

PERFICIENT INC
Form PRE 14A
September 21, 2005

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

PERFICIENT, INC.

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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

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(1) Amount previously paid::

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

(3) Filing Party:

(4) Date Filed::

Table of Contents

PERFICIENT, INC.
1120 South Capital of Texas Highway, Suite 220 Building 3
Austin, Texas 78746
Notice of Annual Meeting of Stockholders
To Be Held November 17, 2005

NOTICE IS HEREBY GIVEN that the 2005 Annual Meeting of the Stockholders of Perficient, Inc. (Perficient or the Company) will be held at the Company s headquarters located at 1120 South Capital of Texas Highway, Suite 220, Building 3, Austin, Texas 78746 on November 17, 2005 at 10:00 a.m. Central Time, for the following purposes:

1. To elect five directors to hold office for a term of one year or until their successors have been duly elected and qualified;
2. To approve an amendment to the certificate of incorporation of the Company for the purpose of increasing the total number of authorized shares of Common Stock from 40,000,000 shares to 50,000,000 shares;
3. To approve the adoption of the Perficient, Inc. Employee Stock Purchase Plan pursuant to which employees of the Company may purchase shares of Common Stock from time to time; and
4. To transact such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors of Perficient has fixed the close of business on September 19, 2005 as the record date for the determination of stockholders of Perficient entitled to notice of and to vote at the Annual Meeting. Only holders of record of Perficient common stock at the close of business on that date will be entitled to notice of and to vote at the Annual Meeting or any adjournments or postponements thereof. A list of such stockholders will be available for inspection at the Company s headquarters located at 1120 South Capital of Texas Highway, Suite 220, Building 3, Austin, Texas 78746, during ordinary business hours for the ten-day period prior to the 2005 Annual Meeting.

Your attention is directed to the accompanying Proxy Statement for further information regarding each proposal to be made.

Whether or not you plan to attend the 2005 Annual Meeting, you are asked to complete, sign and date the enclosed proxy and return it promptly by mail in the enclosed self-addressed envelope, which does not require postage if mailed in the United States. You may revoke your proxy at any time prior to the 2005 Annual Meeting. If you decide to attend the 2005 Annual Meeting and wish to change your proxy vote, you may do so automatically by voting in person at the 2005 Annual Meeting.

By Order of the Board of Directors

/s/ Michael D. Hill

Michael D. Hill
Secretary

TABLE OF CONTENTS

Proxy Statement for Annual Meeting

PURPOSE OF MEETING

VOTING RIGHTS AND SOLICITATION OF PROXIES

SECURITY OWNERSHIP AND CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

SECTION 16 BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

COMPOSITION AND MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

AUDIT COMMITTEE REPORT

STOCKHOLDER PROPOSALS FOR NEXT ANNUAL MEETING

OTHER MATTERS

FORM 10-KSB

APPENDIX A

Table of Contents

**PERFICIENT, INC.
1120 South Capital of Texas Highway, Suite 220, Building 3
Austin, Texas 78746**

Proxy Statement for Annual Meeting

This Proxy Statement is furnished by the Board of Directors (the Board of Directors) of Perficient, Inc., a Delaware corporation (Perficient or the Company), in connection with the solicitation of proxies to be used at the Annual Meeting of Stockholders (the Meeting) to be held on November 17, 2005 at the Company's headquarters located at 1120 South Capital of Texas Highway, Suite 220, Building 3, Austin, Texas 78746 at 10:00 a.m. Central Time, and at any adjournment thereof. This Proxy Statement and the accompanying Notice and Proxy are being mailed to stockholders on or about September 15, 2005. The principal executive offices of Perficient are located at the address listed above.

PURPOSE OF MEETING

The specific proposals to be considered and acted upon at the Meeting are summarized in the accompanying Notice of Annual Meeting of Stockholders. Each proposal is described in more detail in this Proxy Statement.

VOTING RIGHTS AND SOLICITATION OF PROXIES

Only holders of record of Perficient common stock at the close of business on the record date, September 19, 2005 (the Record Date), will be entitled to vote at the Meeting and at all adjournments thereof. On the Record Date, there were outstanding and entitled to vote 1,000,000 shares of Perficient's common stock, \$.001 par value per share (the Common Stock). Each outstanding share of Perficient Common Stock is entitled to one vote on each matter to be voted upon. Votes cast, either in person or by proxy, will be tabulated by Continental Stock Transfer & Trust Company, the Company's transfer agent.

Quorum Required

The Company's bylaws provide that the holders of a majority of the Company's outstanding shares of stock entitled to vote at the Meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business at the Meeting. Abstentions and broker non-votes will be counted as present for the purpose of determining the presence of a quorum.

Votes Required

Proposal 1. Election of Directors. Directors of Perficient will be elected by a plurality of the vote of the outstanding shares of Common Stock, in person or by proxy, and entitled to vote at the Meeting. The nominees for director receiving the highest number of affirmative votes will be elected. Abstentions and broker non-votes will not be counted toward a nominee's total.

Proposal 2. Amendment to the Certificate of Incorporation. Approval of the amendment to the Certificate of Incorporation requires a majority of the outstanding shares of Common Stock.

Proposal 3. Adoption of Employee Stock Purchase Plan. Approval of the adoption of the Employee Stock Purchase Plan requires a majority of the shares of Common Stock represented in person or by proxy and entitled to vote at the Meeting.

