief Executive Officer of the Risk Management Association. Mr. Blakely is currently a member of the board of directors of HSBC North American Holdings, Inc. where he serves as chair of the compliance committee and a member of risk committee. Mr. Blakely holds a Bachelor s degree in Finance from Southern Illinois University and a Master s degree in Business Administration from Case Western Reserve University. *Key experience, qualifications, attributes and skills:* Mr. Blakely brings more than 40 years of financial services experience to the Board and provides us strategic insights and valuable relationships within the financial services sector, an area of key strategic focus for the Company. As one of the country s leading financial risk management experts, he provides valuable perspectives as it relates to risk oversight and our risk management programs.
Cynthia A. Glassman Age 69 Director since October 2009	Dr. Glassman was appointed by President George W. Bush as Under Secretary for Economic Affairs at the U.S. Department of Commerce from 2006 to 2009 and as Commissioner of the SEC from 2002 to 2006 including Acting Chairman during the summer of 2005. Dr. Glassman has spent over 40 years in the public and private sectors focusing on financial services regulatory and public policy issues, including 12 years at the Federal Reserve and over 15 years in financial services consulting. Dr. Glassman is a director of Discover Financial Services and the chairman of its audit committee, a Senior Research Scholar at the Institute for Corporate Responsibility at the George Washington University Business School and an Honorary Fellow of Lucy Cavendish College, University of Cambridge, England. Dr. Glassman received a Bachelor of Arts degree in Economics from Wellesley College and a Master of Arts degree and a Ph.D. in Economics from the University of Pennsylvania. *Key experience, qualifications, attributes and skills:* Dr. Glassman holds a Ph.D. in Economics and served as the Under Secretary for Economic Affairs at the U.S. Department of Commerce which enable her to provide insights that are specifically beneficial to our economics business. In addition, Dr. Glassman served as a Commissioner at the SEC and brings a thorough and unique perspective to regulatory and corporate governance issues. She also spent 12 years at the Federal Reserve and served as a consultant practitioner for over 15 years, with particular focus on issues facing the financial services industry (which is one of the key industries to which we provide our services) and risk management, and brings a keen understanding of the Company s business model and retention strategies. In addition, she has deep experience in strategic issues and possesses the ability to identify market trends and specific business development opportunities and contacts of

importance to us.

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Julie M. Howard

Age 54

Director since March 2012

Chairman since May 2014

Ms. Howard has served as our Chief Executive Officer and a member of the Board since March 2012 and as Chairman of the Board since May 2014. She served as our President from 2006 to March 2012 and Chief Operating Officer from 2003 to March 2012. From 2001 to 2003, Ms. Howard was the Company s Vice President and Human Capital Officer. Prior to 2001, Ms. Howard held a variety of consulting and operational positions, including with the Company. Ms. Howard is currently a member of the board of directors of InnerWorkings Inc. and ManpowerGroup Inc. Ms. Howard also serves on the Medical Center Board for Ann & Robert H. Lurie Children s Hospital of Chicago and is a founding member of the Women s Leadership and Mentoring Alliance (WLMA). Ms. Howard is a past member of the board of directors of Kemper Corporation and the Association of Management Consulting Firms, the Dean s Advisory Board of the Business School of the University of Wisconsin-Madison and the Board of Governors for the Metropolitan Planning Council in Chicago. Ms. Howard is a graduate of the University of Wisconsin, with a Bachelor of Science degree in Finance. She has also completed several post-graduate courses within the Harvard Business School Executive Education program, focusing in finance and management.

Key experience, qualifications, attributes and skills:

Ms. Howard has over 28 years of professional services experience and has held a broad array of senior management roles overseeing the Company s consulting businesses and key administrative functions. She has also been a critical architect of the Company s business strategy. As Chairman and Chief Executive Officer, Ms. Howard is responsible for the development and implementation of the Company s long-term strategy and the effective prioritization of resource allocation to realize long-term shareholder value. Ms. Howard brings significant experience and insights to the Board in the areas of strategic market analysis and planning, targeted business and client development, operating model and profitability enhancements, consultant compensation and retention, client channel alignment and integrated brand management. In her current roles, she maintains regular interactions with clients, employees, investors and other key stakeholders. Additionally, Ms. Howard brings outside management and governance perspectives based on her business and civic board memberships.

Stephan A. James

Age 70

Director since January 2009

Mr. James is the former Chief Operating Officer of Accenture Ltd. (now Accenture plc), and served as Vice Chairman and a member of the board of directors of Accenture Ltd. from 2001 to 2004. He also served in the advisory position of International Chairman of Accenture from August 2004 until August 2006. During his more than 35 years at Accenture, Mr. James held several senior management roles, including Managing Partner for the Central U.S., Managing Partner for the North American Financial Services Practice and Managing Partner for the Global Financial Services Operating Group. He is currently a member of the board of directors of Fidelity National Information Services, Inc. He also serves as a member of the University of Texas McCombs School of Business Advisory Board. During the past five years, Mr. James also served as a director at BMC Software Inc. Mr. James received a Bachelor of Business Administration degree, concentrating in Industrial Management and Labor Relations, from the University of Texas.

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Key experience, qualifications, attributes and skills:

Mr. James has had multiple leadership roles related to global business and technology consulting and business transformation outsourcing, including as Chief Operating Officer of Accenture Ltd. Mr. James provides key insights into managing professional services workforces, both domestic and international. He has a deep understanding of corporate governance needs, and understands successful strategies for running global consulting firms.

Samuel K. Skinner

Age 78

Director since December 1999

Mr. Skinner has served as Of Counsel to the law firm of Greenberg & Traurig, LLP since May 2004. From 2000 to 2003, Mr. Skinner was Chairman, President and Chief Executive Officer of U.S. Freightways Corporation. He formerly served as Co-Chairman of Hopkins & Sutter, a Chicago law firm, and as President of Commonwealth Edison Company and its holding company, Unicom Corporation (now Exelon Corporation). Prior to joining Commonwealth Edison, he served as Chief of Staff to former President George H.W. Bush. Prior to his White House service, Mr. Skinner served in the President s cabinet for nearly three years as U.S. Secretary of Transportation. From 1977 to 1989, Mr. Skinner practiced law as a senior partner in the Chicago law firm of Sidley & Austin (now Sidley Austin LLP). From 1984 to 1988, while practicing law full time, he was appointed by President Ronald Reagan as Vice Chairman of the President s Commission on Organized Crime. From 1968 to 1975, Mr. Skinner served in the office of the United States Attorney for the Northern District of Illinois and in 1975, President Gerald Ford appointed him United States Attorney, one of the few career prosecutors ever to hold that position. He is currently a member of the boards of directors of CBOE Holdings, Inc. and Echo Global Logistics, Inc. During the past five years, Mr. Skinner also served as a director at APAC Customer Services, Inc., Express Scripts Holding Company, MedAssets, Inc. and Virgin America Inc. Mr. Skinner received a Bachelor of Science degree in Accounting from the University of Illinois and a J.D. from DePaul University Law School.

Key experience, qualifications, attributes and skills:

Mr. Skinner has served in key leadership positions in industry and in government. Mr. Skinner also has significant experience in the law-firm channel and is a former prosecutor. Mr. Skinner brings a deep understanding of the legal and regulatory environment in which the Company provides services. Further, Mr. Skinner has served as a chief executive officer of a public company as well as on over ten public company boards over the last 20+ years and brings a wealth of experience regarding board governance and process and the need for independent assessment of the Company and management.

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Governor James R. Thompson

Age 80

Director since August 1998

Governor Thompson currently serves as Senior Chairman of Winston & Strawn LLP and previously served as its Chairman from January 1993 to September 2006. He joined the law firm in January 1991 as Chairman of its Executive Committee after serving four terms as Governor of the State of Illinois from 1977 until 1991. Prior to his terms as Governor, he served as United States Attorney for the Northern District of Illinois from 1971 to 1975. Governor Thompson served as the Chief of the Department of Law Enforcement and Public Protection in the Office of the Attorney General of Illinois, as an Associate Professor at Northwestern University School of Law, and as an Assistant State s Attorney of Cook County, Illinois. He is a former Chairman of the President s Intelligence Oversight Board and was a member of the National Commission on Terrorist Attacks upon the United States. He also serves as Chairman for the Public Review Board of UNITE HERE. During the past five years, Governor Thompson also served as a director at John Bean Technologies Corp. and Maximus, Inc. Governor Thompson attended the University of Illinois and Washington University and received a J.D. from Northwestern University School of Law.

