

Blue Buffalo Pet Products, Inc.  
Form DEF 14A  
April 17, 2017

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  
(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 under §240.14a-12

Blue Buffalo Pet Products, 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.

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- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

Blue Buffalo Pet Products, Inc.  
11 River Road  
Wilton, Connecticut 06897

April 17, 2017

To Our Stockholders:

We are pleased to invite you to attend the Annual Meeting of Stockholders of Blue Buffalo Pet Products, Inc. to be held on Thursday, June 1, 2017, at 10:00 A.M., local time, at Dolce Norwalk, 32 Weed Avenue, Norwalk, Connecticut, 06850.

The following pages include a formal notice of the meeting and the proxy statement. These materials describe various matters on the agenda for the meeting and provide details regarding admission to the meeting. Please read these materials so that you will know what we plan to do at the meeting. It is important that your shares be represented at the Annual Meeting, regardless of whether or not you plan to attend the meeting in person. You may vote your shares through any of the voting options available to you as described in this proxy statement.

We hope you will exercise your rights as a stockholder and fully participate in Blue Buffalo Pet Products, Inc.'s future. On behalf of management and our Board of Directors, we thank you for your continued support of Blue Buffalo Pet Products, Inc.

Sincerely,  
William Bishop  
Founder and Chairman

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Blue Buffalo Pet Products, Inc.

11 River Road

Wilton, Connecticut 06897

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of Blue Buffalo Pet Products, Inc.:

The 2017 Annual Meeting of Stockholders of Blue Buffalo Pet Products, Inc. (the “Company”) will be held at 10:00 A.M., local time, on Thursday June 1, 2017, at Dolce Norwalk, 32 Weed Avenue, Norwalk, Connecticut, 06850. The business matters for the Annual Meeting are as follows:

1. The election of three Class II directors;
2. The ratification, in a non-binding vote, of the appointment of KPMG LLP as the Company’s independent registered public accounting firm for the 2017 fiscal year; and
3. The recommendation, in a non-binding advisory vote, whether future non-binding stockholder votes to approve the compensation paid to our named executive officers should occur every one, two or three years.

Stockholders who hold our common stock at the close of business on April 6, 2017, are entitled to receive notice of, attend, and vote at the Annual Meeting. Whether or not you plan to attend the Annual Meeting, to ensure that your shares are represented at the Annual Meeting, please complete, sign, date, and return the proxy card in the envelope provided, or submit your voting instructions by telephone using the toll-free number printed on your proxy card or over the internet as described in the enclosed materials.

If you plan to attend the Annual Meeting and are a registered stockholder, please bring the invitation attached to your proxy card. If your shares are registered in the name of a bank or your broker, please bring your bank or brokerage statement showing your beneficial ownership with you to the Annual Meeting or request an invitation by writing to me at the address set forth above.

Important notice regarding the availability of proxy materials for the 2017 Annual Meeting of Stockholders of Blue Buffalo Pet Products, Inc. to be held on June 1, 2017:

This Proxy Statement and the Annual Report to Stockholders are available at <http://ir.bluebuffalo.com>.

The Board of Directors recommends that you vote FOR Proposal Nos. 1 and 2, and for the frequency option of ONE YEAR in Proposal No. 3.

By Order of the Board of Directors,

Lawrence Miller

Senior Vice President, General Counsel and Secretary

Wilton, Connecticut

April 17, 2017

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## INFORMATION ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

Why am I receiving this proxy statement?

The Board of Directors of Blue Buffalo Pet Products, Inc. (“we,” “us,” “our,” “Blue,” or the “Company”) is soliciting proxies for our 2017 Annual Meeting of Stockholders on June 1, 2017 (the “Annual Meeting”). This proxy statement and accompanying proxy card are first being mailed on or about April 17, 2017, to stockholders of record as of April 6, 2017, the record date.

You are receiving this proxy statement because you owned shares of Blue’s common stock on the record date and are, therefore, entitled to vote at the Annual Meeting. By use of a proxy, you can vote regardless of whether you attend the Annual Meeting. This proxy statement provides information about the matters on which the Company’s Board of Directors (the “Board”) would like you to vote so that you can make an informed decision.

What is the purpose of the Annual Meeting?

The purpose of the Annual Meeting is to vote on the following three proposals:

1. The election of three Class II directors (see page 6); and
2. The ratification, in a non-binding vote, of the appointment of KPMG LLP (“KPMG”) as the Company’s independent registered public accounting firm for fiscal year 2017 (see page 32).
3. The recommendation, in a non-binding advisory vote, of whether future non-binding stockholder votes to approve the compensation paid to our named executive officers should occur every one, two or three years (see page 33).

Who is asking for my vote?

The Company is soliciting your proxy on behalf of the Board. The Company is paying for the costs of this solicitation and proxy statement.

Who can attend the Annual Meeting?

All stockholders of record, or their duly appointed proxies, may attend the Annual Meeting.

What are my voting rights?

You are entitled to one vote for each share of common stock held by you on the record date. As of the record date, there were 196,776,609 shares of common stock issued and outstanding.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

If your shares are registered directly in your name with the Company’s transfer agent, American Stock Transfer & Trust Company, LLC (“AST”), you are considered the stockholder of record for these shares. As the stockholder of record, you have the right to grant your voting proxy directly to the persons listed on your proxy card or vote in person at the Annual Meeting.

If your shares are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held “in street name.” These proxy materials are being forwarded to you together with a voting instruction card. As a beneficial owner, you have the right to direct your broker, trustee, or nominee how to vote, and you are also invited to attend the Annual Meeting. Because you are a beneficial owner and not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you obtain a proxy from the broker, trustee, or nominee that holds your shares. Your broker, trustee, or nominee should have provided directions for you to instruct the broker, trustee, or nominee on how to vote your shares.

What is a broker non-vote?