A broker non-vote occurs on an item when shares held by a bank, broker or other nominee are present or represented at the meeting but such nominee is not permitted to vote on that item without instructions from the beneficial owner of the shares and no instruction is given.

Abstentions have the same effect as negative votes. Broker non-votes and shares as to which proxy authority has been withheld with respect to any matter are not entitled to vote for purposes of determining

Table of Contents

whether stockholder approval of that matter has been obtained and, therefore, will have no effect on the outcome of the vote on any such matter.

Proxies

If a proxy is properly signed by a stockholder and is not revoked, the shares represented thereby will be voted at the Meeting in the manner specified on the proxy, or if no manner is specified with respect to any matter therein, such shares will be voted by the person designated therein in accordance with the recommendations of the Board of Directors as indicated in this Proxy Statement. If any of the nominees for director are unable to serve or for good cause will not serve, an event that is not anticipated by Perficient, the shares represented by the accompanying proxy will be voted for a substitute nominee designated by the Board of Directors or the Board of Directors may determine to reduce the size of the Board of Directors. A proxy may be revoked by the stockholder at any time prior to the voting thereof by giving notice of revocation in writing to the Secretary of Perficient, by duly executing and delivering to the Secretary of Perficient a proxy bearing a later date, or by voting in person at the Meeting.

Solicitation of Proxies

Perficient will bear the entire cost of solicitation, including the preparation, assembly, printing, and mailing of this Proxy Statement, the proxy, and any additional soliciting material furnished to stockholders. Copies of solicitation material will be furnished to brokerage houses, fiduciaries, and custodians holding shares in their names that are beneficially owned by others so that they may forward this solicitation material to such beneficial owners. Perficient may reimburse such persons for their costs of forwarding the solicitation material to such beneficial owners. The original solicitation of proxies by mail may be supplemented by solicitation by telephone, telegram, or other means by directors, officers, employees or agents of Perficient. No additional compensation will be paid to these individuals for any such service. In addition, Perficient has hired Morrow & Co., Inc. to assist Perficient with the solicitation of proxies from stockholders for a fee of approximately \$6,500 plus costs and expenses to aid in the solicitation of proxies and to verify records relating to the solicitation.

Table of Contents**SECURITY OWNERSHIP AND CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information regarding the beneficial ownership of our Common Stock as of August 23, 2005 for (i) each person or entity who is known by us to own beneficially more than five percent (5%) of the outstanding shares of each such class; (ii) each executive officer listed in the Summary Compensation table below; (iii) each of our directors; and (iv) all directors and executive officers as a group.

Name and Address of Beneficial Owner(1)	Amount and Nature of Shares Beneficially Owned	Percent of Class(2)
John T. McDonald(3)	2,269,191	9.7%
Beekman Ventures, Inc.(4)	261,642	1.2%
Jeffrey S. Davis(5)	455,387	2.0%
Michael D. Hill(6)	18,750	*
David S. Lundeen(7)	455,750	2.0%
Robert E. Pickering, Jr.(8)	65,500	*
Max D. Hopper(9)	20,000	*
Kenneth R. Johnsen(10)	15,000	*
Ralph C. Derrickson(11)	10,000	*
Morton Meyerson(12)	2,358,013	10.6%
2M Technology Ventures, L.P.(13)	2,166,500	9.7%
Robert H. Drysdale(14)	1,466,013	6.6%
Richard T. Kalbfleish(15)		*
All executive officers and directors as a group (9 persons)	3,309,578	13.9%
Total	7,133,604	30.0%

- (1) Unless otherwise indicated, the address of each person or entity is 1120 South Capital of Texas Highway, Suite 220, Building 3, Austin, Texas, 78746.
- (2) The percentage of common stock owned is based on total shares outstanding of 22,264,510 as of August 23, 2005.
- (3) Includes 1,008,085 shares of common stock issuable upon the exercise of options, 50,500 shares of common stock issuable upon exercise of a warrant and 261,642 shares held by Beekman Ventures, Inc. of which Mr. McDonald is the sole stockholder. Does not include options to purchase 579,167 shares of common stock that are not exercisable within 60 days of the date hereof. Mr. McDonald's total share ownership, including options that are not exercisable within 60 days of the date hereof, is 2,848,358.
- (4) Mr. McDonald is the sole stockholder of Beekman Ventures, Inc.
- (5) Includes 305,652 shares of common stock issuable upon the exercise of options. Mr. Davis's address is 622 Emerson Road, Suite 400, Creve Coeur, Missouri 63141. Does not include options to purchase 291,147 shares of common stock that are not exercisable within 60 days of the date hereof.
- (6) Includes 18,750 shares of common stock issuable upon the exercise of options. Does not include options to purchase 31,250 shares of common stock that are not exercisable within 60 days of the date hereof.

- (7) Includes 80,000 shares of common stock issuable upon the exercise of options.
- (8) Includes 15,000 shares of common stock issuable upon the exercise of options.
- (9) Includes 20,000 shares of common stock issuable upon the exercise of options.
- (10) Includes 15,000 shares of common stock issuable upon the exercise of options. Does not include options to purchase 10,000 shares of common stock that are not exercisable within 60 days of the date hereof.
- (11) Includes 10,000 shares of common stock issuable upon the exercise of options. Does not include options to purchase 10,000 shares of common stock that are not exercisable within 60 days of the date hereof.

