

MANHATTAN ASSOCIATES INC  
Form DEF 14A  
April 20, 2012

**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 Pursuant to §240.14a-12

**MANHATTAN ASSOCIATES, INC.**

(Name of Registrant as Specified In Its Charter)

**Not Applicable**

(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)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



**MANHATTAN ASSOCIATES, INC.**

2300 Windy Ridge Parkway, Suite 1000

Atlanta, Georgia 30339

(770) 955-7070

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD MAY 24, 2012**

NOTICE IS HEREBY GIVEN that the 2012 Annual Meeting of Shareholders of Manhattan Associates, Inc. (the Company ) will be held at 2300 Windy Ridge Parkway, Atlanta, Georgia 30339, at 9:00 a.m., Atlanta, Georgia time, on Thursday, May 24, 2012 (the Annual Meeting ), to consider and act upon:

1. the election of two Class II Directors to the Company s Board of Directors;
2. a non-binding resolution to approve the compensation of the Company s named executive officers;
3. a proposal to ratify the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2012; and
4. such other business as may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 30, 2012, as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting.

By Order of the Board of Directors,

Bruce S. Richards

*Senior Vice President, Chief Legal Officer and Secretary*

April 20, 2012

Atlanta, Georgia

**IMPORTANT**

**WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE MEETING, PLEASE SUBMIT YOUR VOTE THROUGH THE INTERNET OR BY TELEPHONE, OR MARK, DATE, AND SIGN THE ENCLOSED PROXY AND RETURN IT IN THE ENVELOPE PROVIDED. NO POSTAGE IS REQUIRED FOR MAILING IN THE UNITED STATES. IF YOU ARE ABLE TO ATTEND THE MEETING, YOU MAY REVOKE YOUR PROXY AND VOTE YOUR SHARES IN PERSON.**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE  
SHAREHOLDER MEETING TO BE HELD ON MAY 24, 2012:**

Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

The proxy statement and annual report to shareholders are available at <http://www.manh.com/proxy12>

**Table of Contents**

<u>Notice of Annual Meeting of Shareholders</u>	1
<u>Information Concerning Solicitation and Voting</u>	3
<u>Security Ownership of Certain Beneficial Owners and Management</u>	4
<u>Proposal 1</u>	
<u>Election of Class II Directors</u>	6
<u>Compensation Discussion and Analysis</u>	13
<u>Executive Compensation</u>	14
<u>Compensation Committee Interlocks and Insider Participation</u>	26
<u>Section 16(A) Beneficial Ownership Reporting Compliance</u>	26
<u>Compensation Committee Report on Executive Compensation</u>	27
<u>Policy on Related Party Transactions</u>	27
<u>Audit Committee Report</u>	27
<u>Proposal 2</u>	
<u>Resolution to Approve Executive Compensation</u>	28
<u>Proposal 3</u>	
<u>Ratification of Appointment of Independent Registered Public Accounting Firm</u>	30
<u>Shareholder Proposals</u>	30
<u>Communication with Directors</u>	31
<u>Form 10-K Exhibits</u>	31
<u>Other Matters</u>	31

**MANHATTAN ASSOCIATES, INC.**

**2300 WINDY RIDGE PARKWAY, SUITE 1000**

**ATLANTA, GEORGIA 30339**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD MAY 24, 2012**

**INFORMATION CONCERNING SOLICITATION AND VOTING**

**Shareholders Meeting**

This Proxy Statement and the enclosed proxy card ( Proxy ) are furnished on behalf of the Board of Directors of Manhattan Associates, Inc., a Georgia corporation (the Company, our or we ), to solicit proxies for use at the Annual Meeting of Shareholders to be held on Thursday, May 24, 2012, at 9:00 a.m., Atlanta, Georgia time (the Annual Meeting ), or at any adjournment or postponement of the meeting, for the purposes set forth in this statement and in the accompanying Notice of Annual Meeting. The Annual Meeting will be held at 2300 Windy Ridge Parkway, Atlanta, Georgia 30339. The Company intends to mail this Proxy Statement and the accompanying Proxy on or about April 20, 2012, to all shareholders entitled to vote at the Annual Meeting.

**Shareholders Entitled to Vote; Quorum**

Only holders of record of the Company's \$.01 par value per share common stock (the Common Stock ) at the close of business on March 30, 2012 (the Record Date ), will be entitled to notice of and to vote at the Annual Meeting. At the close of business on the Record Date, the Company had outstanding and entitled to vote 20,309,967 shares of Common Stock. Each holder of record of Common Stock on that date will be entitled to one vote for each share held on all matters to be voted on at the Annual Meeting. Any shareholder who signs and returns a Proxy has the power to revoke it at any time before it is voted at the Annual Meeting by providing written notice of revocation to the Secretary of the Company, by filing with the Secretary of the Company a Proxy bearing a later date, or by voting through the Internet or by telephone or in person at the Annual Meeting.