If you are a beneficial owner whose shares are held of record by a broker and you do not provide voting instructions to your broker, your shares will not be voted on any proposal on which the broker does not have discretionary authority to vote. This is called a “broker non-vote.” Your broker only has discretionary authority to vote on Proposal 2 (the ratification, in a non-binding vote, of the appointment of KPMG as the Company’s independent registered public accounting firm for the 2017 fiscal year). Therefore, your broker will not have discretion to vote on Proposal 1 (the election of three Class II directors) or Proposal 3 (the recommendation, in a non-binding vote, of the frequency of future non-binding votes on the compensation paid to our named executive officers) unless you specifically instruct your broker on how to vote your shares by returning your completed and signed voting instruction card.

What are my choices when casting a vote with respect to the election of Class II directors, and what vote is needed to elect the director nominees?

In voting on the election of Class II directors (Proposal 1), stockholders may:

1. vote "FOR" any of the nominees, or
2. vote "WITHHOLD" with respect to any of the nominees.

Pursuant to our by-laws, the nominees who receive a plurality of the votes cast in respect of the shares present in person or represented by proxy at the meeting, and entitled to vote on the election of the directors at the Annual Meeting, will be elected as Class II directors. This means that the director nominees with the greatest number of votes cast, even if less than a majority, will be elected. Votes that are "withheld" will not count as votes "for" or "against" a director because directors are elected by plurality voting. Broker non-votes will have no effect on the outcome of Proposal 1.

What are my choices when voting on the ratification of the appointment of KPMG as the Company's independent registered public accounting firm for fiscal 2017, and what vote is needed to approve this Proposal?

In voting on the ratification of KPMG (Proposal 2), stockholders may:

1. vote for the ratification of KPMG's appointment,
2. vote against the ratification of KPMG's appointment, or
3. abstain from voting on the ratification of KPMG's appointment.

The approval of Proposal 2 requires the affirmative vote of a majority of the voting power of the shares of our common stock present in person or represented by proxy and entitled to vote on Proposal 2 at our Annual Meeting. Abstentions will have the effect of a vote against this proposal.

What are my choices when voting on the recommendation of the frequency of future non-binding votes on the compensation paid to the Company's named executive officers?

In voting, in a non-binding advisory vote, on the recommendation of the frequency of future non-binding votes on the compensation paid to our named executive officers, stockholders may:

1. vote for such non-binding future votes to occur every "ONE YEAR,"
2. vote for such non-binding future votes to occur every "TWO YEARS,"
3. vote for such non-binding future votes to occur every "THREE YEARS," or
4. "ABSTAIN" from voting, in a non-binding advisory vote, on the recommendation of the frequency of future non-binding votes on the compensation paid to our named executive officers.

The recommendation of the frequency of future non-binding votes on the compensation paid to our named executive officers requires the affirmative vote of a majority of the voting power of the shares of common stock present in person or represented by proxy and entitled to vote on Proposal 3 at our Annual Meeting. Abstentions will have the effect of a vote against this proposal. Broker non-votes will have no effect on the outcome of Proposal 3.

What constitutes a quorum?

A quorum is the minimum number of shares required to be present to transact business at the Annual Meeting. Pursuant to the Company's by-laws, the presence at the Annual Meeting, in person or by proxy, of the holders of at least a majority in voting power of the issued and outstanding common stock entitled to vote at the Annual Meeting will constitute a quorum. If a quorum is not present, the meeting will be adjourned until a quorum is obtained. Abstentions, withheld votes in the election of the directors, and broker non-votes are counted as present for purposes of determining a quorum.

How does the Board recommend that I vote?

The Board recommends a vote:

FOR the election of each of the nominees for Class II directors (Proposal 1);  
FOR the ratification of the appointment of KPMG (Proposal 2); and  
For every ONE YEAR with respect to the frequency of future non-binding votes on the compensation paid to our named executive officers (Proposal 3).

How do I vote?

If you are a stockholder of record, you may vote in one of four ways. First, you may vote over the internet by completing the voting instruction form found at [www.proxyvote.com](http://www.proxyvote.com). You will need your proxy card when voting over the internet. Second, you may vote by touch-tone telephone by calling 1-800-690-6903. Third, you may vote by mail by signing, dating, and mailing your proxy card in the enclosed envelope. Fourth, you may vote in person at the Annual Meeting.

If your shares are held in a brokerage account or by another nominee, these proxy materials are being forwarded to you together with a voting instruction card. Follow the instructions on the voting instruction card in order to vote your shares. In order to vote in person as a beneficial owner, you must obtain a proxy from the broker, trustee, or nominee that holds your shares.

Can I change my vote after I return my proxy card?

Yes. Even after you have submitted your proxy card, you may change or revoke your vote at any time before your proxy votes your shares by submitting written notice of revocation to Lawrence Miller, Senior Vice President, General Counsel and Secretary of Blue Buffalo Pet Products, Inc., at the Company's address set forth in the Notice of Annual Meeting, by submitting another proxy card bearing a later date, by voting in person at the Annual Meeting, or by voting by telephone, or over the internet (only your latest telephone or internet proxy submitted prior to the Annual Meeting will be counted). The powers granted by you to the proxy holders will be suspended if you attend the Annual Meeting in person, although attendance at the Annual Meeting will not by itself revoke a previously granted proxy. If you hold your shares through a broker or other custodian and would like to change your voting instructions, please review the directions provided to you by that broker or custodian.

May I vote confidentially?

Yes. Our policy is to keep your individual votes confidential, except as appropriate to meet legal requirements, to allow for the tabulation and certification of votes, or to facilitate proxy solicitation.

Who will count the votes?

A representative of Broadridge Financial Solutions, Inc. will count the votes and act as the inspector of election for the Annual Meeting.

What happens if additional matters are presented at the Annual Meeting?

As of the date of this proxy statement, the Board knows of no matters other than those set forth herein that will be presented for determination at the Annual Meeting. If, however, any other matters properly come before the Annual Meeting and call for a vote of stockholders, the Board intends for proxies to be voted in accordance with the judgment of the proxy holders.

