

DHI GROUP, INC.
Form DEF 14A
March 09, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant Filed by a Party other than the Registrant
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

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

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

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- No fee required.
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 - (3) Filing Party:
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March 9, 2016

Dear Fellow Stockholder,

I am pleased to invite you to our 2016 Annual Meeting of Stockholders (the “Annual Meeting”), which will be held on Friday, April 22, 2016, at 9:00 a.m., local time, at the Marriott Residence Inn Times Square, 1033 Avenue of the Americas, New York, New York 10018.

At the meeting, we will be electing one class of directors, considering the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016, and considering the approval, on an advisory basis, of the compensation of our named executive officers. The board of directors recommends a vote FOR (i) the election of our director nominees, (ii) the ratification of the selection of Deloitte & Touche LLP as our independent registered public accounting firm, and (iii) the approval, on an advisory basis, of the compensation of our named executive officers.

You may vote your shares using the Internet or the telephone by following the instructions on the enclosed proxy card. Of course, you may also vote by returning the enclosed proxy card.

Only DHI Group, Inc. stockholders may attend the Annual Meeting. If you wish to attend the meeting in person, you will need to request an admission ticket in advance. You can request a ticket by following the instructions set forth in the proxy statement.

Thank you very much for your support of DHI Group, Inc.

Sincerely,

Michael P. Durney

President and Chief Executive Officer

DHI GROUP, INC.

1040 Avenue of the Americas, 8th Floor

New York, New York 10018

March 9, 2016

NOTICE OF ANNUAL MEETING

DHI Group, Inc., a Delaware corporation (the “Company”), will hold its 2016 Annual Meeting of Stockholders (the “Annual Meeting”) at the Marriott Residence Inn Times Square, 1033 Avenue of the Americas, New York, New York 10018, on Friday, April 22, 2016, at 9:00 a.m., local time, to:

1. Elect four Class III directors, for a term of three years, or until their successors are duly elected and qualified;
2. Ratify the selection of Deloitte & Touche LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2016;
3. Hold an advisory vote on the compensation of our named executive officers as described in the proxy statement; and
4. Transact any other business that may properly come before the Annual Meeting and any adjournments or postponements thereof.

Stockholders of record of DHI Group, Inc. common stock (NYSE: DHX) as of the close of business on March 7, 2016, are entitled to vote at the Annual Meeting and any adjournments or postponements thereof. A list of these stockholders will be available at the offices of the Company in New York, New York.

YOUR VOTE IS IMPORTANT

Whether or not you plan to attend the Annual Meeting in person, you are strongly encouraged to sign and date the enclosed proxy card and return it promptly, or submit your proxy by telephone or the Internet. Any stockholder of record who is present at the Annual Meeting may vote in person instead of by proxy, thereby revoking any previous proxy.

Brian P. Campbell
Vice President, Business and Legal Affairs,
General Counsel and Corporate Secretary

Important Notice Regarding the Availability of
Proxy Materials for the Annual Meeting of Stockholders
to be Held on April 22, 2016

The proxy statement and Annual Report on Form 10-K are available at www.dhigroupinc.com/investors. The means to vote is available by Internet at www.investorvote.com/dhx or by calling 1-800-652-VOTE (8683).

Your Vote is Important

Please vote as promptly as possible
by using the Internet or telephone or
by signing, dating and returning the enclosed proxy card.

If you plan to attend the meeting, you must request an admission ticket in advance of the meeting. Tickets will be issued to registered and beneficial owners and to one guest accompanying each registered or beneficial owner. Please note that if you hold your shares in "street name" (through a broker or other nominee), you will need to send a written request for a ticket, along with proof of share ownership, such as a copy of the portion of your voting instruction form showing your name and address, a bank or brokerage firm account statement or a letter from the broker, trustee, bank or nominee holding your shares, confirming ownership.

Requests for admission should be addressed to the Corporate Secretary, DHI Group, Inc., 1040 Avenue of the Americas, 8th Floor, New York, New York 10018 or by calling (212) 448-4181, and will be processed in the order in which they are received and must be requested no later than April 18, 2016. Please note that seating is limited and requests for tickets will be accepted on a first-come, first-served basis. On the day of the Annual Meeting, each stockholder will be required to present a valid picture identification such as a driver's license or passport with his or her admission ticket. Seating will begin at 8:30 a.m. and the meeting will begin promptly at 9:00 a.m., local time. Cameras (including cell phones with photographic capabilities), recording devices and other electronic devices will not be permitted at the Annual Meeting.

