

BLACKBAUD INC
Form DEF 14A
April 24, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant Filed by a Party other than the Registrant
Check the appropriate box:
 Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to §240.14a-12

Blackbaud, 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):

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(3) Filing Party:

(4) Date Filed:

TABLE OF CONTENTS

<u>LETTER TO STOCKHOLDERS FROM OUR BOARD OF DIRECTORS</u>	<u>2</u>
<u>NOTICE OF ANNUAL MEETING OF STOCKHOLDERS</u>	<u>3</u>
<u>PROXY SUMMARY</u>	<u>4</u>
<u>PROXY STATEMENT</u>	<u>8</u>
<u>GOVERNANCE</u>	<u>9</u>
Proposal 1—Election of Directors	<u>9</u>
<u>Board of Directors and Committees</u>	<u>14</u>
<u>Director Compensation</u>	<u>20</u>
<u>Transactions with Related Persons</u>	<u>22</u>
<u>STOCK OWNERSHIP</u>	<u>23</u>
<u>Ownership of Equity Securities of the Company</u>	<u>23</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>24</u>
<u>EXECUTIVE COMPENSATION</u>	<u>25</u>
Proposal 2—Advisory Vote to Approve Named Executive Officer Compensation	<u>25</u>
<u>Compensation Discussion and Analysis</u>	<u>26</u>
<u>Compensation Committee Report</u>	<u>41</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>41</u>
<u>Compensation Tables</u>	<u>42</u>
<u>Nonqualified Deferred Compensation and Retirement Plans</u>	<u>45</u>
<u>Potential Payments Upon Termination or Change in Control</u>	<u>45</u>
<u>CEO Pay Ratio</u>	<u>48</u>
<u>Equity Compensation Plan Information</u>	<u>49</u>
<u>AUDIT MATTERS</u>	<u>50</u>
Proposal 3—Ratification of Appointment of Independent Registered Public Accounting Firm	<u>50</u>
<u>Audit Committee Report</u>	<u>50</u>
<u>ADDITIONAL INFORMATION</u>	<u>52</u>
Questions and Answers about the 2018 Annual Meeting of Stockholders	<u>52</u>
<u>Stockholder Proposals</u>	<u>54</u>
<u>Delivery of Documents to Stockholders Sharing an Address</u>	<u>55</u>
<u>Annual Report on Form 10-K</u>	<u>55</u>
<u>Other Matters</u>	<u>55</u>
Directions to the 2018 Annual Meeting of Stockholders	<u>56</u>
<u>APPENDICES</u>	<u>57</u>
<u>Appendix A—Reconciliations of GAAP to non-GAAP Financial Measures</u>	
<u>Appendix B—Form of Proxy Card</u>	

2018 Proxy Statement 1

Table of Contents

LETTER TO STOCKHOLDERS
FROM OUR BOARD OF DIRECTORS

Fellow Blackbaud Stockholders:

Blackbaud is the world's leading cloud software company powering social good. As the leader in a large and growing market, our Company offers its customers a comprehensive solution set combined with domain expertise. As stewards of the Company, we are committed to achieving long-term performance and delivering stockholder value through a strong business model and four-point strategy for growth, which is: building integrated and open solutions in the cloud; driving sales effectiveness; expanding the Company's total addressable market into near adjacent markets through acquisitions and product investments; and improving operating efficiency. With that strategy in mind, the Board of Directors is pleased with the Company's progress over the past year.

In 2017, the Company:

- Introduced SKY AI™ and SKY Analytics™, the intelligence engine behind the growing number of insights integrated into our cloud software solutions, powered by artificial intelligence;
- Acquired AcademicWorks and JustGiving, which expanded our addressable market into scholarship management and peer-to-peer fundraising, respectively;
- Made investments to increase the effectiveness of our sales organization, with a focus on enabling our expanding sales teams with the talent, processes and tools to accelerate our revenue growth and improve effectiveness;
- Substantially completed the centralization of our operations allowing us to gain productivity, efficiency and scalability;
 - Initiated a plan to relocate some of our existing offices to highly modern and more collaborative workspaces that are more centrally located for our employees and closer to our customers;
- Provided \$23.1 million to stockholders in the form of dividends;
- Achieved our 2017 full-year financial guidance; and
- Executed against our long-term aspirational goals related to revenue growth, margin expansion and operating cash flow.

We remain committed to continuing stockholder communication and engagement to better understand your views on the Company and, in particular, our executive compensation program. In 2017, as we do every year, we reviewed our executive compensation program with our Compensation Committee's independent compensation consultant, Compensia, Inc., and evaluated our program against our industry peers.