Where can I find the voting results of the Annual Meeting?

We intend to announce preliminary voting results at the Annual Meeting and publish final results in our current report on Form 8-K within four business days after the Annual Meeting.

How may I obtain a copy of the Company's Annual Report?

A free copy of our fiscal 2016 Annual Report on Form 10-K (the "Annual Report") accompanies this proxy statement and is available at <http://ir.bluebuffalo.com>. Stockholders may also obtain a free copy of our Annual Report by sending a request in writing to Mr. Miller at the Company's address set forth in the Notice of the Annual Meeting.

Who can help answer my questions?

If you have any questions about the Annual Meeting or how to submit or revoke your proxy, or to request an invitation to the Annual Meeting, contact Mr. Miller at the Company's address set forth in the Notice of Annual Meeting or by calling us at 203-665-3388.

## BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

### Role and Responsibilities of the Board of Directors

The Board represents stockholders' interests and is responsible for fostering the long-term success and value of the Company, consistent with its fiduciary duty to the stockholders. The Board has responsibility for establishing broad corporate policies, setting strategic direction and overseeing management, which is responsible for the day-to-day operations of the Company. In fulfilling this role, each director must exercise his or her good faith business judgment in the best interests of the Company and its stockholders. The Company is committed to conducting its business in accordance with ethical business principles. Integrity and ethical behavior are core values of the Company. The Board shall provide the best example of these values and shall reinforce their importance at appropriate times.

A director's basic responsibility is to exercise his or her good faith business judgment in the best interests of the Company. In fulfilling this responsibility directors shall:

- adhere to the Code of Ethics and Business Conduct, including acting pursuant to the duty of loyalty owed to the Company;

- approve major strategic decisions and oversee, develop and implement Board policies;

- provide oversight of risk assessment processes and processes designed to promote legal compliance;

- monitor and assess performance and ask appropriate questions of management to address accountability with established goals;

- stay well informed regarding the Company's businesses;

- oversee internal and external audit processes and financial reporting through the Audit Committee;

- select, and, through the Compensation Committee, evaluate and approve the compensation of, the CEO;

- review and approve compensation of other executive officers through the Compensation Committee;

- oversee the Company's disclosure controls and internal controls through the Audit Committee; and

- perform such other functions as the Board believes appropriate or necessary, or as otherwise prescribed by rules or regulations.

Each director shall be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors absent evidence that makes such reliance unwarranted. The directors shall also be entitled (i) to the benefits of indemnification to the fullest extent permitted by the Company's Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation"), Bylaws and any indemnification agreements, and (ii) to exculpation as provided by Delaware law and the Certificate of Incorporation.

The Board meets at least quarterly each year and special meetings may be held as specified in the Bylaws. Directors are expected to make every effort to attend and participate in Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary, to discharge properly their responsibilities. Directors are also expected to make every effort to attend the Annual Meeting of Stockholders.

Below is a list of our directors and their respective ages and a brief account of the business experience of each of them as of the date of this proxy statement:

| Name             | Age | Position              |
|------------------|-----|-----------------------|
| William Bishop   | 78  | Chairman and Director |
| Raymond Debbane  | 62  | Director              |
| Philippe Amouyal | 58  | Director              |
| Evren Bilimer    | 39  | Director              |
| Aflalo Guimaraes | 47  | Director              |
| Michael A. Eck   | 54  | Director              |

Frances Frei 53 Director  
 Amy Schulman 56 Director  
 William Bishop, Jr. 46 Director, Chief Executive Officer and President

William (“Bill”) Bishop has served as Chairman since 2012 and has served as a member of our Board of Directors since 2007. Bill was President and Chief Executive Officer of Blue Buffalo Company, Ltd. from 2007 to 2012. Bill founded the Blue Buffalo Company in 2002 with his sons Billy Bishop, our Chief Executive Officer and President, and Chris Bishop. Bill has had a long career in advertising and consumer products marketing having started in agency account management for clients like P&G and Unilever. Bill then moved to the corporate side and ran the refreshment beverage business for General Foods until moving back to the advertising side as Chief Executive Officer of a number of agencies including MCA, Ally & Gargano and Ryan Direct Marketing before founding Sierra Communications. Over his long career, Bill has created advertising and marketing programs for many leading brands including Tropicana, Perrier, Nabisco and American Express. In 1995, Bill co-founded SoBe Beverages driving the brand building and product development of SoBe as Chief Operating Officer of SoBe Beverages until its sale to Pepsi in 2001. Bill graduated from Ohio Wesleyan University with a BA in 1961. Bill was selected to serve as a director because of his unique familiarity with our business, structure, culture and history as a co-founder of our business and his significant executive management and leadership experience.

Raymond (“Ray”) Debbane has been a director since 2007. Ray served as Chairman from 2007 to 2012. Ray is the President and Chief Executive Officer of Invus Group, LLC, a global investment firm based in New York which he co-founded in 1985. Ray is the chairman of the board of directors of Weight Watchers and Lexicon Pharmaceuticals. He is the Chief Executive Officer of Artal Group S.A., or Artal, and also serves as chairman or director of a number of private Artal or Invus portfolio companies. Before co-founding Invus, Ray was a management consultant in the Paris office of The Boston Consulting Group, where he served a number of major European and international companies. He holds a BS in agricultural sciences and agricultural engineering from American University of Beirut, an MS in food science and technology from the University of California at Davis, and an MBA from Stanford University. Ray is the Chairman of Action Against Hunger USA and a Trustee Emeritus of Connecticut College. Ray was also a member of the Board of Directors of Ceres, Inc. (NASDAQ: CERE) from March 1998 until December 2014. Ray was selected to serve as a director because of his experience as a management consultant and private equity investor and his extensive knowledge and understanding of corporate strategy, brand management, complex financial matters, and numerous and varied industries.