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PROXY STATEMENT
FOR ANNUAL MEETING OF STOCKHOLDERS
To be Held on April 22, 2016

PROXY STATEMENT SUMMARY

This summary highlights information described in more detail elsewhere in this Proxy Statement. It does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting. Page references are provided to help you find further information. For ease of reading, in these materials “DHI,” “we,” “us,” or the “Company” refers to DHI Group, Inc., “Board” refers to our Board of Directors, “CEO” refers to our Chief Executive Officer, and “NEOs” refers to our Named Executive Officers.

2016 Annual Meeting of Stockholders

Date: Friday, April 22, 2016

Time: 9:00 a.m., local time

Place: Marriott Residence Inn Times Square, 1033 Avenue of the Americas, New York, New York 10018

Eligibility to Vote

You may vote if you were a stockholder of record at the close of business on March 7, 2016.

How to Cast Your Vote

If you are eligible to vote, you can vote by:

Internet: www.investorvote.com/dhx

Telephone: 1-800-652-VOTE (8683) (within USA, US territories and Canada on a touch tone phone)

The deadline for voting via the Internet or telephone is 11:59 P.M., Eastern Daylight Time, on April 21, 2016.

Mail: If you received written material, complete, sign and return your Annual Meeting Proxy Card by April 21, 2016.

You may vote your shares at the Annual Meeting. If your shares are held in the name of a broker, nominee, In you will need to send a written request for a ticket, along with proof of share ownership, such as a copy of the Person: portion of your voting instruction form showing your name and address, a bank or brokerage firm account statement or a letter from the broker, trustee, bank or nominee holding your shares, confirming ownership.

If you have any questions or require any assistance with voting your shares, please contact our proxy solicitor, Innisfree M&A Incorporated (“Innisfree”), at:

Innisfree M&A Incorporated
501 Madison Avenue
New York, NY 10022

Stockholders call toll-free: (888) 750-5834

Banks and brokers call collect: (212) 750-5833

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Items for Vote (page 19)

	Board Vote Recommendation	Page Reference (for further detail)
1. Election of Directors	FOR	19
2. Ratification of Selection of Independent Registered Public Accounting Firm	FOR	19
3. Advisory Approval of the Company's Executive Compensation Board Nominees (page 7)	FOR	20

Name of Nominee	Age	Director Since	Positions with DHI	Independent	Committee Membership		
					AC	CC	N&CG
John W. Barter	69	2007	Chairman	Yes	ü		ü
Burton M. Goldfield	60	2014	Director	Yes	ü		
Scot W. Melland	53	2001	Director	No			
Brian Schipper	55	2014	Director	Yes		ü	

AC - Audit Committee

CC - Compensation Committee

N&CG - Nominating and Corporate Governance Committee

Alignment with Shareholders:

We have implemented compensation practices that we believe align the interests of our executive officers with our shareholders by tying a significant portion of their compensation to the Company's financial performance:

Pay for Performance and Variable Compensation

We utilize an independent compensation consultant to help assess our compensation arrangements. In 2015, the Compensation Committee engaged Compensia, an independent compensation consultant with significant experience in our sector.

We generally do not provide perquisites to our NEOs beyond those provided to all employees.

For 2015, approximately 85% of total compensation for our CEO and 75% of total compensation for our NEOs was variable and dependent on performance.

For 2015, we designed and adopted a new long-term equity incentive program which features a performance-based component that we believe improves the alignment of our executive compensation with Company performance.

In 2014, we adopted a policy under which tax gross-up provisions were no longer included in employment agreements with new employees, or added to existing employment agreements with current employees which do not already contain a tax gross-up provision.

In 2015, we eliminated the 30% automatic funding floor in our Senior Bonus Plan and amended the plan to incorporate business unit and/or company performance for all executives.

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We have implemented corporate governance practices that further align the interests of our executive officers with our shareholders and mitigate risk:

Corporate Governance

Seven of our nine directors are independent. The Board meets regularly in executive session without the CEO present.

The roles of the CEO and Chairman of the Board are separate.

Only independent directors serve as Board committee members.

We hold an annual “Say-on-Pay” advisory vote to solicit the views of our stockholders regarding NEO compensation.

In 2015, we adopted equity ownership guidelines for our directors and executive officers.

