

CONNS INC  
Form PRE 14A  
April 03, 2014  
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-12

**CONN S, INC.**

(Name of Registrant as Specified in Its Charter)

**N/A**

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

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2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

**Table of Contents**

**CONN S, INC.**

**4055 Technology Forest Blvd.**

**Suite 210**

**The Woodlands, Texas 77381**

**(936) 230-5899**

**NOTICE OF 2014 ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held May 28, 2014**

To the Stockholders of Conn s, Inc.:

NOTICE IS HEREBY GIVEN that the 2014 annual meeting of stockholders of Conn s, Inc. will be held on Wednesday, May 28, 2014, at 4055 Technology Forest Blvd., Suite 210, The Woodlands, Texas 77381, commencing at 11:00 A.M., local time, for the following purposes:

1. to elect seven (7) directors nominated by our board of directors;
2. To consider a proposal to approve an amendment to the Company s Certificate of Incorporation to increase the number of authorized shares of Common Stock, par value \$.01 per share, from 50,000,000 to 100,000,000;
3. to ratify the Audit Committee s appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015;
4. to hold an advisory vote to approve the compensation of our named executive officers; and
5. to transact such other business as may properly come before the meeting.

Only stockholders of record at the close of business on April 1, 2014, are entitled to notice of and to vote at the 2014 annual meeting of stockholders or any postponement or adjournment thereof. A list of such stockholders, arranged in alphabetical order and showing the address of and the number of shares registered in the name of each such stockholder, will be available for examination by any stockholder for any purpose relating to the meeting during ordinary business hours for a period of at least ten days prior to the meeting at our principal offices located at 4055 Technology Forest Blvd., Suite 210, The Woodlands, Texas 77381.

We are pleased to take advantage of the U.S. Securities and Exchange Commission rule that allows companies to furnish proxy materials to their stockholders over the Internet. As a result, we are mailing to our stockholders, other than those who previously requested electronic or paper delivery of the proxy materials, a **Notice of Internet Availability of Proxy Materials** (the Notice ) for the fiscal year ended January 31, 2014, on or about April 13, 2014. The Notice contains instructions on how to access those documents over the Internet. The Notice also contains instructions on how to request a paper copy of our proxy materials, including this proxy statement, our Annual Report on Form 10-K for the fiscal year ended January 31, 2014 and a form of proxy card or voting instruction card.

**The vote of each stockholder is important. You may vote your shares via a toll-free telephone number or over the Internet. If you received a proxy card or voting instruction card by mail, you may submit your proxy card or voting instruction card by completing, signing, dating and mailing your proxy card or voting instruction card in the envelope provided. Any stockholder attending the meeting may vote in person, even if you have already returned a proxy card or voting instruction card.**

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By Order of the Board of Directors,

/s/ Robert F. Bell  
Robert F. Bell  
Corporate Secretary

April 13, 2014

The Woodlands, Texas

**Table of Contents**

**PROXY STATEMENT**

**2014 ANNUAL MEETING OF STOCKHOLDERS**

**Date:** May 28, 2014

**Time:** 11:00 A.M., local time

**Location:** Conn s, Inc.

4055 Technology Forest Blvd.

Suite 210

The Woodlands, Texas 77381

**Record Date and Number of Votes:** April 1, 2014. Holders of our Common Stock ( Common Stock ) are entitled to one vote for each share of Common Stock they owned as of the close of business on April 1, 2014. You may not cumulate votes.

- Agenda:**
1. To elect seven (7) directors nominated by our board of directors;
  2. To consider a proposal to approve an amendment to the Company s Certificate of Incorporation to increase the number of authorized shares of Common Stock, par value \$.01 per share, from 50,000,000 to 100,000,000;
  3. To vote on a proposal to ratify the Audit Committee s appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015;
  4. To hold an advisory vote to approve the compensation of our named executive officers; and
  5. To transact such other business as may properly come before the meeting.

**Proxies:** Unless you tell us on the form of proxy to vote differently, the named proxies will vote signed returned proxies:

1. FOR the election of the seven (7) directors nominated by the board of directors and named in this proxy statement;
2. FOR the amendment to the Company s Certificate of Incorporation increasing the number of authorized shares of Common Stock, par value \$.01 per share, from 50,000,000 to 100,000,000;

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3. FOR the proposal to ratify the appointment by the Audit Committee of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015; and

4. FOR the approval, on an advisory basis, of the compensation of our named executive officers.

The proxy holders will use their discretion on other matters. If a nominee for the board of directors cannot serve as a director, the proxy holders will vote for a person whom they believe will carry on our present policies.