Table of Contents

- (12) Includes 2,166,500 shares beneficially owned by 2M Technology Ventures, L.P. Morton H. Meyerson's address is 3401 Armstrong Avenue, Dallas, Texas 75205.
- (13) 2M Technology Ventures, L.P.'s address is 3401 Armstrong Avenue, Dallas, Texas 75205.
- (14) Mr. Drysdale's address is 142 Hanapepe Loop, Honolulu, Hawaii 96825.
- (15) Mr. Kalbfleish's address is 622 Emerson Road, Suite 400, Creve Coeur, Missouri 63141. Does not include options to purchase 20,000 shares of common stock that are not exercisable within 60 days of the date hereof.

Proposal 1. Election of Directors.

At this year's Annual Meeting of Stockholders, five directors will be elected to hold office for a term expiring at the next Annual Meeting of Stockholders:

- John T. McDonald
- Ralph C. Derrickson
- Max D. Hopper
- Kenneth R. Johnsen
- David S. Lundeen

Each director will be elected to serve until a successor is elected and qualified or until the director's earlier resignation or removal.

If any of the Nominee Directors listed above becomes unable to serve or for good cause will not serve, an event that is not anticipated by us, (i) the shares represented by the proxies will be voted for a substitute nominee or substitute nominees designated by the Board of Directors or (ii) the Board of Directors may determine to reduce the size of the Board of Directors. At this time, the Board of Directors knows of no reason why any of the persons listed above may not be able to serve as directors if elected.

On August 29, 2005, Mr. Pickering informed the Board of Directors of his intention not to stand for reelection as a director. The Board of Directors has chosen to leave vacant the seat currently held by Mr. Pickering at the expiration of Mr. Pickering's term as a director. The Nominating Committee of the Board of Directors is currently evaluating potential candidates qualified to fill the vacancy to be created at the expiration of Mr. Pickering's term as a director. Pursuant to the Company's bylaws, vacancies may be filled by vote of a majority of the remaining Board of Directors and such director will hold office until the next annual meeting of stockholders.

Table of Contents

The name and age of each of the executive officers, current directors and Nominee Directors of Perficient, their respective positions with Perficient and the period during which each such individual has served in that capacity are set forth below. Additional biographical information concerning each of the Nominee Directors and executive officers follows the table.

Name	Age	Position
John T. McDonald	42	Chairman of the Board and Chief Executive Officer*
Jeffrey S. Davis	41	President and Chief Operating Officer
Michael D. Hill	36	Chief Financial Officer
Richard T. Kalbfleish	49	Controller and Vice President of Finance and Administration
Ralph C. Derrickson	46	Director*
Max D. Hopper	70	Director*
Kenneth R. Johnsen	52	Director*
David S. Lundeen	43	Director*
Robert E. Pickering, Jr.	53	Director**

* Current and Nominee Director

** Not standing for reelection

John T. McDonald joined us in April 1999 as Chief Executive Officer and was elected Chairman of the Board in March 2001. From April 1996 to October 1998, Mr. McDonald was president of VideoSite, Inc., a multimedia software company that was acquired by GTECH Corporation in October 1997, 18 months after Mr. McDonald became VideoSite's president. From May 1995 to April 1996, Mr. McDonald was a Principal with Zilkha & Co., a New York-based merchant banking firm. From June 1993 to April 1996, Mr. McDonald served in various positions at Blockbuster Entertainment Group, including Director of Corporate Development and Vice President, Strategic Planning and Corporate Development of NewLeaf Entertainment Corporation, a joint venture between Blockbuster and IBM. From 1987 to 1993, Mr. McDonald was an attorney with Skadden, Arps, Slate, Meagher & Flom in New York, focusing on mergers and acquisitions and corporate finance. Mr. McDonald currently serves as a member of the board of directors of Interstate Connections, Inc. Mr. McDonald received a B.A. in Economics from Fordham University and a J.D. from Fordham Law School.

Jeffrey S. Davis became our Chief Operating Officer upon the closing of the acquisition of Vertecon in April 2002 and was named our President in 2004. He previously served the same role since October 1999 at Vertecon prior to its acquisition by Perficient. Mr. Davis has 13 years of experience in technology management and consulting. Prior to Vertecon, Mr. Davis was a Senior Manager and member of the leadership team in Arthur Andersen's Business Consulting Practice starting in January 1999 where he was responsible for defining and managing internal processes, while managing business development and delivery of products, services and solutions to a number of large accounts. Prior to Arthur Andersen, Mr. Davis worked at Ernst & Young LLP for two years, Mallinckrodt, Inc. for two years, and spent five years at McDonnell Douglas in many different technical and managerial positions. Mr. Davis has a M.B.A. from Washington University and a B.S. degree in Electrical Engineering from the University of Missouri.

Michael D. Hill joined us in February 2004 as Chief Financial Officer. From June 2002 through February 2004, Mr. Hill served as Director of Finance and Controller of PerformanceRetail, Inc., a software company. From February 1999 to June 2002, Mr. Hill served as a finance executive with several technology companies including CreditMindors, Inc., Kinetrix Solutions, Inc. and Agillion, Inc. Prior to February 1999, Mr. Hill was an Assurance and Advisory Business Services manager with Ernst & Young LLP's Assurance and Advisory Business Services practice in Austin. Mr. Hill held various other positions at Ernst & Young LLP since December 1991. Mr. Hill received a B.B.A. in Accounting from The University of Texas at Austin and is a licensed certified public accountant in the State

of Texas.