Key experience, qualifications, attributes and skills:

Governor Thompson has over 50 years of legal, political and management experience. He served as Governor of the State of Illinois for 14 years and has practiced law in various capacities, from the United States Attorney s office to leading a major law firm. Governor Thompson has significant experience navigating the complex regulatory and legal landscape that exists today and provides critical business and strategic advice to the Company.

Michael L. Tipsord

Age 57

Director since July 2009

Mr. Tipsord is Chairman, President and Chief Executive Officer of the State Farm Mutual Automobile Insurance Company. Mr. Tipsord has served in various capacities with State Farm since 1988. Mr. Tipsord became Chief Executive Officer of State Farm in September 2015 and was previously elected to the office of President in December 2014. From 2011 until being named Chief Executive Officer, he served as Chief Operating Officer, and from 2005 to 2010, he served as Chief Financial Officer, in addition to the role of Vice Chairman which he held until he was appointed Chairman in June 2016. Currently, he serves as Chairman-Elect of the board of directors of the Financial Services Roundtable, as a trustee of the Brookings Institution and as a member of the Dean s Advisory Board for the University of Illinois College of Law. During the past five years, Mr. Tipsord also served as a trustee of the State Farm Associates Funds Trust, the State Farm Mutual Fund Trust, and the State Farm Variable Product Trust. Mr. Tipsord received a Bachelor s degree from Illinois Wesleyan University and a J.D. from the University of Illinois at Urbana-Champaign College of Law.

Key experience, qualifications, attributes and skills:

As the President and Chief Executive Officer of State Farm, a major insurance company, Mr. Tipsord brings deep financial and regulatory expertise as well as a critical understanding of the financial services industry, which is one of the key industries to which we provide our services. He also provides management and the Board with real time capital markets perspectives. In addition, Mr. Tipsord has broad experience in accounting and financial risk controls and management.

Randy H. Zwirn

Age 63

Director since October 2014

Mr. Zwirn served as Chief Executive Officer of the Power Generation Services Division of Siemens AG from January 2008 to October 2016 and as President and Chief Executive Officer of Siemens Energy, Inc. from August 1998 to October 2016. Prior to that, Mr. Zwirn was a member of Group Executive Management of the Siemens Power Generation Group from 1998 until 2008. He also served as President of the Power Generation business of Westinghouse Electric Corporation from 1996 to 1998 and previously held various positions in general management, operations, projects, marketing and corporate finance at Westinghouse. Mr. Zwirn currently serves on the board of directors of Babcock Power Inc. and SunEdison, Inc. He previously served on the Advisory Committee for the Export-Import Bank of the United States, the Georgia Tech Advisory Board, the Governor s Council of the Metro Orlando Economic Development Commission and the boards of directors of AREVA, USA and the University of Central Florida Foundation. He holds a Bachelor of Science degree from Brooklyn College.

Key experience, qualifications, attributes and skills:

With nearly 40 years of experience in the energy industry, Mr. Zwirn brings deep understanding of the highly regulated energy sector, an area of key strategic focus for the Company. As the former Chief Executive Officer of the Power Generation Services Division of Siemens AG and President and Chief Executive Officer of Siemens Energy, Inc., his leadership experience, including in the areas of general management, operations, projects, marketing and corporate finance, contribute valuable insights to the Board.

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CORPORATE GOVERNANCE

Committees of the Board of Directors

The following table sets forth the current members of each of the committees of the Board.

	Audit Committee	Compensation Committee	Executive Committee	Nominating and Governance Committee
Kevin M. Blakely*	X			
Cynthia A. Glassman*		X		Chair
Julie M. Howard			X	
Stephan A. James*	X	Chair		
Samuel K. Skinner*		X	X	
Governor James R. Thompson*			Chair	X
Michael L. Tipsord*	Chair	X		
Randy H. Zwirn*		X		

* Independent director (see Independence Determinations below)

Lead Director (see Board Leadership Structure below)

Charters for the audit committee, compensation committee and nominating and governance committee are available on our website at *www.navigant.com/about* under Corporate Governance.

Audit Committee. The audit committee monitors the integrity of our financial statements, financial reporting process and systems of internal controls regarding finance and accounting; monitors our compliance with legal and regulatory requirements (particularly with respect to securities financial and accounting related matters); reviews any related party transactions; monitors the qualifications, independence and performance of our independent public accountants; monitors the performance of our internal audit function; provides an avenue of communication among the independent public accountants, internal audit function, management and the Board; and monitors significant litigation and enterprise risk exposure with respect to finance, accounting and securities related matters. In addition, the audit committee is directly responsible for the appointment, retention, compensation and oversight over the work of our independent public accountants. The audit committee also has responsibility for reviewing and approving the hiring or dismissal of the employee or outsourced entity responsible for leading our internal audit function, as well as the scope, performance and results of our internal audit function s internal audit plans. The audit committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent public accountants as well as anyone in the Company. The audit committee has the ability to retain, at our expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties and is entitled to receive appropriate funding from the Company, as the audit committee determines, for payment of compensation to the independent public accountants and any other consultants or experts retained by the audit committee as well as ordinary administrative expenses of the audit committee that are necessary or appropriate in carrying out its duties. Each of the members of the audit committee is independent as defined by the listing standards of the New York Stock Exchange (NYSE) and satisfies the additional audit committee independence requirements set forth therein and under applicable SEC rules. The Board has determined that each of the members of the audit committee meets the NYSE financial literacy requirements and that Mr. Tipsord qualifies as an audit committee financial expert as defined by applicable SEC rules. None of the members of the audit committee serves on more than two other public company audit committees. The audit committee met six times during 2016.

Compensation Committee. The compensation committee reviews and monitors matters related to management development and succession; reviews and approves executive compensation policies and pay for performance criteria for the Company; reviews and approves corporate goals and objectives relevant to the

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compensation of our Chief Executive Officer and evaluates our Chief Executive Officer s performance in light of those goals and objectives; reviews and approves base salaries, annual incentive bonuses and all long-term incentive awards for our executive officers; makes recommendations to the Board regarding new or amended incentive compensation and equity-based compensation plans and administers and exercises all powers of the Board under such plans (other than the power to amend those plans); reviews and provides input on such other matters concerning our employee compensation and benefit plans as the compensation committee deems appropriate; reviews and assesses the risks arising from our compensation policies and practices; reviews and evaluates our policies on recovery (or clawback) of excess compensation; reviews and assesses our stock ownership guidelines and holding period requirements for our directors and executive officers and oversees compliance with those guidelines; evaluates and recommends to the Board the form and amount of director compensation; and otherwise carries out the responsibilities that have been delegated to the compensation committee under the Company s various compensation and benefit plans. The compensation committee also reviews and discusses with management the compensation discussion and analysis, prepares the compensation committee report included in our annual proxy statement, reviews the results of the advisory say-on-pay vote, and considers whether any adjustments to the Company s executive compensation policies and practices are necessary or appropriate in light of such vote. In fulfilling its duties and responsibilities, the compensation committee has the authority, in its sole discretion, to retain the advice of a compensation consultant, legal counsel or other adviser(s). With respect to any adviser so retained, the compensation committee is directly responsible for appointing, setting the compensation for and overseeing the work of the adviser and is entitled to receive appropriate funding from the Company, as the compensation committee determines, for payment of reasonable compensation to such adviser(s). To the extent required by the NYSE or other relevant listing authority rules, the compensation committee evaluates the independence of its advisers (other than in-house legal counsel) prior to its being selected by, or providing advice to, the compensation committee, after taking into consideration all factors relevant to the adviser s independence from management, including the factors specified by the applicable NYSE rules. Each of the members of the compensation committee is independent as defined by the listing standards of the NYSE, satisfies the additional compensation committee independence requirements set forth therein, is a non-employee director as defined by applicable SEC rules and is an outside director for purposes of Section 162(m) of the Code. The compensation committee met eight times during 2016.

Nominating and Governance Committee. The nominating and governance committee identifies and evaluates individuals qualified to become members of the Board and recommends that the Board appoint those individuals as directors or selects (or recommends that the Board select) the director nominees to stand for election at the next annual meeting of our shareholders at which directors will be elected. The nominating and governance committee monitors and reviews new SEC rules and NYSE listing standards as they are proposed, adopted and revised and reviews and assesses, at least annually, the adequacy of our Corporate Governance Guidelines as well as compliance with applicable SEC rules and NYSE listing standards. Based on this review, the nominating and governance committee develops and makes recommendations to the Board regarding our Corporate Governance Guidelines. The nominating and governance committee also reviews and makes recommendations to the Board regarding shareholder proposals properly submitted for inclusion in our proxy statement and reviews and approves our Code of Business Standards and Ethics. Our Corporate Governance Guidelines and Code of Business Standards and Ethics are each posted on our website at *www.navigant.com/about* under Corporate Governance. Each of the members of the nominating and governance committee is independent as defined by the listing standards of the NYSE. The nominating and governance committee met five times during 2016.