**Proxies Solicited By:** The Board of Directors

**Distribution Date:** The Notice or the proxy materials, including this proxy statement, proxy card or voting instruction card and our Annual Report on Form 10-K, are being distributed and made available on or about April 13, 2014.

**YOUR VOTE IS IMPORTANT. PLEASE VOTE PROMPTLY.**

**Prompt return of your proxy will help reduce the costs of re-solicitation.**

**Table of Contents**

<b><u>GENERAL INFORMATION REGARDING THE 2014 ANNUAL MEETING OF STOCKHOLDERS</u></b>	<b>1</b>
<u>What constitutes a quorum? What is the Record Date? How many shares are outstanding?</u>	1
<u>What matters will be voted on at the Annual Meeting?</u>	1
<u>How does the board of directors recommend that I vote?</u>	1
<u>What is the effect of a broker non-vote?</u>	1
<u>What vote is required to approve the proposals?</u>	2
<u>Who is entitled to vote at the Annual Meeting?</u>	2
<u>What will happen if I do not specify how my shares are to be voted, but do submit a proxy?</u>	2
<u>What will happen if I do not vote my shares?</u>	3
<u>How do I vote and what are the voting deadlines?</u>	3
<u>Can I revoke or change my vote?</u>	3
<u>Who will count the votes?</u>	4
<u>How are Stockholder Proposals included in the proposals submitted to Stockholders for voting? How is any Other Business voted on by stockholders?</u>	4
<u>Who is paying the cost of solicitation of proxies?</u>	4
<u>Do we provide for Electronic Delivery of Proxy Materials?</u>	4
<u>How can I find the result of the voting at the annual meeting?</u>	5
<b><u>PROPOSALS FOR STOCKHOLDER ACTION</u></b>	<b>5</b>
<u>Proposal One: Election Of Directors</u>	5
<u>Proposal Two: Approval of An Amendment To The Company Certificate Of Incorporation To Increase Authorized Shares Of Common Stock</u>	8
<u>Proposal Three: Ratification Of The Selection Of Independent Registered Public Accounting Firm</u>	10
<u>Proposal Four: Advisory Vote For Approval Of The Compensation Of Our Named Executive Officers</u>	11
<b><u>BOARD OF DIRECTORS</u></b>	<b>12</b>
<u>Board of Director Nominees for 2014 – 2015:</u>	12
<u>Nomination Policies and Procedures</u>	14
<u>Independent Board Composition</u>	15
<u>Board Meetings</u>	16
<u>Policy Regarding Director Attendance at the Annual Meeting of Stockholders</u>	16
<u>Committees of the Board</u>	16
<b><u>COMPENSATION DISCUSSION AND ANALYSIS</u></b>	<b>17</b>
<u>Theodore M. Wright, Chairman, President and Chief Executive Officer</u>	18
<u>Michael J. Poppe, Executive Vice President and Chief Operating Officer</u>	18
<u>David W. Trahan, President – Retail Division</u>	18
<u>Brian E. Taylor, Vice President, Chief Financial Officer and Treasurer</u>	18
<u>Walter M. Broussard, Senior Vice President – Store Operations</u>	18
<u>Executive Summary</u>	18
<u>Determining Compensation</u>	20
<u>Elements of Compensation</u>	22
<u>Annual Advisory Vote on Executive Compensation</u>	25
<u>Other Compensation</u>	26
<u>Employment and Related Agreements</u>	26
<b><u>COMPENSATION COMMITTEE REPORT</u></b>	<b>26</b>
<u>Termination of Employment and Change of Control Arrangements</u>	31
<u>Executive Severance Agreements</u>	31
<u>Compensation of Non-Employee Directors</u>	33
<b><u>CORPORATE GOVERNANCE</u></b>	<b>35</b>
<u>Corporate Governance Policies and Procedures</u>	35
<u>Lead Independent Director</u>	36
<u>Risk Oversight</u>	36
<u>Stockholder Communications with the Board</u>	37
<u>The Committee</u>	38
<u>Review and Discussion</u>	38
<u>Recommendation</u>	38
<b><u>PERFORMANCE GRAPH</u></b>	<b>39</b>