Philippe Amouyal has been a director since 2007. Philippe is a Managing Director of Invus Group, LLC. He joined Invus in 1999. Philippe is a director of Weight Watchers and Lexicon Pharmaceuticals and also serves on the boards of a number of private Artal or Invus portfolio companies. Prior to joining Invus, Philippe spent 15 years at The Boston Consulting Group in Paris and Boston, where he was a Vice President and Director and coordinated the global electronics and software practice from 1991 on. He holds an MS in engineering and a DEA in management from Ecole Centrale de Paris and was a Research Fellow at the Center for Policy Alternatives of the Massachusetts Institute of Technology. Philippe was selected to serve as a director because of his experience as a management consultant and private equity investor and his extensive knowledge and understanding of corporate strategy, information technology, research and development, and management operations and structures.

Evren Bilimer has been a director since 2012. Evren is a Managing Director of Invus Group, LLC. He joined Invus in 2002. Evren has served on the boards of a number of private Invus portfolio companies. Prior to joining Invus, Evren was a management consultant with McKinsey & Company in New York, where he worked with clients in a wide range of industries including the consumer sector and financial services. Evren graduated summa cum laude from Yale University, double majoring in Electrical Engineering and Economics. Evren was selected to serve as a director because of his experience as a management consultant and private equity investor and his extensive knowledge and understanding of corporate strategy, corporate finance and accounting and the consumer sector.

Aflalo Guimaraes has been a director since 2007. Aflalo is a Managing Director of Invus Group, LLC. He joined Invus in 1998. Aflalo also serves on boards of a number of private Invus portfolio companies. Prior to joining Invus, Aflalo worked at Marakon Associates where as a manager he led strategic consulting engagements for large multinational companies in a wide range of industries including financial services, retail and consumer products. Previously he worked at the Federal Reserve. Aflalo was also a member of the Board of Directors of Ceres, Inc. (NASDAQ: CERE) from December 2014 until April 2016. He holds an MBA from the University of Pennsylvania’s

The Wharton School and a BA in Economics and Political Science from Yale University. Aflalo was selected to serve as a director because of his experience as a management consultant and private equity investor and his extensive knowledge and understanding of corporate strategy, corporate finance and accounting and the consumer sector.

Michael (“Mike”) A. Eck has served as a director since 2015. Mr. Eck was the Global Head of the Consumer and Retail Investment Banking Group at Morgan Stanley from 2008 until his retirement in 2014. Prior to that, Mr. Eck worked at Citigroup from 1993 to 2008, where he was the Global Head of the Consumer and Retail Banking Group, and at Credit Suisse First Boston from 1987 to 1993. In January 2016, Mr. Eck joined M Klein and Company, a global strategic advisory firm, as a Senior Advisor. He is currently an independent board member of J.Jill. Mr. Eck is a board member of USA Ultimate and the co-founder and chief executive officer of Steer for Student Athletes. In addition, he previously served as a member of the Senior Advisory Board of Shopkick. Mr. Eck received his Masters in Management from Northwestern University and his B.S. in Business from the McIntire School of Commerce at the University of Virginia. He was selected to serve on our board of directors because of his extensive knowledge of corporate strategy, corporate financing and accounting, capital investment and operations and the consumer sector.

Frances Frei has been a director since 2014. Frances has been the UPS Foundation Professor of Service Management at Harvard Business School since July 2009, and has served as the Senior Associate Dean of Harvard Business School since July 2012. In addition, she was Chair of the MBA Required Curriculum at Harvard Business School and Course Head of the school’s innovative FIELD (Field Immersion Experience for Leadership Development) Method Course, which is Harvard Business School’s companion to the case method. Previously, she served at the Harvard Business School as Associate Professor from July 2003 to July 2009 and as Assistant Professor from July 1998 to July 2003. She holds a PhD in Operations and Information Management from The Wharton School at the University of Pennsylvania, an ME in Industrial Engineering from Pennsylvania State University and a BA in Mathematics from the University of Pennsylvania. Frances was previously a member of the Board of Directors of Advance Auto Parts, Inc. from 2009 until 2013, and currently serves as a member of the Board of Directors of Viewpost, LLC. Frances was selected to serve as a director because of her experience advising companies in operational excellence and her extensive knowledge and understanding of corporate strategy, organizational effectiveness and finance.

Amy Schulman has been a director since 2014. Amy is the Chief Executive Officer of Arsia Therapeutics, a Venture Partner in Polaris Partners, and a Senior Lecturer at Harvard Business School. Amy is a director of Alnylam Pharmaceuticals and Bind Therapeutics. Amy was previously the Executive Vice President and General Counsel of Pfizer from 2008 to 2013 and served as the Business Unit Lead for Pfizer’s Consumer Healthcare business from 2012 to 2013. Prior to Pfizer, Amy was a Partner at DLA Piper from 1998 to 2008. She received a JD from Yale Law School, and holds a BA from Wesleyan University. Amy also serves on the Board of Trustees of The Brookings Institution. Amy was selected to serve as a director because of her experience as a chief executive officer, general counsel and business leader, her extensive knowledge and understanding of corporate strategy and management operations and her financial expertise.

William (“Billy”) Bishop, Jr. has served as President since 2012 and as of January 1, 2017 serves as our Chief Executive Officer. From 2003 until December 31, 2016, Billy also served as Chief Operating Officer. Billy co-founded the Blue Buffalo Company with his father Bill Bishop, the Chairman of our Board, and his brother Chris Bishop in 2002. He has been leading Marketing, Product Development and Operations since our founding. Billy was Vice President of Marketing at SoBe leading its ground breaking guerilla marketing strategy until its sale to Pepsi in 2001. Billy was also an Account Manager at Sierra Communications from 1993 to 1995. Billy has a BA in Sports Marketing from Ohio Wesleyan University.