Executive Committee. The executive committee has the authority to act in lieu of the Board when necessary between meetings as permitted by Delaware law. The executive committee did not meet during 2016.

Board Meetings; Annual Meetings of Shareholders

The Board met seven times during 2016. Each of our directors attended at least seventy-five percent of the meetings of the Board and the Board committees on which he or she served that were held during 2016. Our non-management directors meet in regularly scheduled executive sessions and have selected Governor

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Thompson to serve as our Lead Director (see Board Leadership Structure below). While we have no formal policy regarding attendance by our directors at the annual meetings of our shareholders, we encourage all of our directors to attend. All of our directors attended the 2016 annual meeting of our shareholders.

Board Leadership Structure

The Board believes the leadership of the Board is a matter that should be evaluated and determined by the Board from time to time, based on all of the then-relevant facts and circumstances. Ms. Howard, our Chief Executive Officer, has served as Chairman of the Board since May 2014, following the retirement of our previous Chairman, and as a member of the Board since March 2012. The Board continues to believe that vesting leadership of the Board in Ms. Howard provides a clear and efficient leadership structure for the Company, with a single person setting the tone at the top and having primary responsibility for managing the overall business and strategy of the Company. Ms. Howard is supported in her role as Chairman by Governor Thompson, our Lead Director, who is independent under NYSE listing standards. As described in more detail below, as Lead Director, Governor Thompson serves as a liaison between the Chairman and the independent members of the Board. Given the Lead Director s clearly-delineated governance responsibilities, the Board believes its current leadership structure provides an appropriate balance between strong Company leadership and oversight by the independent directors on the Board.

Our Corporate Governance Guidelines require that if the Chairman of the Board is not independent, the Board will appoint an independent lead director and that the Board meet in regularly scheduled executive sessions without management. Governor Thompson currently serves as our Lead Director. In this role, Governor Thompson serves as the conduit for the independent members of the Board to relay any concerns about governance or management issues. At any time, he has authority to call meetings of the independent directors. Management, as well as the internal audit function and enterprise risk management committee, also have unfettered access to his counsel. In the performance of his duties as Lead Director, Governor Thompson leads all executive sessions of the independent directors and presides at any meetings of the Board at which the Chairman is not present. Further, he reviews and approves information sent to the Board, including meeting agendas and meeting schedules. To the extent requested, Governor Thompson is available for consultation and serves as a line of direct communication with our shareholders and other interested parties (see the section entitled Other Information below).

Risk Oversight

The Board is ultimately responsible for overseeing our risk management process. The Board receives regular reports from our Chief Executive Officer and other members of our executive management team regarding the strategic and operational risks facing the Company. In addition, certain Board committees oversee risk within their respective areas of responsibility. For example, the audit committee has been delegated with primary oversight of financial, accounting and securities related risk. The Company s internal audit function conducts an annual risk assessment and reports directly to the audit committee. The compensation committee regularly assesses potential risks associated with the Company s executive compensation program. In addition, the Company has an enterprise risk management committee (which reports directly to the Board) to evaluate risks affecting our business.

Specifically, with respect to potential risks arising from the Company s compensation policies and practices for all of our employees, including our executive officers, management presented the Board with an overview of all of the Company s compensation programs, including the risk mitigation features embedded in those programs. Based on its review, the Board has concluded that the risks arising from our compensation policies and practices are not reasonably likely to have a material adverse effect on the Company.

Independence Determinations

On an annual basis, the nominating and governance committee reviews and makes recommendations to the Board as to whether individual directors are independent for purposes of the applicable SEC rules and NYSE

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listing standards relating to corporate governance. The nominating and governance committee s review is based on all relevant facts and circumstances, as well as criteria set forth in the applicable SEC rules and NYSE listing standards. In addition, the nominating and governance committee considers certain categorical standards approved by the Board to assist it in making independence recommendations. These categorical standards describe certain relationships that are considered immaterial and do not preclude a finding of independence.

Under our Standards for Director Independence, the following relationships are considered immaterial and therefore do not preclude a finding of independence:

1. The director is affiliated with or employed by a company, partnership or other entity that receives payments from us for services in an amount which, in the current fiscal year, does not exceed the greater of (a) $1 million or (b) two percent of such other company s consolidated gross revenues, provided, however, that (i) for purposes of determining whether a director satisfies the additional audit committee independence requirements set forth in the NYSE listing standards and under applicable SEC rules a director may not accept, directly or indirectly, a consulting, advisory or other compensatory fee from us in any amount (other than director and committee fees), and (ii) for purposes of determining whether a director satisfies the additional compensation committee independence requirements set forth in the NYSE listing standards, the Board will consider the source of compensation of such director, including any consulting, advisory or other compensatory fee from us (other than director and committee fees).

2. The director is an employee, officer or director of a foundation, university or other non-profit organization to which we give directly, or indirectly through the provision of services, less than $250,000 during the year in question.

3. In any cases where payments are made by us indirectly to an immediate family member of a director, as for example fees paid to a law firm in which such immediate family member is a partner, if such immediate family member disclaims and does not accept any share of payments, the Board will not consider that such payments preclude the director from being considered independent for all purposes, including service on the audit committee or the compensation committee.

A copy of these categorical standards is posted on our website at *www.navigant.com/about* under Corporate Governance.

Based on the review and recommendation of the nominating and governance committee, the Board affirmed that, except for Ms. Howard, all of our current directors, who are also director nominees for election to the Board at the annual meeting (that is, Mr. Blakely, Dr. Glassman, Mr. James, Mr. Skinner, Gov. Thompson, Mr. Tipsord and Mr. Zwirn), are independent within the meaning of the NYSE listing standards, applicable SEC rules and our Standards for Director Independence. Prior to his resignation as a director effective December 31, 2016, the Board had determined that Mr. Dean was independent under such standards. In addition, the Board affirmed that all of the members of the audit committee satisfy the NYSE s and SEC s additional requirements for audit committee independence and that all of the members of the compensation committee satisfy the NYSE s additional requirements for compensation committee independence.

Shareholder Rights Plan Policy

The Board has adopted a policy stating that we will submit the adoption or extension of any shareholder rights plan to a shareholder vote, unless the Board, in an exercise of its fiduciary responsibilities, believes that it is in the best interests of the Company and our shareholders to adopt or extend (for one year) a shareholder rights plan without the delay that would come from the time required to seek a shareholder vote. A copy of our shareholder rights plan policy is posted on our website at *www.navigant.com/about* under Corporate Governance.

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Director Nomination Procedures

After considering the evaluation criteria outlined below, the nominating and governing committee recommended to the Board that each of the eight nominees for director identified in this Proxy Statement be nominated for election to the Board to serve one-year terms. Each of the nominees for director currently serves on the Board.

The nominating and governance committee is generally tasked with evaluating and recommending to the Board nominees for election to the Board at each annual meeting. The nominating and governance committee works with the Board to determine the appropriate characteristics, skills, and experiences for individual directors and for the Board as a whole with the objective of having a board of directors with diverse backgrounds and experience. In considering the qualifications of incumbent directors as well as future candidates for election to the Board, the nominating and governance committee considers all relevant factors, including judgment, character, reputation, education, and experience in relation to the qualifications of any alternate candidates and the particular needs of the Board, its committees and the Company as they exist at the time of the candidate s consideration. Characteristics expected of all our directors include independence, integrity, high personal and professional ethics, sound business judgment, and the ability and willingness to commit sufficient time to the Board. Although the Company does not have a formal policy on diversity, the Company seeks directors who represent a mix of backgrounds and experiences. The nominating and governance committee discusses each candidate s diversity of background and experience in the context of the Board as a whole, with the objective of recommending a candidate for nomination to the Board who can best perpetuate the success of our business and represent our shareholders interests through the exercise of sound judgment. The nominating and governance committee evaluates each incumbent director to determine whether he or she should be nominated to stand for reelection, based on the types of criteria outlined above as well as the director s contributions to the Board during their current term. The nominating and governance committee also considers each candidate s relationships, if any, with the Company and its directors, officers, employees and shareholders, as well as any applicable criteria set forth in SEC rules, NYSE listing standards and Delaware law.