**Table of Contents**

<b><u>EXECUTIVE OFFICERS</u></b>	<b>40</b>
<u>Biographical Information</u>	40
<u>Amended and Restated 2003 Incentive Stock Option Plan</u>	42
<u>2011 Omnibus Incentive Plan</u>	42
<u>Employee Stock Purchase Plan</u>	42
<u>2003 Non-Employee Director Stock Option Plan</u>	42
<u>2011 Non-Employee Director Restricted Stock Plan</u>	42
<b><u>STOCK OWNERSHIP OF DIRECTORS, EXECUTIVE OFFICERS AND PRINCIPAL STOCKHOLDERS</u></b>	<b>43</b>
<b><u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u></b>	<b>47</b>
<u>Review and Approval of Related Party Transactions</u>	47
<u>Related Party Transactions</u>	47
<b><u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u></b>	<b>48</b>
<b><u>INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	<b>49</b>
<b><u>STOCKHOLDERS SHARING THE SAME LAST NAME AND ADDRESS</u></b>	<b>50</b>

---

**Table of Contents**

**GENERAL INFORMATION REGARDING THE 2014 ANNUAL MEETING OF STOCKHOLDERS**

**What constitutes a quorum? What is the Record Date? How many shares are outstanding?**

The holders of a majority of the outstanding shares of Common Stock entitled to vote at the 2014 annual meeting of stockholders, represented in person or by proxy, will constitute a quorum at the meeting. However, if a quorum is not present or represented at the meeting, the stockholders entitled to vote at the meeting, present in person or represented by proxy, have the power to adjourn the meeting, without notice, other than by announcement at the meeting, until a quorum is present or represented. At any such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the original meeting.

On April 1, 2014, the Record Date, there were 36,131,269 shares of our Common Stock issued and outstanding and entitled to vote, meaning that 18,065,636 shares of our Common Stock must be present in person or by proxy to have a quorum.

**What matters will be voted on at the Annual Meeting?**

The following matters will be voted on at the Annual Meeting:

1. the election of seven (7) directors;
2. a proposal to approve an amendment to the Company's Certificate of Incorporation increasing the number of authorized shares of Common Stock, par value \$.01 per share, from 50,000,000 to 100,000,000;
3. a proposal to ratify the Audit Committee's appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015;
4. an advisory vote to approve the compensation of our named executive officers; and
5. such other business as may properly come before the meeting.

**How does the board of directors recommend that I vote?**

The board of directors recommends that you vote:

1. FOR the election of the seven (7) directors nominated by the board of directors and named in this proxy statement;
2. FOR an amendment to the Company's Certificate of Incorporation increasing the number of authorized shares of Common Stock, par value \$.01 per share, from 50,000,000 to 100,000,000;
3. FOR the ratification of the appointment by the Audit Committee of Ernst & Young LLP, as our independent registered public accounting firm for the fiscal year ending January 31, 2015; and
4. FOR the approval, on an advisory basis, of the compensation of our named executive officers.

**What is the effect of a broker non-vote?**

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Brokers or other nominees who hold shares of our Common Stock for a beneficial owner only have the discretion to vote on routine proposals when they have not received voting directions from the beneficial owner at least ten days prior to the annual meeting. Rule 452 of the New York Stock Exchange, which has been adopted by The NASDAQ Stock Market, provides that a broker or other nominee holding shares for a beneficial owner may generally vote on routine matters, but not non-routine matters, without receiving voting instructions. The uncontested election of directors (Proposal 1) is now considered non-routine; the proposal to amend our Certificate of Incorporation to increase our authorized shares of Common Stock (Proposal 2) is considered routine, the proposal to ratify the appointment of Ernst & Young as our independent registered public accounting firm (Proposal 3) is considered routine, the advisory vote on executive compensation (Proposal 4) is also a non-routine matter. Please provide instructions to your broker or nominee on how to vote your shares. If you do not provide such voting instructions, your shares will not be voted for Proposals 1 or 4. Shares that constitute broker non-votes will be counted as present at the meeting for the purpose of determining a quorum, but will only be considered entitled to vote on the proposal to amend our Certificate of Incorporation to increase the number of authorized shares of our Common Stock and to ratify the

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## **Table of Contents**

Audit Committee's appointment of our independent registered public accounting firm. To minimize the number of broker non-votes and to ensure that your voice is heard in the election of directors and the other matters to be voted on at the 2014 annual meeting of stockholders, we encourage you to provide voting instructions to the broker or other organization that holds your shares by carefully following the instructions in the Notice.