#### Board Committee Functions

Our Board has the following standing committees: Audit Committee and Compensation Committee. The charters for the Company’s Audit Committee and Compensation Committee are available free of charge on the Company’s website at <http://ir.bluebuffalo.com> under Corporate Governance: Committee Composition. The Board may also establish other committees to assist in the discharge of its responsibilities. The table below identifies the current committee members and committee chairpersons.

| Director         | Audit Committee | Compensation Committee |
|------------------|-----------------|------------------------|
| Philippe Amouyal |                 | ü                      |
| Evren Bilimer    |                 | C                      |

|                |   |   |
|----------------|---|---|
| Michael A. Eck | C |   |
| Frances Frei   | ü | ü |
| Amy Schulman   | ü |   |

ü Member

CChair

Audit Committee

The Audit Committee consists of Michael A. Eck, who serves as the Chair, Amy Schulman and Frances Frei. The Board has determined that Michael A. Eck, Amy Schulman and Frances Frei qualify as independent directors under our Corporate Governance Principles, NASDAQ corporate governance standards applicable to boards of directors in general and audit committees in particular and the independence requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Our Board of Directors has also determined that Michael A. Eck qualifies as an “audit committee financial expert” as such term is defined in Item 407(d)(5) of Regulation S-K. The purpose of the Audit Committee, which has been established in accordance with Section 3(a)(58)(A) of the Exchange Act, is to assist the Board of Directors in fulfilling its obligations regarding the accounting, auditing, financial reporting, internal control over financial reporting and legal compliance functions of the Company and its subsidiaries. The Audit Committee’s principal functions include assisting the Board of Directors in its oversight of the: accounting, financial reporting and disclosure processes and adequacy of systems of disclosure and internal control established by management;

- the audit of, and the quality and integrity of our financial statements;
- our independent registered public accounting firm’s qualifications and independence;
- the performance of our internal audit function and independent registered public accounting firm;
- overall risk management profile; and
- our compliance with legal and regulatory requirements.

The Audit Committee meets from time to time in separate executive sessions with each of the representatives of KPMG, the Company’s independent registered public accounting firm, the Chief Financial Officer, and Internal Audit management.

The Audit Committee reviews the Company’s Code of Ethics and Business Conduct (the “Code”) periodically, as well as the adequacy of the policies included in the Code. The Audit Committee confirms with the Company’s executive officers periodically that the officers understand and are implementing those policies. The Audit Committee monitors compliance with the Code, investigates any alleged breach or violation of the Code, and enforces the Code.

The Audit Committee

Report is included in this proxy statement on page 31.

Compensation Committee

The Compensation Committee consists of Frances Frei, Philippe Amouyal and Evren Bilimer, who serves as the Chair.

The purpose of the Compensation Committee is to discharge certain responsibilities of the Board of Directors relating to compensation for the Company’s Chief Executive Officer, executive officers and certain key personnel, and to ensure that management’s interests are aligned with the interests of the stockholders of the Company. The Compensation Committee is also responsible for determining compensation for non-employee directors. The Committee’s principal functions include:

- setting our compensation program and compensation of our executive officers, directors and key personnel;
- monitoring our incentive-compensation and equity-based compensation plans;
- succession planning for our executive officers, directors and key personnel; and
-

preparing the compensation committee report required to be included in our proxy statement under the rules and regulations of the SEC.

The charter of the Compensation Committee permits the Committee to delegate any or all of its authority to one or more subcommittees.

This year's  
Compensation  
Committee  
Report is  
included in  
this proxy  
statement on  
page 21.

Ms. Frei has been determined to be independent as defined by our Corporate Governance Principles and NASDAQ corporate governance standards applicable to boards of directors in general and compensation committees in particular. Our Board has made no affirmative determination with respect to the independence of the other members of the Compensation Committee, Mr. Amouyal and Mr. Bilmer.

The sections below entitled "Director Compensation" and "Compensation Discussion and Analysis" ("CD&A") include a description of the Compensation Committee's processes and procedures for the consideration and determination of director and executive compensation matters, including the roles of executive officers and independent consultants in those processes and procedures.

#### Compensation Committee Interlocks and Insider Participation

None of the members of our Compensation Committee has at any time been one of our executive officers or employees. None of our executive officers currently serves, or has served during the last completed fiscal year, on the compensation committee or board of directors of any other entity that has one or more executive officers serving as a member of our Board of Directors or Compensation Committee.

We are parties to certain transactions with Invus L.P. our controlling shareholder (our "Sponsor") and certain of our directors described in the section of this proxy statement entitled "Certain Relationships and Related Party Transactions."

#### Board and Committee Meetings and Annual Meeting of Stockholders

During the year ended December 31, 2016, our Board met seven times and acted by unanimous written consent four times. Our Audit Committee met six times and did not act by unanimous written consent. Our Compensation Committee met seven times and acted by unanimous written consent three times. All of our directors attended at least 75% of the year ended December 31, 2016 meetings of the Board and at least 75% of the year ended December 31, 2016 meetings of each committee on which the director served. In addition, 9 directors attended our 2016 annual meeting of stockholders.

#### Communication with Directors

A stockholder or other interested party may submit a written communication to the Board or to individual non-management directors. The submission must be delivered to Mr. Miller at the Company's address set forth in the Notice of Annual Meeting. Mr. Miller will, as appropriate, forward such communication to our board of directors or to any individual director, directors, or committee of our board of directors to whom the communication is directed.

#### Board Leadership Structure

Our Corporate Governance Principles, which can be found on our website at <http://ir.bluebuffalo.com> under Corporate Governance Principles, provide the Board of Directors flexibility in determining its leadership structure. Currently Mr. Billy Bishop serves as our CEO and Mr. Bill Bishop serves as Chairman of our Board of Directors. The Board Chairman presides at all meetings of our stockholders and of the Board of Directors as a whole, except for its executive sessions of independent directors, and performs such other duties as may be designated in our Bylaws or by the Board. The Board will continue periodically to evaluate our leadership structure and determine whether continuing

the separate roles of CEO and Board Chairman is in our best interest based on circumstances existing at the time.