The nominating and governance committee and/or the Board will consider nominees for director who are recommended by our shareholders, provided that written notice of any such recommendation is received by our corporate secretary within the time frame established by our By-Laws with respect to direct nominations by our shareholders (see the section entitled Shareholder Proposals for the 2018 Annual Meeting below). All candidates for director, including those who have been properly recommended or nominated by a shareholder, are evaluated using the same criteria as described above.

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AUDIT COMMITTEE REPORT

The audit committee has reviewed and discussed with management the audited financial statements of the Company as of and for the year ended December 31, 2016 (the Audited Financial Statements). In addition, the audit committee has discussed with KPMG LLP, the independent registered public accounting firm for the Company, the matters required to be discussed by Auditing Standard No. 16, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board. The audit committee also has received the written disclosures and the letter from KPMG LLP required by the applicable requirements of the Public Company Accounting Oversight Board regarding its communications with the audit committee concerning independence, and has discussed with KPMG LLP its independence from the Company and management. The audit committee also has discussed with management, the Company s internal audit function and KPMG LLP such other matters, and has received such assurances from them, as it deemed appropriate. Based on the foregoing review and discussions and relying thereon, the audit committee has recommended to the Board (and the Board has approved) the inclusion of the Audited Financial Statements in the Company s Annual Report on Form 10-K for the year ended December 31, 2016.

AUDIT COMMITTEE

Michael L. Tipsord, Chairman

Kevin M. Blakely

Stephan A. James

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COMPENSATION DISCUSSION AND ANALYSIS

This section contains a discussion and analysis of the compensation program in place for our named executive officers, or NEOs. The compensation committee determines and approves the compensation of our NEOs. For 2016, our NEOs were:

Julie M. Howard, our Chairman and Chief Executive Officer (CEO);

Stephen R. Lieberman, our Executive Vice President and Chief Financial Officer (CFO);

Lee A. Spirer, our Executive Vice President and Global Business Leader;

Monica M. Weed, our Executive Vice President, General Counsel and Secretary; and

Thomas A. Nardi, our former Executive Vice President and Interim CFO.

CFO Transition

Mr. Lieberman was appointed our Executive Vice President and CFO, effective April 18, 2016, succeeding Mr. Nardi, who served as Executive Vice President and Interim CFO from November 2015. Mr. Nardi had previously served as our Executive Vice President and CFO from November 2008 until his retirement in March 2013.

Following Mr. Lieberman s appointment, Mr. Nardi remained with the Company through May 27, 2016 to assist with the transition of responsibilities. For purposes of the SEC s compensation disclosure rules, both Mr. Lieberman and Mr. Nardi are considered to be our NEOs for the portion of 2016 they were employed by us. A discussion of Mr. Nardi s compensation arrangements with us appears in the section entitled Interim CFO Compensation below. Mr. Nardi s compensation arrangements have otherwise generally been excluded from the remaining compensation discussion and analysis.

Executive Summary

In 2016, the Company made significant progress on our growth strategy, completing strategic acquisitions and making investments to complement and enhance our core businesses. Execution on our strategic plans and the alignment of our resources and capabilities to the transformational issues affecting our clients translated into strong business performance. Our 2016 financial results exceeded our historical trends in top and bottom line growth and our original estimates for the year. The Company delivered significant value to our shareholders as a result, with our stock price increasing a robust 63% during the course of 2016.

How did the Company perform relative to the performance goals under its 2016 annual incentive plan?

The Company s actual performance relative to the financial performance goals established by the compensation committee at the beginning of 2016 for our 2016 annual incentive plan are shown in the following table:

(in millions, except per share data and percentages)	**2016 Target**	**2016 Actual**	**2016 Actual as % of 2016 Target**
Revenues Before Reimbursements	$ 937.0	$ 938.7	100.2%
Adjusted EBITDA(1)	$ 145.0	$ 142.3	98.1%
Adjusted Earnings Per Share(1)	$ 1.12	$ 1.27	113.4%

(1) Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) and adjusted earnings per share (EPS) are non-GAAP financial measures, as defined by the SEC. Adjusted EBITDA and adjusted EPS exclude the impact of severance expenses and other operating costs (benefits), such as contingent acquisition liability adjustments, office consolidation costs and impairment expenses.

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How was the Company s performance aligned with our NEOs compensation for 2016?

Performance-based compensation represented a significant percentage of our NEOs 2016 total direct compensation (TDC) opportunity (which includes annual base salary, annual cash bonus target and the target value of equity incentive awards). For 2016 and consistent with prior years, approximately 64% of our CEO s TDC opportunity was tied to the achievement of pre-established financial and individual performance goals aligned with the Company s operating and long-term strategic initiatives, share price growth or relative total shareholder return (TSR).

Annual Performance-Based Bonus The majority (or 70%) of our NEOs annual cash bonus opportunity for 2016 was based on the Company s 2016 financial performance, as defined by the three performance measures summarized in the preceding table. The balance (or 30%) of their annual cash bonus opportunity for 2016 was based on the achievement of individual qualitative performance goals tied to strategic and operating initiatives at the Company. Based on the Company s actual financial performance (as shown in the preceding table) and the compensation committee s assessment of the relative achievement by each NEO of his or her respective individual performance goals for 2016, the cash bonuses paid to our NEOs under our 2016 annual incentive plan ranged between approximately 118% and 135% of their respective annual cash bonus targets, as summarized in the following table.

	2016 Bonus Target	**2016 Bonus as % of Target**	**2016 Actual Bonus**
Julie M. Howard	$ 900,000	135.0%	$ 1,215,000
Stephen R. Lieberman(1)	$ 265,000	117.7%	$ 312,000
Lee A. Spirer	$ 650,000	119.5%	$ 777,000
Monica M. Weed	$ 337,500	120.3%	$ 406,000

(1) Mr. Lieberman s 2016 bonus target was prorated based on an annual bonus target of $375,000 and the number of days he was employed by the Company in 2016.

A detailed discussion of our 2016 annual incentive plan, including how the Company s financial performance and each NEO s individual performance specifically impacted the actual cash bonuses paid to them for 2016, is set forth under 2016 Executive Compensation Program below.

Equity Incentive Compensation 75% of the equity incentive awards granted to our NEOs under our 2016 long-term equity incentive program was performance-based. 25% of the aggregate target value of

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the awards consisted of stock options (the compensation committee considers stock options to be performance-based because no value is delivered to the recipient unless our stock price increases during the six-year term of the option); 50% of the aggregate target value of the awards consisted of performance-based restricted stock units; and the remaining 25% of the aggregate target value of the awards consisted of time-based restricted stock units. The performance-based restricted stock units granted to our NEOs in 2016 will vest if and only to the extent that specific performance goals are met with respect to relative TSR and adjusted EBITDA during a three-year performance period.

Vesting of Performance-Based Equity Incentive Awards for the Three-Year Performance Period Ended December 31, 2016 Each of Ms. Howard, Mr. Spirer and Ms. Weed were granted performance-based restricted stock units in 2014 that vested on March 17, 2017 based on the Company s performance during the three-year performance period ended December 31, 2016, with 50% of their awards vesting based on the Company s three-year relative TSR and 50% of their awards vesting based on the Company s cumulative adjusted EBITDA over the same period, as discussed below.

Three-Year Relative TSR. Based on the Company s 63rd percentile TSR ranking relative to companies within the Commercial and Professional Services Global Industry Classification Standard 2020 industry group that are also part of the Russell 3000 Index (the GICS Industry Group) for the three-year performance period ended December 31, 2016, the portion of the awards attributable to relative TSR performance vested at 126.0% of target.

Cumulative Adjusted EBITDA Over the Three-Year Performance Period. Based on the Company s cumulative adjusted EBITDA of $379.4 million during the three-year performance period ended December 31, 2016, the portion of the awards attributable to cumulative adjusted EBITDA performance vested at 83.6% of target.

Accordingly, the 2014 performance-based restricted stock unit awards vested, in the aggregate, at 104.8% of target.

What features of our executive compensation program reflect commonly viewed best practices from a corporate governance perspective?

Working with its independent compensation consultant, the compensation committee engages in an ongoing review of the Company s executive compensation program to evaluate whether it remains consistent with the Company s pay-for-performance philosophy and, as a whole, reflects what the compensation committee believes to be best practices among the Company s peer group and the broader market. The chart that follows summarizes

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certain features of our executive compensation program, each of which the compensation committee believes reinforces our pay-for-performance philosophy.