Under our Securities Trading Policy, our directors, officers and employees and their related parties are prohibited from purchasing Company stock on margin, entering into short sales and buying or selling puts, calls, options or other derivatives in respect of securities of the Company.

In 2015, we designed and adopted a “claw-back” policy pursuant to which the Company may, under certain circumstances as specified in the policy, seek reimbursement of annual, performance-based cash and equity compensation made to covered officers.

Since the beginning of 2014, we have added a number of Board members with relevant industry experience.

In 2016, the Company adopted majority voting for uncontested director elections.

For additional information on our Executive Compensation, please see “Compensation Discussion and Analysis” starting on page 21.

2015 Executive Compensation— Pay-For-Performance (page 21)

Consistent with our pay-for-performance philosophy, the primary elements of compensation for our executives in 2015 included: base salary, annual performance-based cash bonus, and long-term equity incentives consisting of time-based restricted stock and performance-based restricted stock units (PSUs). Of these elements, base salary and benefits were fixed, with the remaining compensation elements dependent on both individual and/or corporate performance.

After review of the applicable performance metrics, our Compensation Committee determined that our NEO participants in our Senior Bonus Plan were entitled to receive between 71% and 89% of their respective corporate or business unit target bonus pools, based on revenue and Adjusted EBITDA performance. The Compensation Committee also determined that our NEOs were entitled to receive time-based restricted stock and PSUs. See Compensation Discussion & Analysis—Elements of Executive Compensation and Grants of Plan-Based Awards for Fiscal Year 2015.

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New Compensation Policies

In connection with our ongoing review of corporate governance and compensation practices and policies, and taking into consideration best practices, our desire to mitigate risk for our stockholders and feedback received from our stockholders, as described more fully below under Compensation Discussion & Analysis—Compensation and Corporate Governance Philosophy, we implemented four changes to our corporate governance practices for 2015:

Equity Incentive Compensation. For 2015, we designed and adopted a new long-term equity incentive program under our 2012 Omnibus Equity Award Plan that provides a combination of: (1) one-half performance-based restricted stock units (“PSUs”); and (2) one-half restricted stock, the combination of which constitutes the majority of total compensation in 2015 for most executives.

Equity Ownership Guidelines. To further align the interests of our executives and directors with those of our stockholders, our Board adopted equity ownership guidelines for our executive officers and directors. These new guidelines require these executive officers and directors to achieve target ownership levels under the terms of the guidelines, within the later of five years from March 3, 2015 or the commencement by that person of a position set forth below:

Position	Multiple of Base Salary (as of December 31 of immediately preceding calendar year) or Retainer
Chief Executive Officer	3.0x base salary
Other Executive Officers	1.0x base salary
Members of our Board	3.0x retainer

Elimination of the 30% Floor on Our Senior Bonus Plan. In 2015, we eliminated the automatic funding floor of 30% on our senior bonus plan. Starting in 2015, 50% of the total bonus pool available for NEOs and other senior executives designated by the Compensation Committee was funded according to the percentage of the revenue target achieved, and 50% was funded according to the percentage of Adjusted EBITDA target achieved, which we believe aligns funding with our pay-for-performance philosophy.

“Claw-back” Policy. Our Board also has adopted a “claw-back” policy. Under, and subject to, our “claw-back” policy, the Company may generally seek reimbursement of annual, performance-based cash bonuses made to covered executives, including our NEOs, which were based on achieving certain financial results, if the covered officer intentionally and knowingly engaged in fraud or misconduct that caused the need for a substantial and material restatement of our financial results for the applicable period if a lower cash incentive payment would have been made to the covered officer based upon those restated financial results. More specifically, compensation subject to the “claw-back” policy is any cash incentive payments made within the three-year period preceding the accounting restatement.

Other New Corporate Governance Developments

Adoption of Majority Voting in Uncontested Director Elections. Consistent with our commitment to strong corporate governance, and after consideration of market practice and input from our stockholders, in 2016, our Board amended and restated our by-laws, to provide that, in the case of uncontested director elections, a director must be elected by a majority of the votes cast with respect to the election of such director. For purposes of this standard, a “majority of the votes cast” means that the number of shares voted “FOR” a director must exceed the number of shares voted “AGAINST” that director and abstentions and broker non-votes are not counted as “votes cast.” In the case of contested elections (where, if as of a date that is 14 days in advance of the date the Company files its definitive proxy statement (12 days in the case of the 2016 annual meeting) (regardless of whether or not thereafter revised or supplemented) with the Securities and Exchange Commission, the number of nominees exceeds the number of directors to be elected), the required voting standard to be elected as a director continues to be by plurality vote.