#### Risk Oversight

The Board exercises risk oversight through its interactions with management and through extensive discussions among the Board members. The Board meets regularly with management to discuss and consider potential risks that the Company may be facing. The Audit Committee of the Board evaluates the Company's risk management profile with input from management, and reports any such risk matters to the entire Board for discussion and decision-making. The full Board considers operational and strategic risks of the Company. In addition, as discussed in the CD&A section of this proxy statement, the Compensation Committee considers risks associated with the Company's compensation programs and works closely with its compensation consultant to ensure that the Company's compensation programs and practices incentivize our executives and other associates to act in the best interests of the Company's stockholders. Also, the Compensation Committee oversees succession planning risks associated with our Chief Executive Officer and other executive officers. The succession plan is reviewed annually to ensure the plan is current and reflects the foreseeable needs of the Company. Frances Frei, a member of both Committees, is able to share with each Committee any risks the other Committee is evaluating.

#### Controlled Company Exemption

Affiliates of Invus and The Bishop Family Limited Partnership collectively own more than 50% of the voting power of our shares eligible to vote in the election of directors and for purposes of Schedule 13G are acting as a "group" because they are parties to the Amended and Restated Investor Rights Agreement, dated January 21, 2015. As a result, we are a "controlled company" as set forth in Rule 5615 of the NASDAQ Listing Rules. Under these corporate governance standards, a company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect to utilize exemptions from certain corporate governance standards, including the requirement (1) that a majority of the Board of Directors consist of independent directors, (2) to have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities and (3) that our director nominations be made, or recommended to the full Board of Directors, by our independent directors or by a nominations committee that is composed entirely of independent directors and that we adopt a written charter or board resolution addressing the nominations process. We are currently utilizing these exemptions and expect to continue to do so. In the event that we cease to be a "controlled company" and our shares continue to be listed on NASDAQ, we will be required to comply with these provisions within the applicable transition periods.

#### Code of Ethics and Business Conduct

We have adopted a Code of Ethics and Business Conduct that applies to all of our directors, officers and employees, including our principal executive officer and principal financial and accounting officer. Our Code of Ethics and Business Conduct is available on our website at <http://ir.bluebuffalo.com> under Corporate Governance: Code of Ethics. Our Code of Ethics and Business Conduct is a "code of ethics," as defined in Item 406(b) of Regulation S-K. We will make any legally required disclosures regarding amendments to, or waivers of, provisions of our Code of Ethics and Business Conduct on our website.

#### Director Independence

Under our Corporate Governance Principles and the NASDAQ Listing Rules, a director is not independent unless the Board affirmatively determines that he or she does not have a direct or indirect material relationship with us, which in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Our Corporate Governance Principles define independence in accordance with the independence standards in the current NASDAQ corporate governance rules for listed companies. Our Corporate Governance Principles require the Board to review the independence of all directors at least annually, subject to an election by the Company to rely on the exemption for controlled companies and the applicable transition periods under the applicable NASDAQ Listing Rules.

In the event a director has a relationship with the Company that is relevant to his or her independence and is not addressed by the objective tests set forth in the NASDAQ independence definition, the Board will consider the issue

not merely from the standpoint of the director, but also from that of persons or organizations with which the director has an affiliation and determine, considering all relevant facts and circumstances, whether such relationship is material.

Our Board has affirmatively determined that each of Mr. Eck, Ms. Frei and Ms. Schulman is independent under the guidelines for director independence set forth in the Corporate Governance Principles and under all applicable NASDAQ guidelines, including with respect to committee membership. Our Board has made no affirmative determination with respect to the independence of Messrs. Bill Bishop, Debbane, Amouyal, Bilimer, Guimaraes and Billy Bishop with respect to board or committee membership.

In making its independence determinations, the Board considered and reviewed all information known to it (including information identified through annual directors' questionnaires).

#### Director Nomination Process

We do not have a standing nominating committee, though we intend to form a nominating committee as and when required to do so by law or NASDAQ rules. In addition, as noted above, we are currently utilizing the exemption for controlled companies from Rule 5605(e)(2) of the NASDAQ Listing Rules, which requires that director nominations be made, or recommended to the full Board of Directors, by our independent directors or by a nominations committee that is composed entirely of independent directors and that we adopt a written charter or board resolution addressing the nominations process. As a controlled company, the Board believes it is appropriate that the full Board carry out the responsibility of selecting or approving director nominees in accordance with our Corporate Governance Principles and the investor rights agreement.

The Board weighs the characteristics, experience, independence and skills of potential candidates for election to the Board and nominates such candidates for election by our stockholders. As the application of these factors involves the exercise of judgment, the Board does not have a standard set of fixed qualifications that is applicable to all director candidates, although the Board does at a minimum assess each candidate's integrity, accountability, skills, experience, independence and ability to work collegially with the other members of the Board. In addition, although the Board considers diversity of viewpoints, background and experiences, the Board does not have a formal diversity policy. The Board may identify candidates for election to the Board on its own, or by considering recommendations from stockholders, officers and employees of the Company and other sources that the Board deems appropriate. The Board may retain a third-party search firm to assist in the identification of possible candidates for election to the Board.

## PROPOSAL 1

### ELECTION OF CLASS II DIRECTORS

The Board of Directors is currently divided into three classes.

The Board of Directors has nominated for re-election, Philippe Amouyal, Aflalo Guimaraes, and Amy Schulman (the “Nominees”) to hold office for a three-year term expiring at the 2020 Annual Meeting, or until their respective successors are elected and qualified. The Nominees have consented to serve as directors if elected at the Annual Meeting. If for any reason, any of these Nominees become unable or unwilling to serve at the time of the Annual Meeting, the persons named as proxies in the proxy will have the authority to vote for substitute nominees. The Company does not anticipate that any of the Nominees will be unable or unwilling to serve.

The Board of Directors has determined that Amy Schulman is “independent” under the NASDAQ listed company rules and applicable law.