Table of Contents

Richard T. Kalbfleish joined us as Controller in November 2004 and became Vice President of Finance and Administration and Assistant Treasurer in May 2005. Prior to joining Perficient, Mr. Kalbfleish served as Vice President of Finance and Administration with IntelliMark/ Technisource, a national IT staffing company, for 11 years. Mr. Kalbfleish has over 21 years of experience at the Controller level and above in a number of service industries with an emphasis on acquisition integration and accounting, human resources and administrative support. Mr. Kalbfleish has a B.S.B.A. in Accountancy from the University of Missouri at Columbia.

Ralph C. Derrickson became a member of our board of directors in July 2004. In 2001, he founded the RCollins Group, LLC, a management company that specializes in early stage technology companies, and is currently its Managing Director. Mr. Derrickson was managing director of venture investments at Vulcan Inc., an investment management firm with headquarters in Seattle, Washington from October 2001 to July 2004. Mr. Derrickson has more than 20 years of technology management experience in a wide range of settings including start-up, interim management and restructuring situations. He served as a board member of Metricom, Inc., a publicly traded company, from April 1997 to November 2001 and as Interim CEO of Metricom from February 2001 to August 2001. Metricom, Inc. voluntarily filed a bankruptcy petition in US Bankruptcy Court for the Northern District of California in July of 2001. Mr. Derrickson was also a founding partner of Watershed Capital, a private equity investment management company established August in 1998. Prior to Watershed, Mr. Derrickson managed venture investments at Vulcan Ventures. He served as vice president of product development at Starwave Corporation, one of the pioneers of the Internet. Earlier, Mr. Derrickson held senior management positions at NeXT Computer, Inc. and Sun Microsystems, Inc. He has served on the boards of numerous start-up technology companies. Mr. Derrickson is active in the business and entrepreneurship programs at the University of Washington and is a member of the advisory board of the Center for Technology Entrepreneurship. He also serves on the board of the Northwest Entrepreneur Network, or NWEN. Mr. Derrickson holds a BT in systems software from the Rochester Institute of Technology.

Max D. Hopper became a member of our board of directors in September 2002. Mr. Hopper began his information systems career in 1960 at Shell Oil and served with EDS, United Airlines and Bank of America prior to joining American Airlines. During Mr. Hopper's twenty-year tenure at American Airlines he served as CIO, and as CEO of several business units. Most recently, he founded Max D. Hopper Associates, Inc., a consulting firm that specializes in the strategic use of information technology and eBusiness. Mr. Hopper currently serves on the board of directors for several companies such as Gartner Group, and several other private corporations.

Kenneth R. Johnsen became a member of our board of directors in July 2004. He is the President and Chief Executive Officer of Parago Inc., a marketing services transaction processor. Before joining Parago Inc. in 1999, he served as President, Chief Operating Officer and Board Member of Metamor Worldwide Inc., an \$850 million public technology services company specializing in information technology consulting and implementation. Metamor was later acquired by PSINet for \$1.7 billion. At Metamor, Mr. Johnsen grew the IT Solutions Group revenue from \$20 million to over \$300 million within two years. His experience also includes 22 years at IBM where he held general management positions, including Vice President of Business Services for IBM Global Services and General Manager of IBM China/ Hong Kong Operations. He achieved record revenue, profit and customer satisfaction levels in both business units.

David S. Lundeen became a member of our board of directors in April 1998. From March 1999 through 2002, Mr. Lundeen was a partner with Watershed Capital, a private equity firm based in Mountain View, California. From June 1997 to February 1999, Mr. Lundeen was self-employed, managed his personal investments and acted as a consultant and advisor to various businesses. From June 1995 to June 1997, he served as the Chief Financial Officer and Chief Operating Officer of BSG. From January 1990 until June 1995, Mr. Lundeen served as President of Blockbuster Technology and as Vice President of Finance of Blockbuster Entertainment Corporation. Prior to that time, Mr. Lundeen was an investment banker with Drexel Burnham Lambert in New York City. Mr. Lundeen currently serves as a member of the board of directors of Parago, Inc., and as Chairman of the Board of Interstate Connections, Inc. Mr. Lundeen received a B.S. in Engineering from the University of Michigan in 1984 and an M.B.A. from the University of Chicago

Table of Contents

in 1988. The board of directors has determined that Mr. Lundeen is an audit committee financial expert, as such term is defined in the rules and regulations promulgated by the Securities and Exchange Commission.

Robert E. Pickering, Jr. became a member of our board of directors in August 2002. He has held the position of CEO of IconMedialab International, an information technology services company with headquarters in The Netherlands beginning in 2002. Mr. Pickering began his information technology services career in 1974 at Andersen Consulting, now Accenture, where he was a partner. After 11 years at Andersen, where he managed and directed several system development and outsourcing projects, Mr. Pickering joined First City Bankcorp in 1996, as Chief Information Officer. Three years later in 1999, he became Chief Information Officer of Continental Airlines. Mr. Pickering was also Chairman and CEO of Origin from 1998 to 2000, one of the largest information technology services companies in Europe. Mr. Pickering was Chairman and CEO of e2i Inc. from May 2000 to December 2001, which filed for protection under the federal bankruptcy laws in December 2001. Mr. Pickering also serves on the boards of a variety of organizations including the American Chamber of Commerce in The Netherlands, B&J Foodservice in Kansas City, and Ora Oxygen, a travel spa based in The Netherlands. Mr. Pickering is a graduate of Baylor University.