### **What vote is required to approve the proposals?**

Provided a quorum exists, the following votes are required for each proposal:

**Proposal One: Election of Directors** To be elected, each director must receive a majority of the votes cast with respect to the director. For purposes of this vote, a majority of the votes cast means that the number of shares voted for a director must exceed the number of shares voted against that director. Abstentions and broker non-votes will have no effect on this proposal.

**Proposal Two: Amendment to our Certificate of Incorporation to Increase the Number of Authorized Shares** An affirmative vote of a *majority* of the outstanding shares entitled to vote is necessary to approve the amendment to our certificate of incorporation to increase the number of shares of capital stock which the Company shall have authority to issue to be 101,000,000 shares of stock, of which 100,000,000 shares are Common Stock, par value of \$0.01 per share, and 1,000,000 shares are Preferred Stock. Abstentions and broker non-votes will have the same effect as a vote against the proposal.

**Proposal Three: Ratify the Appointment of Ernst & Young LLP as our Independent Registered Public Accounting Firm** An affirmative vote of a majority of shares present, in person or proxy, and entitled to vote at the meeting is required to ratify the Audit Committee's appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015. Abstentions will have the same effect as a vote against this proposal and broker non-votes will have no effect on this proposal.

**Proposal Four: Advisory Vote on Executive Compensation** An affirmative vote of a *majority* of the shares present, in person or proxy, and entitled to vote at the meeting is required to give advisory (non-binding) approval of the compensation of our named executive officers as disclosed in this proxy statement. Because your vote is advisory, it will not be binding on the board of directors or on us; however, the board of directors and we will review the voting results and take them into consideration when making future decisions regarding executive compensation. Abstentions will have the same effect as a vote against this proposal and broker non-votes will have no effect on this proposal.

### **Who is entitled to vote at the Annual Meeting?**

Only stockholders of record as of the close of business on, April 1, 2014, the Record Date, are entitled to notice of and to vote at the meeting or any adjournments of the meeting. Each share of Common Stock entitles the holder to one vote per share.

### **What will happen if I do not specify how my shares are to be voted, but do submit a proxy?**

*Stockholders of Record.* If you are a stockholder of record and you submit a proxy, but you do not provide voting instructions, your shares will be voted:

FOR the election of the seven (7) directors nominated by our board of directors and named in this proxy statement.

FOR the amendment of the Company's Certificate of Incorporation increasing the number of authorized shares of Common Stock, par value \$.01 per share from 50,000,000 to 100,000,000.

FOR the ratification of the Audit Committee's appointment of Ernst & Young LLP, as our independent registered public accounting firm for the fiscal year ending January 31, 2015.

FOR advisory approval of the compensation of our named executive officers, as disclosed in this proxy statement.

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*Beneficial Owners.* If you are a beneficial owner and you do not provide voting instructions to the broker or other nominee that holds your shares, the broker or other nominee will determine if it has the discretionary

## **Table of Contents**

authority to vote on a particular proposal, and may not be able to vote on all proposals presented for a vote at the annual meeting.

### **What will happen if I do not vote my shares?**

*Stockholders of Record.* If you are the stockholder of record and you do not vote by proxy card, by telephone, by the Internet or in person at the annual meeting, your shares will not be voted at the annual meeting. For each of the Proposals, other than Proposal 2, the amendment to the Certificate of Incorporation, if you are not present at the meeting in person or by proxy, the failure to vote will not affect the outcome of the proposal. With respect to Proposal 2, the amendment to the Certificate of Incorporation, the failure to vote will have the same effect as a vote against the proposal.

*Beneficial Owners.* If you are the beneficial owner of shares, your broker or nominee may vote your shares only on those proposals on which it has discretion to vote, including all Proposals presented by this Proxy.