The holders of a majority of the total shares of Common Stock outstanding on the Record Date, whether present at the Annual Meeting in person, voting through the Internet or telephone, or represented by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. Abstentions and broker non-votes both will be counted toward fulfillment of quorum requirements. Broker non-votes occur on a matter up for vote when a broker, bank, or other holder of shares in street name is not permitted to vote on that particular matter without instructions from the shareholder, the shareholder does not give those instructions, and the broker or other nominee indicates on its Proxy, or otherwise notifies us, that it does not have authority to vote its shares on that matter. Whether a broker has authority to vote its shares on uninstructed matters is determined by stock exchange rules.

**Counting of Votes**

## Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

The purpose of the Annual Meeting is to consider and act upon the matters that are listed in the accompanying Notice of Annual Meeting and set forth in this Proxy Statement. The enclosed Proxy and other voting methods described in the Proxy provide a means for a shareholder to vote upon each of the matters listed in the accompanying Notice of Annual Meeting and described in the Proxy Statement, including a means for a shareholder to vote for the nominees for Director listed in the Notice or to withhold authority to vote for those nominees. The Company's Bylaws provide that Directors are elected by a plurality of the votes cast; i.e., the nominees who receive the most votes for the available Director positions will be elected as Directors.



The accompanying Proxy and other voting methods described in the Proxy also provide a means for a shareholder to vote for or against, or abstain from voting on, the other matters to be acted on at the Annual Meeting. Shares represented by each Proxy will be voted in accordance with the shareholder's directions. Assuming a quorum is present, approval of the non-binding resolution to approve the compensation of the Company's named executive officers, ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012, and approval of any other matters as may properly come before the meeting, requires that the votes cast in favor of each matter exceed the votes cast against that matter. Neither abstentions nor broker non-votes are considered votes cast, and therefore neither will have an effect on the results of the vote with respect to the election of two Class II Directors to the Company's Board of Directors, approval of the non-binding resolution to approve the executive compensation of the Company's executive officers, and ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012.

### **Proxies**

When the enclosed Proxy is properly signed and returned, or submitted via Internet or telephone as described on the Proxy, the shares that it represents will be voted at the Annual Meeting in accordance with the instructions noted on it. In the absence of instructions, the shares represented by a signed Proxy will be voted in favor of the nominees for election to the Board of Directors, the non-binding resolution to approve the compensation of the Company's named executive officers, and ratification of the appointment of our independent registered public accounting firm.

### **Proxy Solicitation Costs**

The Company will bear the entire cost of soliciting proxies to be voted at the Annual Meeting, including the preparation, printing, and mailing of proxy materials. In addition to the solicitation of proxies by mail, solicitation may be made by certain Directors, officers, and other employees of the Company by personal interview, telephone, email, or facsimile. No additional compensation will be paid to those persons for that solicitation. We have engaged The Proxy Advisory Group, LLC<sup>®</sup>, to assist in the solicitation of proxies and provide related advice and informational support, for a services fee and the reimbursement of customary disbursements that are not expected to exceed \$12,000 in the aggregate. The Company will reimburse brokers, banks, and other nominees for their reasonable out-of-pocket expenses for forwarding the proxy materials to their customers who are beneficial owners.

### **SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth the amount and percent of shares of Common Stock that, as of the Record Date, unless a different date is noted below, are deemed under the rules of the Securities and Exchange Commission (the SEC or Commission) to be beneficially owned by (i) each member of the Board of Directors of the Company and each nominee to become a member of the Board of Directors, (ii) the Chief Executive Officer, the Chief Financial Officer, and the next three most highly compensated executive officers (referred to herein as the named executive officers), (iii) all Directors and executive officers of the Company as a group, and (iv) any person or group (as that term is used in the Securities Act of 1934, as amended) known to the Company as of that date to be a beneficial owner of more than 5% of the outstanding shares of Common Stock.

Name of Beneficial Owner	Common Stock Beneficially Owned <sup>(1)</sup>	
	Number of Shares of Common Stock	Percentage of Class
Eddie Capel <sup>(2)</sup>	91,876	*
Brian J. Cassidy <sup>(3)</sup>	148,510	*
John J. Huntz, Jr. <sup>(4)</sup>	110,096	*
Dan Lautenbach	17,263	*
Jeffrey S. Mitchell <sup>(5)</sup>	78,567	*
Thomas E. Noonan <sup>(6)</sup>	76,710	*
Deepak Raghavan	21,710	*
Bruce S. Richards	14,172	*
Peter F. Sinisgalli <sup>(7)</sup>	279,442	1.36%
Dennis B. Story <sup>(8)</sup>	58,630	*
Brown Capital Management, Inc. <sup>(9)</sup>	1,981,775	9.76%
Black Rock, Inc. <sup>(10)</sup>	1,589,929	7.83%
Kornitzer Capital Management, Inc. <sup>(11)</sup>	1,492,173	7.35%
The Vanguard Group, Inc. <sup>(12)</sup>	1,339,523	6.60%
Artisan Partners Limited Partnership <sup>(13)</sup>	1,251,251	6.16%
All executive officers and directors as a group (10 persons) <sup>(14)</sup>	896,976	4.30%

\* Less than 1% of the outstanding Common Stock.