Our compensation decisions, including the continued practice of granting annual equity awards to our executive officers that are at least 50% performance-based, reinforce our strong pay-for-performance compensation philosophy. We are committed to providing competitive, performance-based compensation opportunities to our executive officers, who collectively are responsible for making our Company successful, and are confident that our compensation program achieves this aim.

We appreciate your investment in Blackbaud and value your input and continued support.

The Board of
Directors of
Blackbaud, Inc.
April 24, 2018

Table of Contents

NOTICE OF ANNUAL MEETING
OF STOCKHOLDERS

Tuesday, June 12, 2018
4:00 p.m., Eastern Time

Blackbaud Corporate Headquarters
65 Fairchild Street, Charleston, South Carolina 29492

Fellow Blackbaud Stockholders:

The 2018 Annual Meeting of Stockholders of Blackbaud, Inc. will be held on Tuesday, June 12, 2018 at 4:00 p.m., Eastern Time, at our corporate headquarters located at 65 Fairchild Street, Charleston, South Carolina 29492, to take action on the following business:

1. To elect the two Class B directors named in the Proxy Statement, each for a three-year term expiring in 2021;
2. To hold an advisory vote to approve the 2017 compensation of our named executive officers;
3. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018; and
4. To transact such other business as may properly come before the meeting or any adjournment thereof.

These matters are more fully described in the Proxy Statement accompanying this Notice.

If you were a stockholder of record of Blackbaud common stock as of the close of business on April 16, 2018, you are entitled to receive this Notice and vote at the Annual Meeting of Stockholders and any adjournments or postponements thereof.

You are cordially invited to attend the meeting in person; however, to assure your representation at the meeting, you are urged to vote by proxy by following the instructions contained in the accompanying Proxy Statement. You may revoke your proxy in the manner described in the Proxy Statement at any time before it has been voted at the meeting. Any stockholder attending the meeting may vote in person even if he or she has returned a proxy.

Your vote is important. Whether or not you plan to attend the meeting, we hope that you will vote as soon as possible.

By order of the Board
of Directors

Jon W. Olson
Senior Vice
President, General
Counsel and
Corporate Secretary
Dated: April 24, 2018

2018 Proxy Statement 3

Table of Contents

PROXY SUMMARY

This proxy summary is intended to provide a broad overview of the items that you will find elsewhere in this proxy statement. Because this is only a summary, it does not contain all of the information that you should consider, and you should read the entire proxy statement carefully prior to voting.

ANNUAL MEETING OF STOCKHOLDERS

TIME AND DATE: June 12, 2018, 4:00 p.m., Eastern Time

PLACE: Blackbaud Corporate Headquarters, 65 Fairchild Street, Charleston, South Carolina 29492. See "Directions to the 2018 Annual Meeting of Stockholders" on page 56 of this Proxy Statement.

RECORD DATE: April 16, 2018

VOTING: Stockholders as of the record date are entitled to vote. Each share of Blackbaud common stock is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on. Even if you plan to attend the 2018 Annual Meeting of Stockholders in person, please vote right away using one of the following advance voting methods (see page 52 for additional details). Make sure you have your proxy card or voting instruction form in hand and follow the instructions. Use the Internet Call Toll-Free Mail Your Proxy Card

8 ' *
www.proxyvote.com 1-800-690-6903 Follow the instructions on your proxy materials

ADMISSION: Proof of share ownership and a form of personal photo identification will be required to enter the Blackbaud Annual Meeting.

MEETING AGENDA AND VOTING MATTERS

Proposal	Board's Voting Recommendation	Voting Standard	Page Number (for more details)
No. 1 Election of two Class B directors, each for a three-year term expiring in 2021.	ü FOR (each nominee)	Majority of votes present and entitled to vote	<u>2</u>
No. 2 Advisory vote to approve the 2017 compensation of our named executive officers.	ü FOR	Majority of votes present and entitled to vote	<u>25</u>
No. 3 Ratification of appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018.	ü FOR	Majority of votes present and entitled to vote	<u>50</u>

42018 Proxy Statement

Table of Contents PROXY SUMMARY

MEMBERS OF OUR BOARD OF DIRECTORS (pages 10-14)

Name, Primary Occupation	Age	Director Since	Class	Current Term Expires	Expiration of Term For Which Nominated	Independent	Other Public Company Boards	Committee Memberships
								ACCCNCGCROC
Timothy Chou, Ph.D. President of Oracle On Demand, a division of Oracle Corporation (Retired)	63	2007	A	2020	-	Yes	1	1
George H. Ellis Managing Director of Huron Consulting Group, Inc.	69	2006	B	2018	2021	Yes	1	1
Thomas R. Ertel Partner of Ernst & Young, LLP (Retired)	62	2017	C	2019	-	Yes	None	1