### **How do I vote and what are the voting deadlines?**

*Stockholders of Record.* If you are a stockholder of record, you may vote by any of the following methods:

**By Mail.** You may submit your vote by completing, signing and dating your proxy card received and returning it in the prepaid envelope so that it is received no later than May 27, 2014.

**By Internet or Telephone.** You may vote your shares by Internet or telephone, by following the instructions in your Notice. If you vote by Internet or telephone, you should not return your proxy card. These votes must be received by 11:59 P.M., Eastern Time, on May 27, 2014.

**In person at the Annual Meeting.** You may vote your shares in person at the annual meeting. Proxy cards will be available for you at the meeting, or you may bring the one provided you, and deliver the completed and executed card to the inspector of election at the annual meeting.

*Beneficial Owners.* If you are a beneficial owner of your shares, you should receive a Notice of Internet Availability of Proxy Materials or voting instructions from the broker or nominee holding your shares. You should follow the instructions provided to you by your broker in order to properly advise them of your voting instructions. Shares held beneficially may be voted at the annual meeting only if you obtain a legal proxy from your broker or nominee giving you the right to vote, and presenting that legal proxy together with your vote to the inspector of election at the annual meeting.

### **Can I revoke or change my vote?**

*Stockholders of Record.* If you are a stockholder of record, you may revoke your vote at any time before the final vote at the annual meeting by:

signing and returning a new proxy card at a later date;

submitting a vote by telephone or the Internet at a later date;

attending the annual meeting and voting in person; or

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delivering a written revocation to our Corporate Secretary at the address provided to you in this proxy statement or to **Broadridge Financial Services, 51 Mercedes Way, Edgewood, NY 11717, Attn: Vote Processing.**

*Beneficial Owners.* If you are the beneficial owner of your shares, you must contact your broker or nominee holding your shares, and follow their instructions for revocation or changing your vote.

Your attendance at the annual meeting will not automatically revoke your proxy unless you vote again at the annual meeting.

## **Table of Contents**

### **Who will count the votes?**

Broadridge Financial Solutions, Inc. has been engaged as our independent agent to receive and tabulate our stockholder votes, and will act as our independent inspector of election, who will certify the election results and perform any other acts required by the Delaware General Corporation Law.

### **How are Stockholder Proposals included in the proposals submitted to Stockholders for voting? How is any Other Business voted on by stockholders?**

Stockholders have the right to seek to nominate directors and present proposals for inclusion in our proxy statement for consideration at an annual meeting of stockholders. To be included in our proxy statement and considered at our next annual meeting, you must submit nominations of directors or other proposals, in addition to meeting other legal requirements within appropriate time periods. We must receive your nominations and proposals for our 2015 annual meeting for possible consideration at the meeting no earlier than December 14, 2014 and no later than January 13, 2015, and for possible inclusion in the proxy statement by no later than December 14, 2014. However, if the date of the 2015 annual meeting changes by more than 30 days from the first anniversary date of this year's meeting, then we will provide notice of the new date of the 2015 annual meeting in our earliest possible quarterly report on Form 10-Q and we must receive your nominations and proposals within a reasonable time before we begin to print and mail our proxy materials if you want them included in the proxy statement.

We do not intend to bring any business before the 2014 annual meeting other than the matters described in this proxy statement and we have not been informed of any matters or proposals that may be presented at the meeting by stockholders. If however, any other business should properly arise and be properly submitted for a vote at the 2014 annual meeting, the persons appointed in the proxy have discretionary authority to vote in accordance with their best judgment.

### **Who is paying the cost of solicitation of proxies?**

We will bear the cost of soliciting proxies. In addition to the solicitation of proxies by mail, solicitation may be made by our directors, officers and employees by other means, including telephone, e-mail or in person. No special compensation will be paid to directors, officers or employees for the solicitation of proxies. To solicit proxies, we may also request the assistance of banks, brokerage houses and other custodians, nominees or fiduciaries, and, upon request, will reimburse such organizations or individuals for their reasonable expenses in forwarding the Notice and other soliciting materials to beneficial owners and in obtaining authorization for the execution of proxies.