- (1) For purposes of calculating the percentage beneficially owned, the number of shares of Common Stock deemed outstanding include (i) 20,309,967 shares outstanding as of the Record Date, and (ii) shares issuable by the Company pursuant to options held by the respective person or group that may be exercised within 60 days following the Record Date ( Presently Exercisable Options ), unless otherwise noted in the footnotes to this table. Presently Exercisable Options are considered to be outstanding and to be beneficially owned by the person or group holding such options for the purpose of computing the percentage ownership of such person or group but are not treated as outstanding for the purpose of computing the percentage ownership of any other person or group. Unless otherwise noted, the address for each beneficial owner is the Company's corporate headquarters located at 2300 Windy Ridge Parkway, Suite 1000, Atlanta, Georgia 30339.
- (2) Includes 49,500 shares issuable pursuant to Presently Exercisable Options.
- (3) Includes 112,500 shares issuable pursuant to Presently Exercisable Options.
- (4) Includes 87,500 shares issuable pursuant to Presently Exercisable Options.
- (5) Includes 25,000 shares issuable pursuant to Presently Exercisable Options.
- (6) Includes 55,000 shares issuable pursuant to Presently Exercisable Options.
- (7) Includes 167,846 shares issuable pursuant to Presently Exercisable Options.
- (8) Includes 34,775 shares issuable pursuant to Presently Exercisable Options.
- (9) Based on a Schedule 13G/A filed with the Commission on February 13, 2012 filed by Brown Capital Management, LLC. Includes 1,043,760 shares beneficially owned by The Brown Capital Management Small Company Fund, a registered investment company, which is managed by Brown Capital Management, LLC. All of the shares of common stock are owned by various investment advisory clients of Brown Capital Management, LLC, which is deemed to be a beneficial owner of those shares pursuant to Rule 13d-3 under the Securities Exchange Act of 1934, due to its discretionary power to make investment decisions over such shares for its clients and/or its ability to vote such shares. In all cases, persons other than Brown Capital Management, LLC have the right to receive, or the power to direct the receipt of, dividends from, or the proceeds from the sale of the shares. No individual client holds more than five percent of the class, other than the Brown Capital Management Small Company Fund as disclosed herein. The address of Brown Capital Management, LLC. is 1201 N. Calvert Street, Baltimore, MD 21202.
- (10) Based on a Schedule 13G/A filed with the Commission on February 10, 2012 filed by BlackRock, Inc. Various persons have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of the shares. No one person's interest in the common stock of the Company is more than five percent of the total outstanding common shares. The address of BlackRock, Inc. is 40 East 52<sup>nd</sup> Street, New York, NY 10022.
- (11) Based on a Schedule 13G/A filed with the Commission on January 20, 2012 by Kornitzer Capital Management, Inc. ( KCM ). KCM is an investment adviser with respect to the shares of common stock for the accounts of other persons who have the right to receive, and the power to direct the receipt of, dividends from, or the proceeds from the sale of, the shares. The address of KCM is 5420 West 61st Place, Shawnee Mission, KS 66205.
- (12) Based on a Schedule 13G/A filed with the Commission on February 9, 2012 filed by The Vanguard Group, Inc. pursuant to Rule 13d-1. Vanguard Fiduciary Trust Company ( VFTC ), a wholly-owned subsidiary of The Vanguard Group, Inc., is the beneficial owner of 28,426

## Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

shares of the common stock of the Company as a result of its serving as investment manager of collective trust accounts. VFTC directs the voting of these shares. The address of The Vanguard Group, Inc. is 100 Vanguard Blvd., Malvern, Pennsylvania 19355.

- (13) Based on a Schedule 13G/A jointly filed with the Commission on February 6, 2012 by Artisan Partners Holdings LP ( Artisan Holdings ), Artisan Investment Corporation (the general partner of Artisan Holdings) ( Artisan Corp ), Artisan Partners Limited Partnership ( Artisan Partners ), Artisan Investments GP LLC (the general partner of Artisan Partners), ZFIC, Inc. (the sole stockholder of Artisan Corp.), Andrew A. Ziegler, Carlene M. Ziegler, and Artisan Partner Funds, Inc. ( Artisan Funds ), relating to shares acquired on behalf of discretionary clients of Artisan Partners. Persons other than Artisan Partners are entitled to receive all dividends from, and proceeds from the sale of, those shares. The address of each of Artisan Holdings, Artisan Corp., Artisan Partners, Artisan Investments GP LLC, ZFIC, Inc., Andrew A. Ziegler, Carlene M. Ziegler, and Artisan Funds is 875 East Wisconsin Avenue, Suite 800, Milwaukee, Wisconsin 53202.
- (14) Includes 532,121 shares issuable pursuant to Presently Exercisable Options.