What We Do	What We Don t Do
Align pay with Company performance and the interests of our shareholders	× No indefinite term employment agreements with our NEOs
Target our NEOs compensation opportunities within a median market range of our peer group Tie annual bonus payouts to pre-established financial and individual performance goals Employ our NEOs at will without a fixed-term employment agreement, other than for our CEO	× No single-trigger change-in-control severance benefits or provisions in equity award agreements
Utilize multiple and both absolute and relative performance goals and multi-year, overlapping performance periods for performance awards granted under our annual long-term equity incentive program Have stock ownership guidelines and post-vesting and post-exercise holding periods for our NEOs and non-employee directors	× No excise tax gross-ups upon change in control
Require reimbursement of excess incentive compensation in the event of certain restatements of our financial statements Prohibit pledging and hedging of Company stock	× No excessive severance benefits
	× No supplemental executive retirement plans
	× No re-pricing, cancellation and re-grant, or cash repurchase of underwater stock options without shareholder approval
	× No excessive perquisites and no tax gross-ups on perquisites
	× No payment of dividend equivalents on unearned performance awards or unvested time-based stock awards

The compensation committee believes the features of our executive compensation program are consistent with many of the views that have been expressed by our top shareholders and appropriately incentivize our NEOs to create value for our shareholders.

How did we consider the results of the 2016 advisory shareholder vote on executive compensation?

At our 2016 annual shareholders meeting, our shareholders overwhelmingly voted to approve the 2015 compensation paid to our NEOs as disclosed in the 2016 proxy statement (commonly referred to as a say-on-pay proposal), with over 94% of the shares present in person or represented by proxy voting for the say-on-pay proposal. Considering the results of this advisory vote, the compensation committee decided to retain our overall executive compensation philosophy and did not make any significant changes to our executive compensation program for 2016. As a result, our executive compensation program for 2016 continues to emphasize performance-based and retention-based annual and long-term incentive compensation opportunities that are designed to reward our NEOs for the creation of shareholder value. We believe the performance metrics established by the compensation committee as part of our 2016 executive compensation program are consistent with this philosophy.

Executive Compensation Philosophy

The overall objective of our executive compensation program is to attract, retain and motivate highly qualified and effective executive officers in order to positively impact the Company strategically, operationally, financially and culturally, and to ultimately create long-term value for our shareholders. We designed our executive compensation program to meet this objective by:

- aligning our NEOs incentive compensation opportunities with the Company s financial and strategic performance goals, as well as the relative performance of our stock price over time;

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- providing our NEOs with target compensation opportunities that are competitive with other companies in our peer group; and

- discouraging excessive risk taking and promoting sound corporate governance.

How is pay aligned with performance?

Performance-based compensation represented a significant portion of our NEOs TDC opportunity for 2016. In particular:

- All of the cash bonuses paid to our NEOs under our annual incentive plan are tied to pre-established financial and/or individual performance goals that are aligned with the Company s operational and long-term strategic initiatives; and

- Three-quarters of the equity awards granted to our NEOs under our 2016 long-term equity incentive program were performance-based in the form of stock options and performance-based restricted stock units.

How do we establish the market competitiveness of our executive compensation program?

To enhance retention and strengthen the focus of our executive management team, we designed our executive compensation program to provide our NEOs with TDC opportunities that are competitive with comparable positions at companies within our peer group and the broader market. The compensation committee assesses the market competitiveness of our executive compensation program based on peer group proxy data and utilizes median market ranges that are computed based on peer group proxy data when targeting the compensation opportunities for our NEOs (as discussed in further detail below). General industry survey data provides additional perspective, but the median market ranges are computed solely on the basis of the peer group proxy data because the compensation committee believes that peer group proxy data is currently more representative of the companies with which we compete for executive talent. Frederic W. Cook & Co., the compensation committee s independent compensation consultant (FW Cook), compiles and analyzes peer group proxy data and provides survey data for this purpose.

On an annual basis, the compensation committee evaluates and, if appropriate, adjusts the composition of the peer group. In reviewing the composition of the peer group, the compensation committee considers the following general criteria:

- companies in the same or similar lines of business;

- companies with at least one of the following business traits: human capital intensive, business-to-business advisory services, project-based revenue model and international operations; and

- companies with revenues ranging between approximately 33% and 300% of the Company s trailing four-quarter revenues before reimbursements (which were $856 million as of June 30, 2016, when the peer group was reviewed, as shown in the chart below) and within a reasonable size range of the Company, as recommended by FW Cook, with respect to other financial and operating metrics, such as operating income, total assets, total equity, total employees and market capitalization.

Based on these criteria, as well as input from management and FW Cook, the compensation committee approved the following peer group for purposes of evaluating 2016 executive compensation decisions. This peer group of companies has remained the same since 2011, with the exception of one company (Sapient Corporation) which was removed from the 2016 peer group due to its acquisition.

	As of June 30, 2016 (in millions, except employee data)(1)		
Peer Company	**Trailing 4-Qtr. Net Revenue**	**Market Cap**	**Most Recent Fiscal Year-End Employees**
The Advisory Board Company	$ 790	$ 1,451	3,500
CBIZ, Inc.	$ 761	$ 537	4,400
CEB Inc.	$ 930	$ 1,986	4,600
CRA International, Inc.	$ 306	$ 226	511
Exponent, Inc.	$ 299	$ 1,516	999
FTI Consulting, Inc.	$ 1,817	$ 1,654	4,634
Gartner, Inc.	$ 2,249	$ 8,036	7,834
Heidrick & Struggles International, Inc.	$ 546	$ 313	1,659
Hill International, Inc.	$ 637	$ 211	4,150
Huron Consulting Group Inc.	$ 725	$ 1,259	2,671
ICF International, Inc.	$ 1,142	$ 778	5,000
IHS Inc.	$ 2,250	$ 7,798	8,600
Korn/Ferry International	$ 1,292	$ 1,186	6,947
MAXIMUS, Inc.	$ 2,314	$ 3,593	17,000
Resources Connection, Inc.	$ 595	$ 543	3,258
Tetra Tech, Inc.	$ 1,749	$ 1,781	13,000
TRC Companies, Inc.	$ 450	$ 196	3,700
VSE Corporation	$ 557	$ 361	2,057
75th Percentile	$ 1,634	$ 1,749	6,460
Median	$ 775	$ 1,223	4,275
25th Percentile	$ 566	$ 405	2,818
Navigant Consulting, Inc.	$ 856	$ 769	5,411
Navigant Consulting, Inc. (percentile rank)	56%	41%	72%

(1) All peer group financial, market and operating data was compiled by FW Cook from Standard & Poor s Capital IQ Service and represents the most recent data reviewed by the compensation committee in connection with its annual peer group composition analysis. Other than for the Company, net revenue may reflect measures not in conformity with GAAP.

For 2016, and consistent with the prior year, we targeted the compensation of our NEOs at a median market range, which we define as within 10% of the peer group median for base salaries, within 15% of the peer group median for annual cash bonus targets, and within 20% of the peer group median for long-term equity incentive targets and targeted TDC. Individual target compensation opportunities, however, may vary depending on the relative level of experience and tenure of the executive or clearly differentiated individual performance.

How do we discourage excessive risk-taking and promote sound corporate governance?

We have designed our executive compensation program and adopted certain compensation policies to discourage excessive risk-taking. The design features of our program that we believe mitigate risk include the following:

- We have a clawback policy requiring the reimbursement of excess incentive compensation paid to the Company s executive officers in the event of certain restatements of the Company s financial statements;

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The awards granted under our long-term equity incentive program contain multi-year vesting and/or performance periods that overlap in order to diminish the incentive to maximize performance in any one fiscal year at the expense of another;

Awards payable to our NEOs under our annual incentive plan, as well as the vesting of the performance-based restricted stock unit awards granted to our NEOs, are based on the attainment of multiple performance goals, with balanced weighting, which decreases the incentive to focus on a single performance goal to the detriment of others;

Awards under our annual incentive plan and the vesting of performance-based restricted stock unit awards are limited to formulaic maximums based on the achievement of pre-established performance goals over the relevant performance period;

Our stock ownership guidelines, which also include holding period requirements, continue to align our NEOs interests with those of our shareholders beyond the end of a specific performance period or following a vesting or option exercise date;

Our insider trading policies prohibit all of our employees, including our NEOs, from selling short our common stock or engaging in hedging or offsetting transactions regarding our common stock; and

Our insider trading policies also prohibit our executives and directors from holding shares of our common stock in a margin account or pledging shares of our common stock as collateral for a loan.

Role of Independent Compensation Consultant and Management

Role of Independent Compensation Consultant

The compensation committee has engaged FW Cook to serve as its independent compensation consultant. FW Cook works directly for the compensation committee (and not on behalf of management) and assists the compensation committee in evaluating our executive compensation program, including peer group composition, competitive benchmarking, program design, and staying abreast of market practices and trends. FW Cook performed no other work for the Company in 2016.