#### Class II Nominees—Terms Expiring at the Annual Meeting in 2017

| Name             | Age | Director Since |
|------------------|-----|----------------|
| Philippe Amouyal | 58  | 2007           |
| Aflalo Guimaraes | 47  | 2007           |
| Amy Schulman     | 56  | 2014           |

The individuals who will continue to serve as Class III and Class I directors after the Annual Meeting are:

#### Class III Directors—Terms Expiring at the Annual Meeting in 2018

| Name            | Age | Director Since |
|-----------------|-----|----------------|
| William Bishop  | 78  | 2007           |
| Raymond Debbane | 62  | 2007           |
| Evren Bilimer   | 39  | 2012           |

#### Class I Directors—Terms Expiring at the Annual Meeting in 2019

| Name                | Age | Director Since |
|---------------------|-----|----------------|
| Michael A. Eck      | 54  | 2015           |
| Frances Frei        | 53  | 2014           |
| William Bishop, Jr. | 46  | 2017           |

The Board recommends a vote FOR the election of Philippe Amouyal, Aflalo Guimaraes, and Amy Schulman as Class II directors.

## DIRECTOR COMPENSATION

To ensure the compensation we offer is sufficient to recruit and retain highly qualified non-employee directors, our Compensation Committee, working with our independent compensation consultant, established a non-employee director compensation program that we believe reinforces our practice of encouraging stock ownership by our non-employee directors. In setting these competitive pay levels we do not numerically benchmark the total compensation of our directors or any discrete element of director compensation against a peer group. We do, however, review peer group data and use it as a reference point to understand director compensation trends. The peer group is comprised of the same companies that we use for NEO compensation and is described under the "Compensation Discussion and Analysis - Pay Positioning and Peer Group."

Our Chairman Bill Bishop receives an annual retainer of \$180,000, and each of our other non-employee directors receives an annual retainer of \$60,000, paid on a quarterly basis in arrears. In addition, as our Chairman, Bill also receives an annual fully-vested grant of our common stock valued at approximately \$220,000 and each of our other non-employee directors receive an annual fully vested grant of our common stock valued at approximately \$85,000, in each case, with a three year holding restriction. Our Audit Committee Chairman and Audit Committee members also receive an additional retainer of \$15,000 and \$7,500, respectively, paid on a quarterly basis in arrears. Our Compensation Committee Chairman and Compensation Committee members also receive an additional retainer of \$10,000 and \$5,000, respectively, paid on a quarterly basis in arrears.

All of our directors are reimbursed for their reasonable out-of-pocket expenses related to their service as a member of the Board of Directors or one of its committees.

The following table sets forth information concerning the compensation of our directors (other than directors who are named executive officers) for the year ended December 31, 2016.

### FISCAL 2016 DIRECTOR COMPENSATION TABLE

| Name             | Fees earned or<br>paid in cash<br>\$(1) | Stock<br>Awards<br>\$(2) | All Other<br>Compensation<br>\$(3) | Total<br>(\$) |
|------------------|---|--------------------------|------------------------------------|---------------|
| Bill Bishop      | \$ 180,000                              | \$219,979                | \$ 18,149                          | \$418,128     |
| Philippe Amouyal | \$ 65,000                               | \$84,995                 | \$ —                               | \$149,995     |
| Evren Bilimer    | \$ 70,000                               | \$84,995                 | \$ —                               | \$154,995     |
| Raymond Debbane  | \$ 60,000                               | \$84,995                 | \$ —                               | \$144,995     |
| Michael A. Eck   | \$ 75,000                               | \$84,995                 | \$ —                               | \$159,995     |
| Frances Frei     | \$ 72,500                               | \$84,995                 | \$ —                               | \$157,495     |
| Aflalo Guimaraes | \$ 60,000                               | \$84,995                 | \$ —                               | \$144,995     |
| Amy Schulman     | \$ 67,500                               | \$84,995                 | \$ —                               | \$152,495     |

(1) This column reports the amount of cash compensation earned in 2016 through annual cash retainers.

(2) On April 1, 2016, the Company granted shares of fully vested common stock to each of its directors with a grant date fair value of \$25.57 per share. Amounts shown represent the aggregate grant date fair value of such awards computed in accordance with FASB ASC Topic 718 and based solely on the closing price of our common stock on the date of grant. The following table sets forth the number of fully vested common shares granted by director:

| Name             | Common stock granted |
|------------------|----------------------|
| Bill Bishop      | 8,603                |
| Philippe Amouyal | 3,324                |
| Evren Bilimer    | 3,324                |
| Raymond Debbane  | 3,324                |
| Michael A. Eck   | 3,324                |
| Frances Frei     | 3,324                |
| Aflalo Guimaraes | 3,324                |
| Amy Schulman     | 3,324                |

(3) This column reports the amount of all other compensation earned in 2016. The amount reported reflects Company-paid medical, dental, vision, and life insurance premiums.

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EXECUTIVE OFFICERS

Below is a list of our executive officers, other than Billy Bishop, whose biographical information is presented under "Role and Responsibilities of the Board of Directors" above, and his age and a brief account of his business experience as of the date of this proxy:

| Name | Age | Position |
|------|-----|----------|
|------|-----|----------|

|                   |    |   |
|-------------------|----|---|
| Michael Nathenson | 53 | Executive Vice President, Chief Financial Officer and Treasurer |
|-------------------|----|---|

Michael ("Mike") Nathenson has served as our Executive Vice President, Chief Financial Officer and Treasurer since 2012. Mike brings a deep financial and strategic background in consumer products with significant leadership experience at PepsiCo and Dean Foods. Mike was with Dean Foods from 2009 to 2012, where he was most recently the Chief Financial Officer of the Dean Foods Dairy Group. At PepsiCo, Mike spent almost 14 years in a variety of operational finance roles including as the Chief Financial Officer of Frito Lay's Australia subsidiary from 2000 to 2004. He then moved to the corporate side where he led PepsiCo's FP&A group from 2004 to 2008 and was Senior Vice President of Investor Relations from 2008 to 2009. Mike has a BS in Chemical Engineering from Washington University and an MBA from Harvard Business School.