---

**PROPOSAL 1**

**ELECTION OF CLASS II DIRECTORS**

**Introduction**

At the Annual Meeting, two Directors are to be elected for the term described below. The Board of Directors is divided into three classes. The term of each Director is three years, and the terms of the Directors in each of the respective classes are staggered vis-à-vis the terms of the Directors in the other two classes. The Board is currently comprised of one Class I Director (Mr. Cassidy), two Class II Directors (Messrs. Raghavan and Sinisgalli), and three Class III Directors (Messrs. Huntz, Lautenbach, and Noonan). At each Annual Meeting of Shareholders, a class of Directors will be elected for a three year term to succeed the Directors of the same class whose terms are then expiring. Mr. Peter J. Kight resigned from the Board of Directors on July 14, 2011. The terms of the Class I Director, Class II Directors, and Class III Directors will expire upon the election and qualification of successor Directors at the 2014, 2015, and 2013 Annual Meeting of Shareholders, respectively. There are no family relationships among any of the Directors or Director nominees of the Company.

Shares represented by executed Proxies will be voted, if authority to do so is not withheld, for the election of the nominees named below. If the nominees are unavailable for election as a result of an unexpected occurrence, those shares will be voted for the election of that substitute nominees as the Board of Directors may select. The people nominated for election have agreed to serve if elected, and management has no reason to believe that those nominees will be unable to serve.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE NAMED NOMINEES.**

**Nominees**

*Nominees to Serve as Class II Director (Term Expires in 2015)*

**Deepak Raghavan**, age 45, has served as a member of our Board of Directors since August 1998. Dr. Raghavan served as our Senior Vice President Product Strategy from January 2001 until June 2002, as Senior Vice President and Chief Technology Officer from August 1998 until January 2001, and as Chief Technology Officer from our inception in October 1990 until August 1998. From 1987 until 1990, Dr. Raghavan served as a Senior Software Engineer for Infosys Technologies Limited, a software development company, where he specialized in the design and implementation of information systems for the apparel manufacturing industry. Dr. Raghavan earned a Ph. D. degree in Astronomy from Georgia State University in 2009 and is currently an adjunct faculty member at Georgia State University.

Dr. Raghavan has been an officer of the Company or member of our Board of Directors since its inception and during that time has helped guide the Company through its transformation from a small private software and services company to a growing public company. With over 20 years of experience at the Company, Dr. Raghavan brings deep institutional knowledge and perspective to our Board of Directors regarding our strengths, challenges, and opportunities, as well as long experience with our industry.

**Peter F. Sinisgalli**, age 56, has served as our President and Chief Executive Officer and a member of our Board of Directors since July 1, 2004. Mr. Sinisgalli joined the Company in March 2004 as President and Chief Operating Officer, and assumed the role of Chief Executive Officer in July 2004. From April 2003 until February 2004, Mr. Sinisgalli served as President and Chief Executive Officer of NewRoads, Inc., a provider of outsourced solutions for fulfillment and customer care to companies engaged in one-to-one direct commerce. From November 1996 until January 2003, Mr. Sinisgalli served as President and Chief Operating Officer of CheckFree Corporation. Mr. Sinisgalli also served on the Board of Directors of Witness Systems, Inc., from July 2000 to May 2007.

As our President and Chief Executive Officer, Mr. Sinisgalli provides essential insight and guidance to our Board of Directors from an insider perspective of the day-to-day operations of the Company. In addition, Mr. Sinisgalli's experience in senior management positions at various other companies brings beneficial leadership and operational experience to our Board of Directors.

### Continuing Directors

The members of the Board of Directors continuing in office as Class III directors, elected to serve until the 2013 Annual Meeting, are as follows:

**John J. Huntz, Jr.**, age 61, has served as Chairman of our Board of Directors since April 2003 and has served as a member of our Board of Directors since January 1999. Mr. Huntz also serves as the Executive Director, Head of Venture Capital and President of Arcapita, Inc., a leading international investment firm. Mr. Huntz has more than 30 years of private equity, venture capital, and operational experience. Prior to joining Arcapita, Mr. Huntz worked from March 1994 through 2005 at the Fuqua companies, most recently as Managing Director of Fuqua Ventures. Mr. Huntz also served as Executive Vice President and Chief Operating Officer of Fuqua Enterprises, Inc., a public company. Mr. Huntz' prior experience includes, from September 1989 to January 1994, serving as Managing Partner of Noble Ventures International, a private equity firm. From 1984 to 1989, Mr. Huntz provided financial and investment management as Director of Capital Resources for Arthur Young & Company, and from 1979 until 1984, he was an investment professional at Harrison Capital, a private equity investment subsidiary of Texaco. Mr. Huntz has served as a member of the Board of Directors of the National Venture Capital Association and the Securities and Exchange Commission's Small Business Capital Formation Task Force Executive Committee, and founded and leads the Southern Capital Forum. Mr. Huntz serves as the Chairman of the Board of CardioMEMS, Inc. In addition, he is an Advisory Board member of the Metro Atlanta Chamber of Commerce, a Board member and past Chairman of the Georgia Logistics Innovation Council, a member of the Commission for a New Georgia, a member of the Advisory Board of Imperial Innovations (Imperial College London), a member of the Advisory Board of the MIT Enterprise Forum, and a member of the Board of Georgia Advanced Technology Ventures (Georgia Tech). He also is on the Board of the American Heart Association, is a Lifetime Trustee and past Chairman of the Atlanta Botanical Garden, and is past President of the Atlanta Chapter of the Association for Corporate Growth.