In connection with its engagement of FW Cook, the compensation committee assessed the independence of FW Cook, taking into account such factors as FW Cook s policies and procedures designed to prevent conflicts of interest and the existence of any business or personal relationship that could impact FW Cook s independence. The compensation committee identified no conflicts of interests with respect to its engagement of FW Cook and concluded that FW Cook was independent.

Role of Management in Compensation Decisions

As part of its annual compensation review, the compensation committee reviews the performance of each NEO. For our NEOs other than the CEO, the compensation committee receives performance assessments and compensation recommendations from our CEO. Except for our CEO, none of the other NEOs is present when these assessments and recommendations are made, and they do not otherwise play any role in decisions affecting their compensation, except for discussing their annual, individual performance goals (and their self-assessment of their respective achievement of those goals) with our CEO. Our CEO, in turn, makes recommendations to the compensation committee based on these discussions. Our CEO does not participate in her own performance review and does not recommend her own compensation (other than completing a self-assessment of her annual, individual performance achievements against pre-established goals).

2016 Executive Compensation Program

Our executive compensation program for 2016 was comprised primarily of annual cash compensation (base salary and performance-based bonus) and equity incentive compensation (stock options, performance-based restricted stock units and time-based restricted stock units). We offer limited perquisites and no supplemental executive retirement benefits to our NEOs.

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How does our 2016 executive compensation program align with our overall pay philosophy and objectives?

The following table shows how our 2016 executive compensation program fits into our overall compensation philosophy and program objectives:

Component	Key Characteristics	Overall Objective	Specific Purpose	2016 Decisions
Base Salary	Fixed compensation payable in cash Reviewed annually for market competitiveness	Attract and retain Pay competitively	Provide a base level of fixed and predictable income	Ms. Howard and Mr. Spirer each received base salary increases, effective March 1, 2016, which were the first such salary increases since 2014 (see page 24)
Performance-Based Bonus	Variable incentive compensation payable in cash Payouts based on the achievement of pre-established annual financial goals related to revenues, adjusted EBITDA and adjusted EPS as well as individual performance goals	Attract and retain Pay competitively Align pay with performance results	Motivate and reward financial and individual performance in line with the Company s annual operating plan and short-term operating objectives	Based on actual performance relative to the financial and individual performance goals established at the beginning of the year, cash bonus payouts under our 2016 annual incentive plan ranged between 118% and 135% of target (see page 26)
Stock Options	Variable equity incentive compensation Value delivered to holder is based on the increase in our common stock price during the term of the option Vest annually over a three-year period and expire six years from the grant date	Attract and retain Pay competitively Align NEOs interests with our shareholders interests on a long-term basis	Promote long-term retention Incentivize the creation of long-term shareholder value	Represented 25% of the awards granted under our 2016 long-term equity incentive program (see pages 27-28)
Performance-Based Restricted Stock Units	Variable equity incentive compensation Vest based on relative TSR percentile rank and cumulative adjusted EBITDA performance	Attract and retain Pay competitively Align pay with performance results and shareholder value creation during the performance period	Promote long-term retention Incentivize the creation of long-term shareholder value and achievement of long-term financial and strategic objectives	Represented 50% of the awards granted under our 2016 long-term equity incentive program (see page 27) Awards granted to Ms. Howard, Mr. Spirer and Ms. Weed in 2014 vested at 104.8% of target based on the Company s relative TSR and adjusted EBITDA performance during the three-year performance period ended December 31, 2016 (see page 29)

	Three-year performance period for awards granted as part of our 2016 long-term equity incentive program			
Time-Based Restricted Stock Units	Vest annually over three-year period	Attract and retain Pay competitively Align NEOs interests with our shareholders interests on a long-term basis	Promote long-term retention Incentivize the creation of long-term shareholder value	Represented 25% of the awards granted under our 2016 long-term equity incentive program (see pages 27-28)
New Hire Awards	One-time restricted stock unit award granted on the date of hire Vest annually over three-year period	Attract and retain Pay competitively	Attract highly qualified executive talent Promote long-term retention	Restricted stock units with aggregate grant date value of $500,000 granted to Mr. Lieberman in connection with his appointment as our new CFO (see page 26)

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How were each of our executive pay components determined for 2016?

Annual Base Salary Our NEOs initial annual base salaries are set based on median market data and other factors such as each executive s prior work experience and scope of responsibility. Thereafter, base salaries are reviewed annually by the compensation committee relative to the peer group median in keeping with our objective of retaining executive talent and paying competitively (see Executive Compensation Philosophy *How do we establish the market competiveness of our executive compensation program*? above), as well as each executive s experience, level of responsibility, individual performance and tenure with the Company.

The compensation committee approved base salary increases, effective March 1, 2016, for Ms. Howard (from $800,000 to $900,000) and Mr. Spirer (from $600,000 to $650,000), which were the first base salary increases for them since 2014. Ms. Howard s base salary increase was in line with the peer group market median for her position and also in recognition of her performance and strategic contributions to the Company. Mr. Spirer s base salary increase was reflective of his performance and overall scope of responsibility within the organization.

Annual Performance-Based Bonus We designed our 2016 annual incentive plan to motivate our NEOs to achieve the Company s annual financial goals and their individual performance goals in line with the Company s annual operating plan and short-term operating objectives. Cash bonuses awarded to our NEOs under the plan are based on the achievement by the Company and each NEO of pre-established performance goals and are calculated using the following formula:

Target Annual Bonus ($)	x	Company Performance Factor (%)	x	70% weighting	+	Individual Performance Factor (%)	x	30% weighting	=	Payout ($)

Annual cash bonus targets, which are expressed as a percentage of the NEO s base salary, are reviewed and set annually by the compensation committee based on peer group data and other factors such as the respective executive s expected relative contribution to the organization and internal pay equity.

Ms. Howard s, Mr. Spirer s and Ms. Weed s annual cash bonus targets (expressed as a percentage of their respective base salaries) remained at the same levels as applied in 2015 (Ms. Howard 100%, Mr. Spirer 100% and Ms. Weed 75%). Under the terms of his offer letter, Mr. Lieberman s annual cash bonus target was set at 75% of his base salary, consistent with peer group data. As Mr. Lieberman commenced employment with us during the year (on April 18, 2016), his cash bonus award for 2016 was prorated based on the number of days he was employed with the Company in 2016

Awards payable under our annual incentive plan may range from 0% to a maximum cap of 200% of an NEO s annual cash bonus target.

How was the Company Performance Factor determined for 2016?

The Company Performance Factor was determined by measuring the Company s performance for 2016 against specified financial performance goals established by the compensation committee at the beginning of the year. Each financial performance goal is comprised of threshold, target and maximum performance levels. If the threshold performance level for a particular financial performance goal is not achieved, no amount will be paid for that performance goal. For 2016, the Company performance goals and their relative weightings were as follows:

		Payout Factor (in millions, except per share data)		
Performance Goal	**Weighting**	**Threshold (50%)**	**Target (100%)**	**Maximum (200%)**
Revenues Before Reimbursements	33.33%	$ 796.0	$ 937.0	$ 1,078.0
Adjusted EBITDA	33.33%	$ 116.0	$ 145.0	$ 174.0
Adjusted EPS	33.33%	$ 0.90	$ 1.12	$ 1.34

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The compensation committee selected these financial measures because it believed that they collectively: (1) motivated our NEOs to focus on both revenue growth and profitability; (2) were consistent with the Company s long-term strategic initiatives; and (3) were tied to the creation of long-term shareholder value. Each performance goal s target performance level was the same as the Company s 2016 financial and operating plan targets established at the beginning of the year. Company performance between the threshold, target and maximum performance levels is determined using a matrix that includes a series of intermediate performance levels, with straight line interpolation between the intermediate performance levels.

The Company s 2016 performance, measured against each of the financial performance targets established under our 2016 annual incentive plan, is illustrated in the following table. This performance resulted in a Company Performance Factor of 117.8%.

Performance Goal	2016 Actual	Payout Factor	Weighting	Weighted Payout Factor
Revenues Before Reimbursements	$ 938.7M	101.9%	33.33%	34.0%
Adjusted EBITDA	$ 142.3M	95.2%	33.33%	31.7%
Adjusted EPS	$ 1.27	156.3%	33.33%	52.1%
		Company Performance Factor		**117.8%**

How were the Individual Performance Factors for each NEO determined for 2016?