All directors hold office until the next annual meeting of our stockholders and until their respective successors have been duly elected and qualified or until their earlier death, resignation or removal. There are no family relationships between any of our directors and executive officers.

The affirmative vote of the holders of a plurality of the shares of Common Stock voted in person or by proxy at the Meeting is required for the election of each director. Accordingly, abstentions and broker non-votes will have no effect on the outcome of the election of directors assuming a quorum is present or represented by proxy at the Annual Meeting. Unless otherwise directed, each proxy executed and returned by a stockholder will be voted for the election of each of the Nominee Directors.

The Board of Directors recommends a vote FOR the election of each of the Nominee Directors.

Proposal 2. Amendment to the Certificate of Incorporation.

The Board of Directors has unanimously approved, subject to stockholder approval, an amendment to Paragraph A of Article V of our certificate of incorporation to increase the total number of authorized shares of Common Stock from 40,000,000 shares to 50,000,000 shares. Subject to stockholder approval, Paragraph A of Article V of our certificate of incorporation will be amended and restated in its entirety as follows:

The aggregate number of shares that the Corporation shall have authority to issue is 58,000,000 divided into (i) 50,000,000 shares of which shall be Common Stock, par value \$0.001 per share and (ii) 8,000,000 of which shall be Preferred Stock, par value \$0.001 per share.

As of September 19, 2005, there were _____ shares of Common Stock outstanding and warrants and options to purchase an additional _____ shares of Common Stock (or, an aggregate of _____ of our total 40,000,000 authorized shares of Common Stock. As there are only _____ unallocated shares of Common Stock available for future issuance, the Board of Directors believes it is in the best interests of the Company to increase the number of shares of the Company's authorized Common Stock. This will provide Perficient with greater flexibility to issue shares for appropriate corporate purposes, which may include, but are not limited to, future acquisitions, financing transactions grants of stock under our stock option plan and stock purchase plan and general capital need and corporate growth.

The increase in the number of authorized shares of Common Stock will allow our Board of Directors to move promptly to issue additional shares of Common Stock, if appropriate opportunities should arise, without the delay of obtaining the requisite approvals. Our Board of Directors will determine whether, when and on what terms the issuance of shares of Common Stock may be warranted. The additional shares of Common Stock will be available for issuance without further action by our stockholders unless such action is required by applicable law or by the rules of any applicable stock exchange.

Under our certificate of incorporation, stockholders do not have preemptive rights with respect to the authorization of additional shares of Common Stock. Except in certain cases such as a stock dividend, the

Table of Contents

issuance of additional shares of Common Stock would have the effect of diluting the voting powers of existing stockholders. Although not a factor in the Board of Directors' decision to propose the amendment, one of the effects of the amendment to our certificate of incorporation may be to enable the Board to render more difficult or to discourage an attempt to obtain control of Perficient, since the issuance of these additional shares of Common Stock could be used to dilute the stock ownership of persons seeking to obtain control or otherwise increase the cost of obtaining control of Perficient.

As of August 23, 2005, our directors and executive officers, in the aggregate, beneficially own 13.9% of our outstanding Common Stock.

While none of our directors or executive officers has a present commitment to purchase any of the additional authorized shares, it is possible that one or more of such persons will participate in any future transaction in which we issue additional shares of Common Stock or securities convertible into Common Stock, in which case the participating officers and directors may be deemed to have an interest in the approval of this Proposal No. 2.

The affirmative vote of the holders of a majority of the shares of Common Stock outstanding is required for the approval of the amendment to our certificate of incorporation. Broker non-votes and abstentions with respect to this matter have the same effect as a vote against the matter.

The Board of Directors recommends a vote FOR the amendment to our Certificate of Incorporation to increase the number of authorized shares of common stock.

Proposal 3. Adoption of Employee Stock Purchase Plan.

There will be presented at the Annual Meeting a proposal to approve the Perficient, Inc. Employee Stock Purchase Plan (the "Stock Purchase Plan"). The purpose of the Stock Purchase Plan is to provide employees of the Company with an opportunity to purchase Common Stock of the Company through payroll deductions. The Company believes that adoption of the Stock Purchase Plan will align the interest of Company employees with those of the stockholders. The description set forth below represents a summary of the principal terms and conditions of the Stock Purchase Plan and does not purport to be complete. Such description is qualified in its entirety by reference to the Stock Purchase Plan, a copy of which is attached hereto as *Appendix A*.

General

On August 26, 2005 the Company's Board of Directors adopted the Perficient, Inc. Employee Stock Purchase Plan, effective October 1, 2005 subject to approval by the Company's stockholders within 12 months of the date of adoption. A total of 500,000 shares of Common Stock are reserved for issuance under the Stock Purchase Plan. The purpose of the Stock Purchase Plan is to provide employees of the Company who participate in the Stock Purchase Plan with an opportunity to purchase Common Stock of the Company through payroll deductions. The Stock Purchase Plan, and the right of participants to make purchases thereunder, is intended to qualify under the provisions of sections 421 and 423 of the Internal Revenue Code of 1986, as amended (the "Code"). See "Federal Income Tax Consequences" below.