Mr. Huntz has over 30 years of both private and public company operating and leadership experience, and has served on numerous boards. In addition, he has extensive financial industry experience through his private equity and venture capital work. We believe Mr. Huntz's extensive experience, his operational, leadership and finance expertise, and his business and community prominence make him well suited to be our Chairman. His financial expertise in particular also qualifies him eminently to chair our Audit Committee, and the Board has determined he is an audit committee financial expert as defined in SEC rules.

**Dan J. Lautenbach**, age 66, has served as a member of our Board of Directors since October 2007. He served as Chairman of Witness Systems, Inc., a provider of workforce optimization software and services, from December 2006, and as a director of that company from 2002, until it was acquired in May 2007. Since December 2001, Mr. Lautenbach has served as Chairman of DJL Consulting, a sales consulting organization. From May 2002 until March 2003, he served as the Executive Vice President, Worldwide Field Operations, for Centive Systems, Inc, an enterprise software incentive management system provider. From April 2001 to December 2001, he served as Senior Vice President of Global Sales and Operations for Vignette Corporation, a provider of content management software and services. Mr. Lautenbach was Vice President of Worldwide Software Sales for IBM and was General Manager for Software, Europe, Middle East, and Africa, from 1997 to 2001, and prior to that held various management positions with IBM.

Mr. Lautenbach has a history of demonstrated leadership in the software industry, including as Chairman of the Board of a public software company and as an executive or other officer of other software companies of differing sizes, including business software companies. Within the industry, his experience ranges across executive management, sales and consulting roles, bringing valuable different perspectives to the Board.

**Thomas E. Noonan**, age 51, has served as a member of our Board of Directors since January 1999. Mr. Noonan is the President and Chief Executive Officer of JouleX, a leading innovator in network based enterprise energy management. From November 2006 until February 2008, Mr. Noonan served as the General Manager of IBM Internet Security Systems, a division of IBM providing information technology system security products and services. Mr. Noonan served as the President and member of the Board of Directors of Internet Security Systems, Inc., since May 1995, and as its Chief Executive Officer and Chairman from November 1996 until its acquisition by IBM in November 2006. Prior to joining Internet Security Systems, Mr. Noonan served as Vice President, Sales and Marketing with TSI International, Inc., an electronic commerce company, from October 1994 until April 1995. From November 1989 until October 1994, Mr. Noonan held high-level sales and marketing positions at Dun & Bradstreet Software, a developer of enterprise business software.

Mr. Noonan brings to the Company many years of experience in senior management in the software industry, including as co-founder, Chairman, President, and Chief Executive Officer of a public software company. We believe his entrepreneurial, executive management, and software industry experience is an indispensable resource to the Board. His past role as a Chairman, President, and Chief Executive Officer of a public software company also qualifies him well to chair our Compensation Committee, as we believe it gives him insight into the compensation dynamics of companies like Manhattan Associates. The Board has determined he is an audit committee financial expert.

The member of the Board of Directors continuing in office as a Class I Director, elected to serve until the 2014 Annual Meeting, is as follows:

**Brian J. Cassidy**, age 66, has served as a member of our Board of Directors since May 1998. Mr. Cassidy was the co-founder of Webforia Inc., a developer and supplier of computer software applications, and served as Webforia's Vice Chairman from April 1996 until February 2003. Prior to forming Webforia, Mr. Cassidy served as Vice President of Business Development of Saros Corporation, a developer of document management software, from January 1993 until March 1996. Prior to joining Saros Corporation, Mr. Cassidy was employed by Oracle Corporation as Joint Management Director of European Operations and served as a member of the Executive Management Board from 1983 until 1988 and as Worldwide Vice President of Business Development from 1988 until 1990.

Mr. Cassidy has over 30 years of experience in the software industry, much of it with business software companies. His experience includes organizations of different sizes, and he has served in co-founder, executive management, and development roles. Mr. Cassidy has also invested in, and assisted in the initial phase of, a number of software companies. We believe Mr. Cassidy's extensive industry knowledge and different industry perspectives whether as an entrepreneur with a new start-up organization or as a senior executive with a large, mature one are beneficial for the Board.