Individual performance goals for each NEO were established early in 2016 (or shortly following his date of hire in the case of Mr. Lieberman) and were designed to generally align with the Company s strategic and operating initiatives (both short-term and long-term). The compensation committee reviews and approves the individual performance goals (including the goals relative weighting) for the CEO and, based on the CEO s recommendations, reviews and approves the individual performance goals (including the goals relative weighting) for the other NEOs. In early 2017, the compensation committee evaluated the NEOs individual performance, with input from the CEO on the individual performance of the NEOs other than herself. Based on this evaluation, the compensation committee certified the achievement by each NEO of his or her individual performance goals and assigned each NEO an Individual Performance Factor (ranging from 0% to 200%), which is weighted 30% in the bonus payout formula.

The following table contains a high-level summary of the individual performance goals of each NEO who received a bonus under our 2016 annual incentive plan as approved by the compensation committee.

	Individual Performance Goals
Julie M. Howard	Ms. Howard s 2016 goals focused on driving successful progress on key strategic imperatives, ensuring effective alignment of our people and organization against strategic imperatives and development of greater awareness, interest and confidence in our expertise and the Navigant brand.
Stephen R. Lieberman	Mr. Lieberman s 2016 goals included effective management of our finance, accounting, corporate development, real estate and investor relations functions, continued maintenance of our internal controls and management of our capital allocation strategy and cash flows.
Lee A. Spirer	Mr. Spirer s 2016 goals were centered on aligning, strengthening and focusing the organization to deliver against current year operating goals and make progress against the Company s long-term strategic initiatives.
Monica M. Weed	Ms. Weed s 2016 goals primarily related to successfully managing our legal department, litigation activity, as well as corporate governance, securities and compliance matters. Her goals also included leading the enterprise risk management function.

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What were the bonus payouts to our NEOs for 2016?

Based on Company performance and achievement by each NEO of his or her respective individual performance goals, cash bonus awards paid under our 2016 annual incentive plan to eligible NEOs in March 2017 were as follows:

	Target Annual Incentive	Actual Bonus Payout	Bonus Award as % of Target(1)
Julie M. Howard	$ 900,000	$ 1,215,000	135.0%
Stephen R. Lieberman(2)	$ 265,000	$ 312,000	117.7%
Lee A. Spirer	$ 650,000	$ 777,000	119.5%
Monica M. Weed	$ 337,500	$ 406,000	120.3%

(1) Based on a Company Performance Factor of 117.8% (resulting in a payout percentage of 82.5% for Company performance after applying the 70% weighting) and an Individual Performance Factor for each NEO determined by the compensation committee based on its assessment of each NEO s achievement of the above-referenced individual performance goals (which is weighted 30% in the bonus payout formula).

(2) Mr. Lieberman s 2016 bonus target was prorated based on an annual bonus target of $375,000 and the number of days he was employed by the Company in 2016.

Equity Incentive Compensation Equity-based incentive awards further align our NEOs interests with those of our shareholders and incentivize the creation of shareholder value as well as the achievement of the Company s financial and strategic initiatives. We also believe that offering our NEOs equity-based incentives gives us an advantage in terms of attracting and retaining executive talent in a competitive environment.

For 2016, consistent with 2015, 75% of the long-term equity incentive awards granted to our NEOs under our annual long-term equity incentive program was performance-based. The compensation committee considers time-vested stock options to be performance-based incentive awards because no value is delivered to the recipient of the stock option award unless our stock price increases during the six-year term of the option (a shorter-than-market term of six years is used for stock option awards to control the potential dilution overhang from our equity compensation program) and shareholder value is created. As discussed in the Executive Summary above, the remaining 25% of the long-term equity incentive awards granted to our NEOs under this annual program was in the form of time-based restricted stock units that vest in one-third increments on each of the first three anniversaries of the grant date.

In addition to participating in our 2016 long-term equity incentive program, Mr. Lieberman was awarded a one-time grant of restricted stock units, effective April 18, 2016 (his employment commencement date), with an aggregate grant date value equal to $500,000. The value of this new hire award was intended to replace some of the value of awards Mr. Lieberman forfeited from his prior employer, and was consistent with new hire awards that had been granted by the Company to newly-hired executives in the recent past. The restricted stock units vest in one-third annual increments subject to Mr. Lieberman s continued employment with the Company through each of the respective annual vesting dates, except as otherwise provided in the agreement setting forth the terms and conditions of the award.

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How were grant values determined under our 2016 Long-Term Equity Incentive Program?

Target equity award values for each of our NEOs who received awards under our 2016 long-term equity incentive program were determined by the compensation committee based on the median market ranges developed by FW Cook. The aggregate grant date value of the long-term equity incentive awards, granted effective March 15, 2016 (or April 18, 2016 in the case of Mr. Lieberman), is shown in the table below:

	2016 Equity Award Value(1)
Julie M. Howard	$ 2,200,000
Stephen R. Lieberman	$ 500,000
Lee A. Spirer	$ 650,000
Monica M. Weed	$ 375,000

(1) Represents the target equity award opportunity for each NEO included in the table. The target award values are not the same as the grant date fair values computed for financial reporting purposes and reported in the 2016 Grants of Plan-Based Awards table included in the section entitled Executive Compensation below because the target number of shares underlying the target award value of the performance-based restricted stock units is computed based on our average stock price during the 30 calendar-day period prior to the grant date, rather than the stock price on the date of grant.

The target equity award value for each of the above NEOs was determined based upon the peer group median ranges determined by FW Cook. As explained above, long-term equity incentive targets are determined based in part on the median of our peer group, plus or minus 20%. The target equity award value for Ms. Howard for 2016 represented an approximate 29% increase over the value of her target equity award for 2015 to reflect increases in grant values for her position among the peer group companies. The target equity award value for Ms. Weed for 2016 increased approximately 25% over the value of her target equity award for 2015 based on peer group median grant value ranges for her position and internal pay equity given her level of performance.

Consistent with 2015, three award types were granted under our 2016 long-term equity incentive program:

- Performance-based restricted stock units (which represented 50% of the total target award value);
- Stock options (which represented 25% of the total target award value); and
- Time-based restricted stock units (which represented 25% of the total target award value).

Performance-Based Restricted Stock Units Similar to prior years, the performance-based restricted stock units granted to our NEOs under our 2016 long-term equity incentive program vest if and only to the extent that specified quantitative performance goals with respect to the Company s TSR, relative to the GICS Industry Group, and cumulative adjusted EBITDA are met during a three-year performance period. With respect to the weighting of each performance goal, the cumulative adjusted EBITDA goal is weighted at 75% and the relative TSR performance goal is weighted at 25%, consistent with the weighting of each performance goal for the awards granted to our NEOs under our 2015 long-term equity incentive program. Both performance goals are comprised of threshold, target and maximum performance levels. If the threshold level of performance is not met for a particular performance goal, the portion of the award related to that performance goal will not vest.

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The vesting percentages applicable to the TSR performance goal are set forth below.

Percentile Rank vs. GICS Industry Group	Vesting Percentage (Straight Line Interpolation Between Levels)
Below 25th percentile	0%
25th percentile	50%
50th percentile	100%
75th percentile and above	150%

The target performance level for the cumulative adjusted EBITDA goal (which would result in a 100% payout for this tranche of the performance-based restricted stock unit award) was designed to be achievable with continued strong business performance, while the maximum performance level (which would result in a 150% payout for this tranche of the award) was designed to be more difficult to achieve and would require stronger business performance and significantly higher adjusted EBITDA performance over the three-year performance period.

Stock Options The stock options granted to our NEOs under our 2016 long-term equity incentive program have an exercise price equal to $15.11 per share (which was the closing price of a share of our common stock on the grant date), vest in one-third increments on each of the first three anniversaries of the grant date, subject to the holder s continued employment with the Company on the applicable vesting date (except as set forth in the award agreement embodying the grant) and expire six years following the grant date.

Time-Based Restricted Stock Units The time-based restricted stock units granted to our NEOs under our 2016 long-term equity incentive program vest in one-third increments on each of the first three anniversaries of the grant date, subject to the NEO s continued employment with the Company on the applicable vesting date (except as set forth in the award agreement embodying the grant).

How did the Company s performance during 2016 affect the vesting of performance-based restricted stock unit awards?