Administration

The Stock Purchase Plan will be administered by a committee (the "Committee") appointed by the Company's Board of Directors. All questions of interpretation of the Stock Purchase Plan will be determined by the Committee, whose decisions will be final and binding upon all participants.

Eligibility

All employees of the Company (or any of its parent or subsidiary corporations within the meaning of sections 424 (e) and (f) of the Code) who have been continually employed during the one month period prior to the applicable date of grant (as defined below) and who are customarily employed at least 20 hours per week and at least five months per year shall be eligible to participate in the Stock Purchase Plan (such employees referred to herein as "eligible employees"), subject to certain limitations imposed by sec-

Table of Contents

tion 423(b) of the Code. Notwithstanding the foregoing, the Company retains the right to exclude any individual deemed a highly compensated employee for purposes of section 414(q) of the Code. Any such determination shall be made by the Board or the Committee prior to the start of the applicable option period (defined below).

Offering Dates

Under the Stock Purchase Plan, the Company will offer to all eligible employees the option to purchase shares of Common Stock. Except as otherwise determined by the Committee, these options will be granted on October 1, 2005 and January 1, 2006, and, thereafter, on each three month anniversary of such date (each of which dates is herein referred to as a date of grant). The term of each option granted shall begin on a date of grant and shall be for a period ending on the next subsequent March 31, June 30, September 30, or December 31 (each such three month period is herein referred to as an option period). The last day of an option period is a date of exercise.

Purchase Price

The purchase price per share at which shares of Common Stock will be sold under the Stock Purchase Plan will be an amount equal to 95% of the fair market value of Common Stock on the date of exercise. The fair market value of a share of Common Stock on a given date will be the closing sales price of the Common Stock on the NASDAQ Market on such date.

Payment of Purchase Price; Payroll Deductions

The purchase price of the shares of Common Stock to be purchased under the Stock Purchase Plan will be accumulated by payroll deductions during each option period. The deductions may not exceed an amount which will result in noncompliance with the limitations described below under Purchase of Stock; Exercise of Option. Such payroll deductions will be credited to a book entry account for each participant. An employee may discontinue participation in the Stock Purchase Plan, but may not otherwise increase or decrease the rate of payroll deductions at any time prior to the next following date of grant.

Purchase of Stock; Exercise of Option

The maximum number of shares placed under option to a participant in the Stock Purchase Plan in any option period cannot exceed an amount equal to the number determined by dividing the amount of the participant's total payroll deductions during the option period (and any carryover amounts from the preceding offering period) by the purchase price per share under the Stock Purchase Plan. Unless a participant withdraws from the Stock Purchase Plan, the participant's option for the purchase of shares will be exercised automatically on each date of exercise for the maximum number of whole shares at the applicable price. As soon as practicable following the end of each offering period, the Company will cause a certificate to be issued in each participant's name representing the total number of whole shares of Common Stock acquired by the participant through the exercise of the option. Any balance remaining in a participant's account following the exercise of the participant's option in an offering period will be carried over for use in the next following option period. To the extent the balance remaining in the participant's account after payment of the purchase price exceeds the value of a share, at such time, the entire remaining balance shall be returned to the participant.

Notwithstanding the foregoing, no eligible employee will be granted an option to purchase shares of Common Stock under the Stock Purchase Plan if, immediately after the grant of the option, the employee would own five percent or more of the voting power or value of all classes of stock of the Company or its subsidiaries, nor will any eligible employee be granted an option which would permit the employee to purchase, pursuant to the Stock Purchase Plan, more than \$25,000 worth of Common Stock (determined at the fair market value of the shares at the time the option is granted) in any calendar year.

If the total number of shares of Common Stock remaining available for issuance is less than the total number of shares of Common Stock that could otherwise be acquired pursuant to all options for a given option period, then the number of shares of Common Stock that could otherwise be acquired pursuant to each option

Table of Contents

for a given option period will be reduced proportionately. If, after this adjustment, an eligible employee is entitled to an option for a fraction of a share of Common Stock, the eligible employee's payroll deductions that would be used to purchase such fractional share will be returned to him as soon as administratively feasible.

Withdrawal

Any participant may withdraw in whole from the Stock Purchase Plan at any time prior to thirty (30) days before the date of exercise relating to a particular option period. Partial withdrawals shall not be permitted. A participant who wishes to withdraw from the Stock Purchase Plan must timely deliver to the Company a notice of withdrawal on a form prepared by the Committee. The Company, promptly following the time when the notice of withdrawal is delivered, shall refund to the participant the amount of the cash balance in his account under the Stock Purchase Plan; and thereupon, automatically and without any further act on his part, his payroll deduction authorization and his interest in unexercised options under the Stock Purchase Plan shall terminate.

Capital Changes

Whenever any change is made in the Stock, by reason of a stock dividend or by reason of subdivision, stock split, reverse stock split, recapitalization, reorganization, combinations, reclassification of shares, or other similar change, appropriate action will be taken by the Committee to adjust accordingly the number of shares subject to the Stock Purchase Plan, the maximum number of shares that may be subject to any option, and the number and purchase price of shares subject to options outstanding under the Stock Purchase Plan.