#### **Board of Directors Meetings and Committees**

The Board of Directors currently consists of six members, all of whom, with the exception of our President and Chief Executive Officer, have been determined by the Board of Directors to be independent as that term is defined under the corporate governance rules of The Nasdaq Stock Market. In making these independence determinations, the Board of Directors considered the following immaterial relationship: the firm of which Mr. Huntz is Executive Director owns one of the Company's customers from which the Company derives an immaterial amount of revenue. In compliance with Nasdaq corporate governance rules, the independent directors of the Company conduct regularly scheduled meetings without the presence of non-independent Directors or management. The Board's standing independent committees also regularly meet without management present. During the fiscal year ended December 31, 2011, the Board of Directors held five meetings. All of the incumbent directors attended at least 75% of the aggregate total number of meetings of the Board of Directors and meetings of Committees of the Board of Directors on which they served that occurred during the portion of fiscal year 2011 during which each served as a Director. Our Directors are invited to the Annual Meeting of Shareholders, and one Director attended our 2011 Annual Meeting.

#### **Director Compensation**

During 2011, the non-employee Chairman of the Board of Directors received an annual retainer of \$150,000, payable in monthly installments on the first business day of each month. Non-employee members of the Board of Directors received an annual retainer of \$35,000 payable in quarterly installments on the first business day of each quarter. All non-employee members of the Board of Directors (other than the Chairman) received \$1,500 for each Board meeting attended and \$1,500 for each committee meeting held independently of a Board meeting. In 2011, we granted to each non-employee Director 4,448 shares of restricted Common Stock, which vest on the earlier of the anniversary of the date of grant or the next Annual Meeting of Shareholders of the Company, provided that the Director remains in continuous service on the Board through that date.

In January 2012, the Board of Directors altered the Director compensation program effective as of the beginning of 2012. Under the program, no fees are paid to the Directors specifically for attendance at Board or Committee meetings. The non-employee Chairman of the Board of Directors continues to receive an annual retainer of \$150,000, payable in monthly installments on the first business day of each month. Non-employee members of the Board of Directors receive an annual retainer of \$50,000 payable in quarterly installments on the first business day of each quarter. In addition to the foregoing retainers, the Chairman of each of the Audit Committee and the Compensation Committee receive an annual retainer of \$20,000, and the Chairman of the Nomination and Governance Committee receives an annual retainer of \$10,000. Each member of a Committee who is not the Committee Chairman receives an additional retainer for service on that Committee, with those retainers being \$10,000, \$7,500, and \$5,000 for the Audit, Compensation, and Nomination and Governance Committees, respectively. Each Director will receive an annual grant of restricted stock units, which vests one year from the date of grant and whose underlying shares of Common Stock have a fair market value as of the grant date of \$170,000. Upon vesting, each unit will be replaced by one share of Common Stock.

The following table sets forth, for the year ended December 31, 2011, the total compensation earned for our non-employee members of the Board of Directors.

### Director Compensation

Name <sup>(1)</sup>	Fees Earned or		Total
	Paid In Cash	Stock Awards <sup>(2)</sup>	
Brian J. Cassidy	\$ 56,000	\$ 159,594	\$ 215,594
Paul R. Goodwin	26,500		26,500
John J. Huntz, Jr.	150,000	159,594	309,594
Peter J. Kight	30,750	159,594	190,344
Dan L. Lautenbach	48,500	159,594	208,094
Thomas E. Noonan	56,000	159,594	215,594
Deepak Raghavan	48,500	159,594	208,094

(1) We report amounts paid to Mr. Sinisgalli, our only employee director, in the Summary Compensation Table below.

(2) This column represents the aggregate grant date fair value for restricted stock awards granted in 2011 in accordance with the stock compensation topic in the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (the Codification). These award fair values have been determined based on the closing price of the Company's stock on the date of grant.

The following table summarizes the equity awards we have made to our Board of Directors that are outstanding as of December 31, 2011.

### Non-Management Director Outstanding Stock Awards as of December 31, 2011

Name	Number of Shares of Unvested	Number of Shares Underlying
	Restricted Stock	Unexercised Stock Options
Brian J. Cassidy	4,448	122,500
John J. Huntz, Jr.	4,448	97,500
Dan L. Lautenbach	4,448	12,500
Thomas E. Noonan	4,448	75,000
Deepak Raghavan	4,448	35,000

### Board of Directors Committees

The Board of Directors has established three permanent committees that have certain responsibilities for our governance and management. They include the Audit Committee, Compensation Committee, and Nomination and Governance Committee. The Board has adopted charters for the Audit Committee, Compensation Committee, and Nomination and Governance Committee, which can be found in the Investor Relations section of our web site at [www.manh.com](http://www.manh.com).