### **Do we provide for Electronic Delivery of Proxy Materials?**

Pursuant to rules adopted by the SEC, we provide access to the proxy materials over the Internet. Accordingly, we are sending a **Notice of Internet Availability of Proxy Materials**, the Notice, to our stockholders owning shares of our Common Stock as of the Record Date. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice. The Notice also contains instructions on how to request a paper copy of our proxy materials, including this proxy statement, our Annual Report on Form 10-K for the fiscal year ended January 31, 2014, and a form of proxy card or voting instruction card. In addition, the Notice will provide stockholders with instructions on how to request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis. A stockholder's election to receive proxy materials by mail or electronically by e-mail will remain in effect until the stockholder terminates such election. We encourage stockholders to take advantage of the availability of the proxy materials on the Internet to help reduce the environmental impact of the annual meeting and lower the costs of printing and distributing our proxy materials. If you choose to receive future proxy materials by e-mail, you will receive an e-mail message each successive year with instructions containing a link to those materials and a link to the proxy voting website.

Our proxy materials are also available on our website at [www.conns.com](http://www.conns.com), at [www.proxyvote.com](http://www.proxyvote.com), and at the SEC's website at [www.sec.gov](http://www.sec.gov).



## **Table of Contents**

### **How can I find the result of the voting at the annual meeting?**

Preliminary voting results will be announced at the annual meeting. Final results will be published in a current report on Form 8-K or in our Form 10-Q for the quarter ending April 30, 2014. The Form 8-K or Form 10-Q will be posted on our website at [www.conns.com](http://www.conns.com), under Investor Relations .

## **PROPOSALS FOR STOCKHOLDER ACTION**

### **PROPOSAL ONE:**

#### **ELECTION OF DIRECTORS**

##### **Number of Directors to be Elected**

Our board is currently constituted with ten director positions, seven of which positions are to be elected at the 2014 annual meeting of stockholders. We currently intend to leave three vacant board positions in place to allow the board time to determine viable and qualified candidates to fill one or all of those positions. The seven directors elected at the annual meeting will hold office until the 2015 annual meeting of stockholders or until their respective successors have been elected and qualified or their earlier death, resignation or removal. You may not vote for a greater number of directors than those nominated.

*Criteria for Nomination to the Board of Directors.* Those persons nominated to our board of directors are selected by the Nominating and Corporate Governance Committee in accordance with the Committee's charter, our Certificate of Incorporation and Bylaws, our Corporate Governance Guidelines, and the criteria determined by the board for our director candidates. The Nominating and Corporate Governance Committee of our board of directors in considering the nomination of the directors identified below to serve until the 2015 annual meeting, sought and considered individuals with strong personal reputations and experience in business and other areas that are relevant and important to the financing, strategy and operations of the Company, as well as financial expertise to qualify as a financial expert for our Audit Committee. Each nominee for election as a director at this annual meeting of the stockholders of the Company holds or has held senior executive positions in organizations providing such background and expertise objectives, and each has the necessary business and financial experience sought by the Company in those areas, including strategic and financial planning, public company financing and reporting, compliance, risk management and leadership. Each of the nominated directors also has experience of serving on boards or in senior executive management of publicly held companies or governmental services requiring strong business and leadership acumen and implementation.

The Nominating and Corporate Governance Committee also considered and believes that each of the nominated individuals to serve as members of the board of directors has valuable personal and business attributes that have and will continue to be valuable to the Company in their advice and guidance to executive management of the Company. The Nominating and Corporate Governance Committee takes into account in its considerations, diversity in range of backgrounds, perspectives and experience of the individuals it recommends for nomination to our board of directors. For information on the specific experience of each nominee considered by the Nominating and Corporate Governance Committee see Board of Directors .

##### **Board Nominees**

Our board of directors met in March 2014 and considered the candidates for nomination for election to the board at the 2014 annual meeting of stockholders. The Nominating and Corporate Governance Committee of the board of directors, consisting of three independent members of the current board of directors, recommended that the full board nominate the following individuals for re-election to the board of directors at the 2014 annual meeting:

Jon E.M. Jacoby

Kelly M. Malson

Bob L. Martin

Douglas H. Martin

David Schofman

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Scott L. Thompson

Theodore M. Wright

**Table of Contents**

Each of the nominated directors was elected at our 2013 annual meeting and served on the board of directors during fiscal year ended January 31, 2014 and during the current fiscal year through the date of the 2014 annual meeting. In making these recommendations, the Nominating and Corporate Governance Committee considered the experience, qualifications, attributes and skills of each of the nominees as described above and the requirements and qualifications discussed under Board of Directors Nomination Policies and Procedures . Based on this recommendation, our board of directors has nominated the following individuals to be elected by the stockholders at the 2014 annual meeting:

					<b>Fiscal 2014</b>
<b>Name</b>	<b>Position</b>	<b>Age</b>	<b>Director Since</b>	<b>Committee Membership</b>	
Jon E.M. Jacoby	Independent Director	76	September 2003	Compensation Committee - Chair;	
				Nominating and Corporate Governance Committee - Chair	
Kelly M. Malson	Independent Director	43	August 2012	Audit Committee - Chair (Financial Expert)	
Bob L. Martin	Lead Independent Director	65	September 2003	Nominating and Corporate Governance Committee;	
				Compensation Committee	
Douglas H. Martin	Director	60	February 2003	None	
David Schofman	Independent Director	42	May 2012	Audit Committee	
Scott L. Thompson	Independent Director	55	June 2004	Audit Committee (Financial Expert); Compensation Committee-Chair	
Theodore M. Wright	Chairman of the Board, Chief Executive Officer and President	51	September 2003	None	

Assuming each director is elected by our stockholders, in March 2014 our Nominating and Corporate Governance Committee recommended, and the board approved, that the committees of the board be comprised of the same individuals, and with the same chairs, in fiscal 2015 as in fiscal 2014, other than with respect to the chairmanship of the Compensation Committee. Mr. Thompson, if elected, will serve as chairman of the Compensation Committee in lieu of Mr. Jacoby who will step down as chairman.

Those identified as independent director have been determined by our board to be independent. All nominees have consented to serve as directors. The board has no reason to believe that any of the nominees will be unable or unwilling to act as a director. In the event any nominated director is unable to stand for election, the board of directors may either reduce the size of the board or designate a substitute.

For biographical information and the experience, qualifications, attributes and skills of each that caused the Nominating and Corporate Governance Committee and our board of directors to determine that the nominees should serve as one of our directors regarding each of the board's nominees for director, please refer to Board of Director Nominees for 2014 and 2015 .

Each director will be elected by the vote of a majority of the votes cast. This means the number of votes cast for a director must exceed 50% of the votes with respect to that director (excluding abstentions and broker non-votes). Each director has tendered his or her resignation which shall be effective only in the event that (i) the votes cast for such director nominee is less than 50%, and (ii) the Board of Directors accepts such resignation. The Nominating and Corporate Governance Committee will make a recommendation to the Board of Directors



**Table of Contents**

whether to accept any resignation in the event any director-nominee fails to receive at least 50% of the votes cast for such director. The Board of Directors will then consider the recommendation and publicly disclose its decision within 90 days after the certification of the election results.

**We Recommend That You Vote For Each Of The Board Nominees.**

**Table of Contents**

**PROPOSAL TWO:**

**APPROVAL OF AN AMENDMENT TO THE COMPANY CERTIFICATE OF INCORPORATION TO  
INCREASE AUTHORIZED SHARES OF COMMON STOCK**

**General**

Currently, our Certificate of Incorporation authorizes the number of shares of capital stock which the Company shall have authority to issue to be 51,000,000 shares of stock, of which 50,000,000 shares are Common Stock, par value of \$0.01 per share, and 1,000,000 shares are Preferred Stock. In March 2014, our board adopted a proposal to amend our Certificate of Incorporation to increase the number of shares of capital stock which the Company shall have authority to issue to be 101,000,000 shares of stock, of which 100,000,000 shares are Common Stock, par value of \$0.01 per share, and 1,000,000 shares are Preferred Stock, subject to stockholder approval of the amendment. Our board has declared the proposed amendment to be advisable and in the best interests of the Company and the stockholders.

**Proposed Amendment**

We propose to amend the first paragraph of ARTICLE FOUR of our Certificate of Incorporation as follows:

The aggregate number of shares of capital stock which the Corporation shall have the authority to issue is 101,000,000 shares of stock, of which 100,000,000 shares are Common Stock, par value of \$0.01 per share ( Common Stock ), and 1,000,000 shares are Preferred Stock ( Preferred Stock ).