## COMPENSATION DISCUSSION AND ANALYSIS

### Overview

This Compensation Discussion & Analysis (“CD&A”) is intended to provide our stockholders with a complete understanding of the compensation programs in place for our named executive officers (“NEOs”) for 2016 as well as insights into why the programs support the company’s strategy and objectives and ultimately provide for strong alignment with our stockholders. The Executive Summary is intended to provide an overview of the elements of our compensation program that we believe are of the most interest to our stockholders, while the full CD&A provides further details on our programs and practices. Our NEOs for fiscal 2016 were:

• Kurt Schmidt, our former Chief Executive Officer, who served in that role through December 31, 2016;  
• Mike Nathenson, our Executive Vice President, Chief Financial Officer and Treasurer; and  
• Billy Bishop, our Chief Executive Officer and President who, in 2016, served as our President and Chief Operating Officer.

On December 31, 2016, Mr. Schmidt retired as Chief Executive Officer. In accordance with our succession plan, the Board appointed Mr. Bishop to serve as the Company’s CEO and elected him to the Board of Directors as of January 1, 2017. To ensure a smooth transition, Mr. Schmidt will take on a role as Senior Advisor, providing consulting services to the Company until December 31, 2017.

The Executive Summary to our CD&A highlights the following:

• Executive compensation philosophy;

- Material elements of our compensation program; and

• Pay for performance alignment.

The remainder of the CD&A provides more detail on specific information concerning compensation, including:

- Mix of salary, cash incentive compensation and long-term incentive compensation;
- Weighting of performance measures used to determine compensation;
- Reasons for selecting particular companies as peers for benchmarking compensation;
- Discussion of our stock ownership guidelines; and
- Description of our other compensation related practices, including change in control benefits.

### Executive Summary

#### Compensation Philosophy and Objectives

Our strong performance-oriented culture is built on the goal of delivering high-quality, natural pet foods and pet products. This is only possible with the exceptional talent and dedication of our entire team (the “Herd”). Compensation plays an important part in reinforcing our strong culture and the need to deliver exceptional performance that benefits our stockholders. To that end, we have structured our compensation programs with an underlying philosophy that supports the following objectives for our NEOs and our management team more broadly:

- Attracts, motivates and retains superior executive talent as we continue to execute our growth initiatives;
- Delivers a significant portion of compensation in vehicles that are “at risk” such that less compensation is earned if we do not meet our goals and more is earned if we exceed our goals;

Aligns the interests of our executive officers and stockholders by rewarding executive officers for behaviors that drive stockholder value creation; and

Encourages executives to take calculated risks that will drive our growth, but does not encourage excessive risk taking.

#### Say on Pay

As of December 31, 2015, we no longer qualified as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012. As a result, Section 14A of the Exchange Act requires that we provide stockholders with the opportunity to vote, on a non-binding advisory basis, to recommend how frequently to hold future non-binding advisory votes on the compensation of our named executive officers as disclosed in accordance with the compensation disclosure rules of the SEC (commonly known as “say-on-pay” votes), described in more detail under Proposal 3 in this proxy statement. Our first say-on-pay vote will occur at our annual meeting for 2018 with respect to the compensation of our named executive officers for the fiscal year ending December 31, 2017.

#### Compensation Program Highlights

The key components of our compensation programs are outlined below with a more detailed description later in the CD&A.

| Compensation Component     | Description   | Objective   |
|----------------------------|---|---|
| Base Salary                | Ongoing fixed component of compensation   | = Compensates executives for executing their responsibilities<br>= Assists with recruiting and retaining talent   |
|                            | Variable cash compensation paid each year if earned based on performance against targets, based on a percentage of base salary  | = Drives and rewards for meeting and exceeding financial targets  |
| Annual Incentive           | Cash incentive that pays out between 0 and 200% of the target amount based on Net Sales growth and Adjusted Operating Income Margin (with the exception of Mr. Schmidt whose cap is 150% ) over a one year period | = Reinforces key operating objectives that drive long-term value for stockholders<br>= Focuses on overall corporate performance to support the “Herd” culture |
|                            | Metrics and goals are established at the beginning of each year   |   |
| Equity Compensation        | Restricted Stock Units cliff vest on the third anniversary of the grant date  | = Rewards strong stock performance<br>= Drives alignment with shareholders  |
|                            | Stock options cliff vest on the third anniversary of the grant date   | = Assists in retention  |
| Stock ownership guidelines | NEOs are required to hold stock equal to a multiple of their salary (5x for our CEO and 3x for our other named executive officers).   | = Further aligns the interests of the executives and stockholders<br>= Assists in mitigating incentives to take excessive risks                               |
|                            | Currently our NEOs are compliant with our stock ownership guidelines.   |   |

The table below highlights our executive compensation practices. The left column outlines the practices we believe are conducive to encouraging sound performance by our executives and support a strong governance culture. The right column describes those practices that we have chosen not to implement because we believe they do not further align with stockholders' long-term interests.

What we do:

- ü Ensure our NEOs meet robust stock ownership guidelines

- ü Ensure performance-based compensation comprises a significant portion of executive compensation

- ü Provide for the ability to "clawback" awards granted under our 2015 stock incentive plan

- ü Beginning in 2016, our long-term incentive grants have double trigger vesting on change in control

- ü Use an independent compensation consultant to advise the Committee

- ü Cap annual and long-term cash incentive payouts

- ü

What we don't do:

- û No guaranteed annual salary increases or annual bonuses, unless needed for recruitment purposes

- û No excise tax gross-ups for any executive severance agreements

- û No hedging or short selling company shares permitted under our Insider Trading Policy

- û No incentivizing short-term results to the detriment of long term goals and results

- û Compensation Consultant works directly for the Compensation Committee and has no conflicts of interest

- û No compensation plans that encourage excessive risk taking