*Audit Committee.* During 2011, the Audit Committee consisted of Messrs. Huntz, Paul R. Goodwin, Lautenbach, and Noonan. Mr. Huntz serves as Chairman of the Audit Committee. The Board of Directors has determined that each member of the Audit Committee meets the independence and experience requirements applicable to members of the Audit Committee of a Nasdaq-traded company, as well as the Audit Committee independence standards established by the Securities and Exchange Commission (the SEC). Further, the Board has determined that Messrs. Huntz and Noonan are audit committee financial experts, as defined by the rules of the SEC. Among other responsibilities, the Audit Committee recommends to the Board the selection and discharge of our independent registered public accounting firm, reviews the scope of the audit to be conducted by them, as well as the results of their audit, and reviews our internal controls and financial statements. The Audit Committee also reviews and discusses with management and our independent registered public accounting firm major financial risk exposure and steps management has taken to monitor and control such exposure. During the fiscal year ended December 31, 2011, the Audit Committee met four times. Mr. Goodwin did not stand for reelection at the Company's 2011 Annual Meeting of Shareholders and ceased to be a member of the Board of Directors, and its committees, as of May 19, 2011.

*Compensation Committee.* During 2011, the Compensation Committee consisted of Messrs. Noonan, Cassidy, Huntz, and Peter J. Kight. Mr. Noonan serves as Chairman of the Compensation Committee. The Board of Directors has determined that all members of the Compensation Committee meet the independence requirements of the Nasdaq corporate governance rules. The Compensation Committee approves the compensation of all of our executive officers, including the Chief Executive Officer, reviews compensation plans of all directors, officers, and other key executives, and makes recommendations concerning these matters to the Board of Directors. The Compensation Committee also administers our equity incentive programs and establishes the terms and conditions of all stock, stock options, and stock unit granted under these plans. During the fiscal year ended December 31, 2011, the Compensation Committee met five times. Mr. Kight resigned from the Board of Directors and the Compensation Committee on July 14, 2011.

*Nomination and Governance Committee.* During 2011, the Nomination and Governance Committee (the Nomination Committee) consisted of Messrs. Raghavan, Cassidy, Goodwin, and Huntz. Mr. Raghavan serves as Chairman of the Nomination Committee. The Board of Directors has determined that all members of the Nomination Committee meet the independence requirements of the Nasdaq corporate governance rules. The Nomination Committee is appointed by the Board of Directors to identify and assist in recruiting outstanding individuals who qualify to serve as Board members and to recommend that the Board select a slate of Director nominees for election by our shareholders at each annual meeting of our shareholders in accordance with our Articles of Incorporation, Bylaws, and Georgia law; to recommend Directors for appointment to each Board Committee; to review the performance of the Board and its Committees and make appropriate recommendations; and to oversee our corporate governance guidelines and periodically re-evaluate those guidelines for the purpose of suggesting changes if appropriate. During the fiscal year ended December 31, 2011, the Nomination Committee met four times. Mr. Goodwin did not stand for reelection at the Company's 2011 Annual Meeting of Shareholders and ceased to be a member of the Board of Directors, and its committees, as of May 19, 2011.

In accordance with the provisions of our Bylaws, shareholders may directly nominate prospective Director candidates by delivering to our Corporate Secretary certain information about the nominee not less than 60 days prior to the meeting as originally scheduled, or if less than 70 days notice or prior public disclosure of the date of the scheduled meeting is given or made, delivery of notice to the Company not later than the tenth day following the earlier of the day on which notice of the date of the meeting is mailed to shareholders or public disclosure of the date of that meeting is made. The Nomination Committee has not adopted a formal policy with regard to consideration of any director candidate nominated by shareholders for inclusion in the Board's slate. The Nomination Committee believes that such a policy is not necessary or appropriate because of the shareholders' ability to directly nominate Director candidates for the Board.

In identifying qualified individuals to become members of the Board of Directors, the Nomination Committee selects candidates whose attributes it believes would be most beneficial to the Company. The Nomination Committee evaluates each individual's experience, integrity, competence, diversity (including occupational, geographic, and age diversity), skills, and dedication in the context of the needs of the Board of Directors. The Committee generally identifies Director nominees through the personal, business, and organizational contacts of existing Directors and management. However, the Committee may use a variety of sources to identify Director nominees, including third-party search firms, counsel, advisors, and shareholder recommendations. The composition of the current Board of Directors reflects diversity in business and professional experience and skills.

### **Board Leadership Structure**

Our Bylaws allow, but do not require, our Board of Directors to appoint an officer or a non-executive to the position of Chairman of our Board of Directors. Our Board of Directors has chosen to separate the positions of Chairman of the Board and Chief Executive Officer. Currently, John J. Huntz, Jr., a non-employee independent director, serves as Chairman of the Board and Peter F. Sinisgalli serves as our President and Chief Executive Officer. We believe separating these positions allows our Chief Executive Officer to focus on our day-to-day business, while allowing the Chairman of the Board to lead our Board of Directors in its fundamental role of providing advice to and independent oversight of management. Our Board of Directors recognizes the time, effort, and energy that the Chief Executive Officer is required to devote to his position in the current business environment, as well as the commitment required to serve as our Chairman, particularly as our Board of Director's oversight responsibilities continue to grow. Although we do not have a policy mandating the separation of the roles of Chairman and Chief Executive Officer, our Board of Directors believes that having separate positions and having an independent outside Director serve as Chairman currently is the appropriate leadership structure for Manhattan Associates.