Nonassignability

Each option will be assignable or transferable only by will or by the laws of descent and distribution and will be exercisable during the optionee's lifetime only by the optionee. The Company shall not recognize and shall be under no duty to recognize any assignment or purported assignment by an employee of his option or of any rights under his option, and any such attempt may be treated by the Company as an election to withdraw from the Stock Purchase Plan.

Amendment and Termination of the Plan

The Board of Directors, in its discretion, may terminate the Stock Purchase Plan at any time with respect to any shares for which options have not theretofore been granted. The Committee shall have the right to alter or amend the Stock Purchase Plan or any part thereof from time to time without the approval of the stockholders of the Company; provided, that no change in any option theretofore granted may be made which would impair the rights of the participant without the consent of such participant; and provided further, that the Committee may not make any alteration or amendment which would increase the aggregate number of shares which may be issued pursuant to the provisions of the Stock Purchase Plan (other than as a result of the anti-dilution provisions of the Stock Purchase Plan), change the class of individuals eligible to receive options under the Stock Purchase Plan, or cause options issued under the Stock Purchase Plan to fail to meet the requirements for employee stock purchase plans as defined in section 423 of the Code without the approval of the stockholders of the Company.

Federal Income Tax Consequences

The Stock Purchase Plan, and the right of participants to make purchases thereunder, is intended to qualify under the provisions of sections 421 and 423 of the Code. Under these provisions, no income will be taxable to a participant at the time of grant of the option or purchase of the shares. Upon disposition of the shares, the participant will generally be subject to tax and the amount of the tax will depend upon the participant's holding period. If the shares have been held by the participant for more than two years after the date of the option grant, the lesser of (a) the excess of the fair market value of the shares at the time of such disposition over the purchase price or (b) the excess of the fair market value of the shares at the date of the option grant over the purchase price will be treated as ordinary income, and any further gain or loss will be

Table of Contents

treated as long-term capital gain or loss. If the shares are disposed of before the expiration of this holding period, the excess of the fair market value of the shares on the purchase date over the purchase price will be treated as ordinary income, and any further gain or loss on such disposition will be long-term or short-term capital gain or loss, depending on the holding period. The Company is not entitled to a deduction for amounts taxed as ordinary income or capital gain to a participant except to the extent of ordinary income reported by participants upon disposition of shares within two years from the date of grant.

The foregoing brief summary of the effect of federal income taxation upon the participants and the Company with respect to the purchase of shares under the Stock Purchase Plan does not purport to be complete, and reference should be made to the applicable provisions of the Code. In addition, this summary does not discuss the tax consequences of a participant's death or the provisions of the income tax laws of any municipality, state or foreign country that may apply.

Required Vote and Recommendation

Because executive officers of the Company will be eligible to participate in the Stock Purchase Plan, each of the executive officers of the Company has an interest in, and may benefit from, the adoption of the Stock Purchase Plan.

The affirmative vote of the holders of a majority of the shares of Common Stock represented in person or by proxy and entitled to vote at the Meeting. Abstentions with respect to this matter have the same effect as a vote against the matter. Broker non-votes will have no effect on the outcome of the vote.

The Board of Directors recommends that the stockholders vote FOR the adoption of the Perficient, Inc. Employee Stock Purchase Plan.

SECTION 16 BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires executive officers and directors, and persons who beneficially own more than ten percent of a registered class of our equity securities to file reports of ownership and changes in ownership with the Securities and Exchange Commission and the Nasdaq National Market. Based solely on a review of the copies of reports furnished to us and written representations from our executive officers, directors and persons who beneficially own more than ten percent of our equity securities, we believe that, during the preceding year, all filing requirements applicable to our officers, directors and ten percent beneficial owners under Section 16(a) were satisfied except that the following individuals failed to timely file an Initial Statement of Beneficial Ownership on Form 3:

Ralph C. Derrickson	Director
Kenneth R. Johnsen	Director
Michael D. Hill	Officer

and, except that the following individuals failed to timely file a Statement of Change in Beneficial Ownership on Form 4:

John T. McDonald	Director and Officer
Ralph C. Derrickson	Director
Kenneth R. Johnsen	Director
David S. Lundeen	Director
Jeffrey Davis	Officer

Table of Contents

**COMPOSITION AND MEETINGS OF THE
BOARD OF DIRECTORS AND COMMITTEES**

The Board of Directors is currently comprised of six directors. The board of directors has affirmatively determined that a majority of the directors qualify as independent directors as defined by Securities and Exchange Commission regulations and Nasdaq National Market listing standards. The independent directors are Ralph C. Derrickson, Max D. Hopper, Kenneth R. Johnsen, David S. Lundeen and Robert E. Pickering, Jr.

During fiscal year 2004, the Board of Directors held seven meetings and acted by unanimous written consent eight times. Each of the directors attended at least 85% of the aggregate of all meetings of the Board of Directors and the total number of meetings held by all committees of the Board of Directors of which each respective director was a member during the time he was serving as such during the fiscal year ended December 31, 2004. All members of the Board of Directors are encouraged to attend the annual meetings of stockholders.