If an incumbent director fails to receive the required majority vote for reelection, the director shall offer to tender his or her resignation to the Board. The Board may consider any factors they deem relevant (including, but not limited to, recommendations the Board may request from a designated committee) in deciding whether to accept or reject a director’s resignation or whether other action should be taken. Any director tendering such resignation will not be permitted to participate in the deliberations regarding whether to accept or reject such resignation. Within 90 days from the date the election results are certified, the Company will be required to publicly disclose the Board’s decision and the rationale behind such decision.

Agreement with Barington Capital Group. On February 25, 2016, we entered into an agreement with an investor group led by Barington Capital Group, L.P. (“Barington”). Under the terms of the agreement and subject to the conditions set forth

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therein, Barington has withdrawn the two nominees that it had previously proposed for election to the Board at the Annual Meeting and agreed to vote its shares in support of all four of our current director nominees up for reelection. Further, subject to the terms of the agreement, we have agreed to add a new Board member mutually acceptable to the Company and Barington to fill the vacancy created by the recent resignation of Mr. Peter Ezersky.

As a result of the withdrawal of the Barington nominees, the number of nominees for election to the Board at the Annual Meeting is equal to the number of directors to be elected, and accordingly, the majority voting procedures in our by-laws governing uncontested elections are applicable for the Annual Meeting.

INFORMATION CONCERNING SOLICITATION AND VOTING

This proxy statement is furnished to the stockholders of record of DHI Group, Inc., a Delaware corporation, in connection with the solicitation by the Company's board of directors of proxies for the 2016 Annual Meeting of Stockholders of the Company (the "Annual Meeting") to be held at the Marriott Residence Inn Times Square, 1033 Avenue of the Americas, New York, New York 10018 on Friday April 22, 2016, at 9:00 a.m., local time, and at any adjournments or postponements thereof, for the purpose of considering and acting upon the matters set forth in the accompanying Notice of Annual Meeting of Stockholders. In this proxy statement, we refer to DHI Group, Inc. as the "Company," "we" or "us."

This proxy statement and accompanying proxy and voting instructions are first being mailed on or about March 9, 2016 to holders of the Company's common stock, par value \$0.01 (the "Common Stock"), entitled to vote at the Annual Meeting. The presence in person or by proxy of the holders of a majority of the total number of shares of Common Stock outstanding and entitled to vote at the Annual Meeting shall constitute a quorum for the transaction of any business at the Annual Meeting. Each owner of record of the Common Stock on the record date is entitled to one vote for each share. At the close of business on March 7, 2016, the record date for determining the stockholders entitled to notice of, and to vote at, the Annual Meeting, there were outstanding and entitled to vote 52,409,833 shares of the Common Stock, including 2,450,475 shares of unvested restricted Common Stock. The shares of Common Stock are publicly traded on the New York Stock Exchange (the "NYSE") under the symbol "DHX."

At the Annual Meeting, director nominees up for election in Proposal 1 will each be elected by a majority of the votes cast in person or by proxy. The ratification of the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm (Proposal 2) and the advisory approval of executive compensation (Proposal 3) will require the affirmative vote of a majority in voting power of shares of Common Stock present in person or by proxy and entitled to vote at the Annual Meeting.

Broker non-votes and abstentions are included in determining whether a quorum is present. Broker non-votes and abstentions are not deemed to be "votes cast" with respect to the election of directors. Broker non-votes and abstentions will have no legal effect on Proposal 1, and an abstention, but not a broker non-vote, will have the same legal effect as a vote "AGAINST" Proposals 2 and 3.

A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power on that item and has not received instructions from the beneficial owner. Under NYSE rules, a proposal to approve the appointment of our independent registered public accounting firm is considered a discretionary item, which means that brokerage firms may vote in their discretion on this matter on behalf of clients who have not furnished voting instructions.