### **Code of Ethics and Insider Trading Policy**

Our Board of Directors has adopted a Code of Business Conduct and Ethics that is applicable to all members of our Board of Directors, our executive officers, and our employees. We have posted the Code of Business Conduct and Ethics policy in the Investor Relations section of our web site at [www.manh.com](http://www.manh.com). If, in the future, we amend, modify, or waive a provision in the Code of Business Conduct and Ethics, we may, rather than file a Form 8-K, satisfy the disclosure requirement under Item 5.05 of Form 8-K by posting such information on our web site as necessary.

Our Insider Trader policy prohibits our Board of Directors, our executive officers, and employees from buying or selling any of our securities or options with respect to our securities without obtaining prior approval from our Chief Legal Officer. This seeks to assure that the Board of Directors, executive officers, and employees will not trade in our securities at a time when they are in possession of material inside information. In addition, our policy specifically prohibits short sales in our stock.

### **Risk Management**

While we believe that risk management is the responsibility of every employee, senior management is ultimately accountable to our Board of Directors and shareholders for risk management. Senior management is responsible for the day-to-day management of risks we face, while our Board of Directors, as a whole and through its Committees, oversees planning and responding to risks arising from changing business conditions or the initiation of new activities or products. Our Board of Directors also is responsible for overseeing compliance with laws and regulations, responding to recommendations from auditors and supervisory authorities, and overseeing management's conformance with internal policies and controls addressing the operations and risks of significant activities.

Our Board of Directors believes that full and open communication between management and our Board of Directors is essential for effective risk management and oversight. Our Board of Directors receives regular reports from members of senior management on areas of material risk to Manhattan Associates, including operational, financial, legal and regulatory, strategic, competitive, and reputational risks. Additionally, senior management is available to address any questions or concerns raised by our Board of Directors on risk management-related and any other matters.

While our Board of Directors is ultimately responsible for risk oversight at Manhattan Associates, our three Board Committees assist our Board of Directors in fulfilling its oversight responsibilities in certain areas of risk. The Audit Committee assists our Board of Directors in fulfilling its oversight responsibilities with respect to risk management in the areas of financial reporting, internal controls, and compliance with legal and regulatory requirements, and discusses policies with respect to risk assessment and risk management. The Nomination Committee assists our Board of Directors in fulfilling its oversight responsibilities with respect to the management of risks associated with Board organization, membership and structure, succession planning for our directors and executive officers, and corporate governance. The Compensation Committee assists our Board of Directors in fulfilling its oversight responsibilities with respect to the management of risks arising from our compensation policies and programs.

In keeping with its responsibilities, the Compensation Committee has evaluated potential risks arising from the Company's compensation policies and practices, and concluded that any such risks are not likely to have a material adverse effect on the Company. Among other possible risks, the Compensation Committee considered risks related to the consolidated and license revenue components of its incentive plans. In reaching its conclusion, the Compensation Committee reviewed and considered various factors, including the following:

For many participants, there are both short-term (annual) cash and long-term equity incentives;

Short-term incentives and long-term performance-based incentives use adjusted earnings per share as a performance objective in addition to revenues, have multiple earning opportunity levels, and are capped at 200% of target;

Long-term equity incentives include both performance-based and service-based awards; and

The Compensation Committee reviews and approves performance goals and reviews results before incentives are paid.

#### **Executive Officers**

In addition to Peter F. Sinisgalli, the following individuals serve as our executive officers as of December 31, 2011:

**Dennis B. Story**, age 48, has served as our Executive Vice President, Chief Financial Officer, and Treasurer since January 12, 2011. Previously, Mr. Story served as our Senior Vice President, Chief Financial Officer, and Treasurer from joining the Company in March 2006 through January 2011. From February 2006 until he joined the Company, Mr. Story served as the Senior Vice President of Finance for Fidelity National Information Services, Inc. Prior to that, Mr. Story was the Senior Vice President of Finance for Certegy Inc., a financial services company, from 2004 until its merger with Fidelity National Information Services, Inc., in February 2006. Prior to his association with Certegy, Mr. Story served as Chief Financial Officer of NewRoads Inc., a provider of outsourced solutions for fulfillment and customer care to companies engaged in one-to-one direct commerce, from September 2003 to September 2004, and Senior Vice President and Corporate Controller of credit reporting company Equifax Inc., from December 2000 until August 2003.

**Eddie Capel**, age 50, has served as our Executive Vice President and Chief Operating Officer since Januar