Committees of the Board of Directors

The Board of Directors has created a Compensation Committee, a Nominating Committee and an Audit Committee. Each member of the committees is independent as defined by Securities and Exchange Commission regulations and Nasdaq National Market listing standards.

Compensation Committee

The Compensation Committee establishes salaries, incentives and other forms of compensation for Perficient's directors, executive officers and key employees and administers its equity incentive plans and other incentive and benefit plans. This committee held one meeting and acted six times by unanimous written consent during fiscal year 2004. The members of the Compensation Committee are Max D. Hopper, Kenneth R. Johnsen and David S. Lundeen. Mr. Lundeen serves as chairman of the Compensation Committee.

Audit Committee

The Audit Committee has the sole authority to appoint, retain and terminate the Company's independent accountants and is directly responsible for the compensation, oversight and evaluation of the work of the independent accountants. The independent accountants report directly to the Audit Committee.

The audit committee also has the sole authority to approve all audit engagement fees and terms and all non-audit engagements with our independent accountants and must pre-approve all auditing and permitted non-audit services to be performed for us by the independent accountants, subject to certain exceptions provided by the Securities Exchange Act of 1934.

This committee held four meetings and acted one time by unanimous written consent during fiscal year 2004. The members of the audit committee are Max D. Hopper, David S. Lundeen and Robert E. Pickering, Jr. Mr. Lundeen serves as chairman of the audit committee. The board of directors has determined that Mr. Lundeen is qualified as our audit committee financial expert within the meaning of Securities and Exchange Commission regulations and that he has accounting and related financial management expertise within the meaning of the listing standards of the Nasdaq National Market. The board of directors has affirmatively determined that Mr. Lundeen qualified as an independent director as defined by the Nasdaq National Market listing standards.

Nominating Committee

The Nominating Committee is responsible for advising the Board of Directors on appropriate composition of the board and its committees, evaluating potential director nominees and nominating directors for election, approving the compensation for non-employee directors, advising the Board of Directors on corporate governance practices and overseeing new director orientation and the annual review of the performance of the

Table of Contents

Board of Directors. The Nominating Committee was created by resolution of the Board of Directors and does not have a formal charter.

This committee held no meetings and acted one time by unanimous written consent during fiscal year 2004. The members of the Nominating Committee are David S. Lundeen and Robert E. Pickering, Jr.

Identification of Director Candidates

The Nominating Committee is responsible for evaluating potential or suggested director nominees and identifying individuals qualified to become members of the Board of Directors. This Committee will also evaluate persons suggested by stockholders and conduct the appropriate inquiries into the backgrounds and qualifications of all possible nominees. The Nominating Committee will establish criteria for selecting new director nominees and will determine each proposed nominee's qualifications for service on the Board of Directors. Each nominee should be a person of integrity and be committed to devoting the time and attention necessary to fulfill his or her duties to the Company.

Pursuant to the Bylaws of Perficient, nominations of persons for election to the Board of Directors may be made at a meeting of stockholders by or at the direction of the Board of Directors or by any stockholder entitled to vote in the election of Directors at the meeting who complies with the notice procedures set forth in this paragraph. Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the corporation. Such stockholders' notice shall set forth:

- (A) the name, age, business address and residence address of such person;
- (B) the principal occupation or employment of such person;

- (C) the class and number of shares of the corporation which are beneficially owned by such person;
- (D) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder; and
- (E) any other information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors, or is otherwise required in each case pursuant to Regulation 14A under the 1934 Act (including without limitation such person's written consent to being named in the proxy statement, if any, as a nominee and to serving as a Director if elected).

Any nominations received from stockholders must be in full compliance with applicable laws and with the Bylaws of Perficient.

Communications with the Board

Communications by stockholders or by other parties may be sent to the Board of Directors by U.S. mail or overnight delivery and should be addressed to the Board of Directors c/o Secretary, Perficient, Inc., 1120 South Capital of Texas Highway, Suite 220, Building 3, Austin, Texas 78746. Communications directed to the Board of Directors, or one or more directors, will be forwarded directly to the designated director or directors and may be made anonymously.

Table of Contents**COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**

The following table sets forth information concerning the annual and long-term compensation earned by the individuals who served as our Chief Executive Officer and all other executive officers during fiscal year 2004 for services rendered in all capacities during the years presented. Michael D. Hill joined us in February 2004 as our Chief Financial Officer.

Name and Principal Position	Year	Annual Compensation			Long Term Compensation Awards		
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)(1)	Restricted Stock Awards (\$)(2)	Securities Underlying Options (#)(3)	All Other Compensation (\$)
John T. McDonald Chief Executive Officer and Chairman of the Board	2004	\$ 237,500	\$ 355,408	\$ 12,959	\$ 1,104,250	400,000	\$ 420
	2003	\$ 225,000	\$ 200,048	\$ 3,000		425,000	
	2002	\$ 225,000	\$ 46,406	\$ 2,750		338,000	
Jeffrey S. Davis Chief Operating Officer	2004	\$ 216,629	\$ 161,992	\$ 15,324	\$ 552,125	200,000	\$ 420
	2003	\$ 205,000	\$ 145,813	\$ 3,000		250,000	
	2002	\$ 136,667	\$ 25,370	\$ 2,431		85,000	
Michael D. Hill	2004	\$ 96,250	\$ 43,210	\$			