Fifty percent of the performance-based restricted stock unit awards granted to Ms. Howard, Mr. Spirer and Ms. Weed in 2014 that vested on March 17, 2017 (which was the third anniversary of the grant date) vested if and only to the extent that the Company s TSR, relative to companies in the GICS Industry Group, met or exceeded specified targets during the three-year performance period ended December 31, 2016, with the vesting percentages for this tranche of the award determined as follows (using straight-line interpolation between performance levels):

Company Percentile Rank v. GICS Industry Group	Vesting Percentage
Below 25th percentile	0%
25th percentile	50%
50th percentile and above	100%
75th percentile and above	150%
Actual Vesting Percentage (3-year TSR rank = 63rd percentile)	**126.0%**

As the table above indicates, the Company s actual TSR rank for the three-year performance period ended December 31, 2016 was at the 63rd percentile of companies in the GICS Industry Group, which resulted in a payout level for this tranche of the award equal to 126.0% of the target shares underlying this tranche of the award.

The remaining fifty percent of the performance-based restricted stock unit awards granted to Ms. Howard, Mr. Spirer and Ms. Weed in 2014 that vested on March 17, 2017 (which was the third

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anniversary of the grant date) vested if and only to the extent that the Company s cumulative adjusted EBITDA for the three-year performance period ended December 31, 2016 met or exceeded the threshold, target or maximum level for this performance goal. Based on a cumulative adjusted EBITDA target for the three-year performance period of $406.0 million, and the Company s actual cumulative adjusted EBITDA for the three-year performance period of $379.4 million, 83.6 % of the target shares underlying this tranche of the award vested, as shown in the following table.

	Adjusted EBITDA
Below threshold (0%)	<$ 325M
Threshold (50%)	$ 325M
Target (100%)	$ 406M
Maximum (150%)	$ 446M
Actual Vesting Percentage = 83.6% **(Cumulative 3-Year Adjusted EBITDA = $379.4 million)**	

Accordingly, based on the Company s relative TSR and cumulative adjusted EBITDA performance over the three-year performance period, the vesting percentage of the performance-based restricted stock unit awards granted in 2014 to Ms. Howard, Mr. Spirer and Ms. Weed was 104.8% of the target shares underlying the award after applying the weighting of each performance goal.

Other Compensation We offer limited perquisites to our NEOs, with parking benefits being the main perquisite that our NEOs receive on an annual basis. In 2016, we paid Mr. Lieberman a $125,000 relocation allowance; provided, however, that this relocation allowance is fully reimbursable to the Company in the event Mr. Lieberman voluntarily terminates his employment prior to the first anniversary of his employment commencement date. None of our NEOs receives benefits under a defined benefit pension plan or supplemental executive retirement plan.

Interim CFO Compensation

Under the terms of an interim executive officer agreement that we entered into with Mr. Nardi on November 9, 2015, during 2016, Mr. Nardi received a base salary at an annualized rate of $500,000 and a cash bonus equal to 75% of his base salary earned during his period of employment with us. Mr. Nardi s base salary and cash bonus percentage were based on the corresponding amounts to which our former CFO was entitled at the time of her resignation. Mr. Nardi also received a cash sign-on bonus of $100,000, which was paid in January 2016. In recognition of the fact that Mr. Nardi s period of service as our interim CFO was longer than originally anticipated, the compensation committee approved an additional cash bonus in the amount of $150,000 payable to Mr. Nardi in May 2016 at the end of his term of employment with us. Mr. Nardi was otherwise not eligible to participate in either our 2016 annual incentive plan or 2016 long-term equity incentive program.

Post-Termination Compensation

We have entered into severance arrangements with our NEOs that provide, among other things, for certain payments and benefits in the event that an NEO s employment is terminated under certain circumstances, such as being terminated by the Company without cause or resigning for good reason or within a specified period following a change in control. These severance arrangements are described in further detail in the section entitled Executive Compensation Employment Arrangements below.

The compensation committee believes that the severance arrangements provided to our NEOs are an important part of our overall executive compensation program because they help us ensure the continued focus and dedication of our NEOs, notwithstanding any concern that they may have at any given time regarding their continued employment prior to or following a change in control transaction. The compensation committee also believes that offering severance benefits is an important recruiting and retention tool, as the majority of companies with which we compete for executive talent have similar arrangements in place for their executive officers.

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Prior to 2016, we had a practice of entering into employment agreements with each of our NEOs for finite terms. In early 2016, following a review of peer group and market practice, the compensation committee decided to discontinue the practice of entering into employment agreements for our executive officer positions (excluding the CEO) commencing with the new CFO hire (Mr. Lieberman) and upon expiration of the term of each NEO s employment agreement. Ms. Howard s employment agreement provides for one-year extensions past the initial five-year term ending on March 1, 2017, unless we provide notice of our intent not to continue her employment after the expiration of that agreement on terms (other than contract length) at least equivalent to the terms of the agreement. No such notice was provided on or prior to March 1, 2016.

None of the employment arrangements with our NEOs contain excise tax gross-up provisions related to a change in control of the Company, and in order for our NEOs to be entitled to severance benefits in connection with a change in control transaction, a qualifying termination event (or double trigger) is required.

Other Compensation Policies

Stock Ownership Guidelines and Holding Period Requirements

To reinforce the importance of stock ownership and further align our NEOs interests with those of our shareholders, the compensation committee has adopted stock ownership guidelines which also include holding period requirements that apply to equity incentive awards granted to our NEOs. Consistent with the prevailing practice in our current peer group, our stock ownership guidelines require the CEO to own shares of our common stock valued at a minimum of four times annual base salary and the other NEOs to own shares of our common stock valued at a minimum of three times annual base salary. In addition to shares owned outright by the NEO, shares that count toward the achievement of the ownership guidelines include the net in-the-money, after-tax value of vested, but unexercised, stock options, as well as vested and unvested time-based restricted stock units. Shares that do not count towards the achievement of the ownership guidelines include shares underlying unvested stock options and unvested performance-based restricted stock units. Until these ownership guidelines are achieved, each NEO must retain at least 50% (75% in the case of the CEO) of the net shares received upon the vesting of equity awards or the exercise of stock options.

Even after meeting the applicable stock ownership guideline, our NEOs must comply with holding period requirements with respect to their equity incentive awards. Under these holding period requirements, our CEO is required to hold at least 75%, and the other NEOs are required to hold at least 50%, of the net shares received from the vesting of equity awards or the exercise of stock options for at least one year following the vesting or exercise date.

At the end of 2016, all of our NEOs were in compliance with these stock ownership guidelines (either because they achieved the applicable ownership guideline or had complied with the applicable retention ratios if such guideline had not been achieved) including the holding period requirements contained therein.

Clawback Policy

The Board has adopted a clawback policy requiring the reimbursement of excess annual cash or long-term equity incentive compensation paid to the Company s executive officers in the event of certain restatements of the Company s financial statements. This policy will be amended as necessary to comply with the final regulations under the Dodd-Frank Wall Street Reform Act when they are adopted by the SEC.

Insider Trading Policies

Our insider trading policies prohibit all of our employees, including our NEOs, from selling short our common stock or engaging in hedging or offsetting transactions regarding our common stock. Effective January 1, 2013, our insider trading policies also prohibit, on a prospective basis, our employees from holding shares of our common stock in a margin account or pledging shares of our common stock as collateral for a loan.

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COMPENSATION COMMITTEE REPORT

The compensation committee has reviewed and discussed the foregoing Compensation Discussion and Analysis, required by Item 402(b) of Regulation S-K, with management of the Company. Based on this review and discussion, the compensation committee recommends to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement, the Company s Annual Report on Form 10-K for the year ended December 31, 2016 and such other filings with the SEC as may be appropriate.

COMPENSATION COMMITTEE

Stephan A. James, Chairman

Cynthia A. Glassman

Samuel K. Skinner

Michael L. Tipsord

Randy H. Zwirn

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EXECUTIVE COMPENSATION

2016 Summary Compensation Table

The table below summarizes the total compensation paid to or earned by each of our NEOs for the last three fiscal years.

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)(2)	Stock Awards ($)(3)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	All Other Compensation ($)(5)	Total ($)
Julie M. Howard	2016	884,231		1,961,617	550,004	1,215,000	15,004	4,625,856
Chairman and Chief	2015	830,769		1,262,483	425,050	968,000	15,448	3,501,750
Executive Officer	2014	780,769		1,136,169	362,506	746,000	15,141	3,040,585
Stephen R. Lieberman	2016	355,769		957,084	125,002	312,000	136,737	1,886,594
Executive Vice President	2015							
and Chief Financial Officer(6)	2014							
Lee A. Spirer	2016	642,115		579,588	162,500	777,000	12,802	2,174,005
Executive Vice President	2015	623,077		445,601	150,019	679,000	11,696	1,909,393
and Global Business Leader	2014	590,385		470,143	150,006	410,000	10,937	