All shares entitled to vote and represented by properly executed proxies received prior to the Annual Meeting, and not revoked, will be voted as instructed on those proxies. If no instructions are indicated, the shares will be voted as recommended by the board of directors. If any other matters are properly presented at the Annual Meeting for consideration, the persons named in the enclosed form of proxy will have discretion to vote on those matters in accordance with their own judgment to the same extent as the person signing the proxy would be entitled to vote. Stockholders will have the option to submit their proxies or voting instructions electronically through the Internet, by telephone or by using a traditional proxy card. Stockholders should check their proxy card or voting instructions forwarded by their broker, bank or other holder of record to see which options are available. The deadline for voting via the Internet or by telephone is 11:59 P.M., Eastern Daylight Time, on April 21, 2016. Stockholders submitting proxies or voting instructions via the Internet should understand that there may be costs associated with electronic

access, such as usage charges from Internet access providers and telephone companies that would be borne by the stockholder.

Any stockholder of record may revoke a proxy at any time before it is voted by filing with the Corporate Secretary, at or before the taking of the vote at the Annual Meeting, a written notice of revocation or duly executed proxy, in either case dated

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later than the prior proxy relating to the same shares, or by attending the Annual Meeting and voting in person (although attendance at the Annual Meeting will not by itself revoke a proxy).

Any written notice of revocation or subsequent proxy should be delivered to DHI Group, Inc., 1040 Avenue of the Americas, 8th Floor, New York, NY 10018 Attention: Corporate Secretary, or hand delivered to the Corporate Secretary, before the taking of the vote at the Annual Meeting. To revoke a proxy previously submitted via the Internet or by telephone, a stockholder may simply submit a new proxy (including by means of the Internet or by telephone) at a later date before the taking of the vote at the Annual Meeting, in which case, the later submitted proxy will be recorded and the earlier proxy will be revoked.

We have retained Innisfree to perform proxy solicitation services for us, involving conducting a bank/broker search, distributing proxy solicitation materials to stockholders, providing information to stockholders from the materials, and soliciting proxies by mail, courier, telephone, facsimile and e-mail. In connection with its retention, Innisfree has agreed to provide consulting and analytic services upon request. We will pay a fee not to exceed \$20,000 to Innisfree, plus out-of-pocket expenses for these services.

If you have any questions or require any assistance with voting your shares, please contact Innisfree at:

Innisfree M&A Incorporated
501 Madison Avenue
New York, NY 10022

Stockholders call toll-free: (888) 750-5834
Banks and brokers call collect: (212) 750-5833

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DIRECTORS AND CORPORATE GOVERNANCE

Board Structure

Composition of our Board of Directors

Prior to September 2013, our Board consisted of seven directors. Mr. Durney joined the board of directors in September 2013, upon his appointment to President and Chief Executive Officer. Since the beginning of 2014, we have added the following directors:

Name	Title	Company	Director Since
Brian Schipper	Most Recently Vice President of Human Resources	Twitter, Inc.	February 2014
Carol Carpenter	Chief Executive Officer	ElasticBox	May 2014
Burton M. Goldfield	President and Chief Executive Officer	TriNet	December 2014
Jim Friedlich	Chief Executive Officer	Empirical Media Advisors	January 2015

On January 31, 2016, Peter Ezersky, our Board Chairman, resigned from the Board. On February 1, 2016, Mr. Barter became Chairman of the Board.

The Board met seven times during fiscal 2015. Each director attended at least 75% of all of the meetings of the Board and committees on which he or she served. Under the Company's Corporate Governance Guidelines, each director is expected to dedicate sufficient time, energy and attention to ensure the diligent performance of his or her duties, including by attending annual and special meetings of the stockholders of the Company and meetings of the Board and committees of which he or she is a member. Nine of the Company's directors attended the Company's 2015 Annual Meeting of Stockholders.

Our by-laws provide that our board of directors will consist of no less than five and no more than 20 persons. The exact number of members on our board of directors will be determined from time to time by resolution of a majority of our full board of directors.

Our Board is divided into three classes, with each class serving a three-year term and one class being elected at each year's annual meeting of stockholders. Mr. Gordon and Ms. Carpenter are currently serving as Class I directors (with a term expiring at the 2017 Annual Meeting). Messrs. Durney and Friedlich and Ms. Sheikholeslami are currently serving as Class II directors (with a term expiring at the 2018 Annual Meeting). Messrs. Barter, Melland, Schipper and Goldfield are currently serving as Class III directors (with a term expiring at the 2016 Annual Meeting).

Set forth below is information relating to the Company's directors, including the Class III Directors who are nominated for election at the Annual Meeting.

Committee
Membership