The remaining provisions of ARTICLE FOUR and our certificate of incorporation will remain the same and in full force and effect.

**Purpose of Proposed Amendment**

As of the Record Date, the Company had 36,131,269 shares of Common Stock issued and outstanding. Additionally the Company had 1,406,289 shares reserved for issuance pursuant to the Company's existing Amended and Restated 2003 Incentive Stock Option Plan, 220,000 shares reserved for issuance pursuant to the Company's existing Amended and Restated 2003 Non-Employee Director Stock Option Plan, 888,428 shares reserved for issuance pursuant to the Company's 2011 Omnibus Incentive Plan for its employees, 220,368 shares reserved for issuance pursuant to the Company's 2011 Non-Employee Director Restricted Stock Plan, and 1,054,832 shares reserved for issuance pursuant to the Company's Employee Stock Purchase Plan. If all of the shares of Common Stock reserved for issuance pursuant to these plans are in fact issued, then 39,921,186 shares of the Company's Common Stock would be issued and outstanding. The Company's Certificate of Incorporation currently provides that the Company shall have the authority to issue 50,000,000 shares of Common Stock which will leave only 10,078,814 shares authorized for issuance by the Company for corporate business purposes. The board of directors has determined that in order to permit the Company to have sufficient authorized shares of Common Stock for normal corporate business purposes, it is in the best interests of the Company to increase its authorized shares of Common Stock by 50,000,000 shares to 100,000,000 shares of authorized Common Stock. We believe that the availability of authorized but unissued shares will provide us with the flexibility to issue our Common Stock for a variety of corporate purposes, including but not limited to, acquisitions, declaring future stock splits and raising equity capital as necessary. We believe that we will benefit by having the additional shares available for such purposes without delay, and the risk of non-approval of this proposal by our stockholders is that we could be prohibited from taking advantage of these opportunities. There are no current plans, arrangements, commitments or understandings with respect to the issuance of any of the additional shares of our Common Stock which would be authorized by the proposed amendment.

**Effect of Proposed Amendment**

Our stockholders do not have preemptive rights with respect to our Common Stock. Thus, should our board of directors elect to issue additional shares of our Common Stock, existing stockholders would not have any preferential rights to purchase the shares. If our board of directors elects to issue additional shares of our Common Stock, the issuance could have a dilutive effect on the earnings per share, book value per share, voting power and interest of current stockholders.

**Table of Contents**

If the proposed amendment is approved by our stockholders, the additional shares generally will be available for issuance from time to time by us without further action by the stockholders. Stockholder approval of these issuances may be required by applicable law or regulatory agencies, but in most instances we will have the authority to issue or reserve for issuance additional shares of our Common Stock without the approval of our stockholders.

The proposal could have an anti-takeover effect, although that is not our intention. For example, if we were the subject of a hostile takeover attempt, we could try to impede the takeover by issuing shares of our Common Stock, which would dilute the voting power of the other outstanding shares and increase the potential cost of the takeover. The availability of this defensive strategy could discourage unsolicited takeover attempts, which would limit the opportunity for stockholders to realize a higher price for their shares than is generally available in the public markets. This proposal is not being presented with the intent that it be used as a type of anti-takeover device.

If the proposed amendment is adopted, we intend to immediately file it with the Secretary of State of the State of Delaware, at which time it will become effective. However, even if the stockholders approve the proposed amendment to our certificate of incorporation, our board of directors retains discretion under Delaware law not to implement the proposed amendment. If our board of directors were to exercise such discretion, the number of shares of Common Stock authorized for issuance would remain at 50,000,000.

**We Recommend That You Vote For Approval**

**Of The Amendment To Our Certificate Of Incorporation.**

**Table of Contents**

**PROPOSAL THREE:**

**RATIFICATION OF THE SELECTION OF INDEPENDENT**

**REGISTERED PUBLIC ACCOUNTING FIRM**

Ernst & Young LLP served as our independent registered public accounting firm for the fiscal year ended January 31, 2014. The Audit Committee of the board of directors has selected Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015. Our board of directors has further directed that we submit the selection of our independent registered public accounting firm for ratification by the stockholders at the 2014 annual meeting. Stockholder ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm is not required by our Bylaws or otherwise. However, the board is submitting the selection of Ernst & Young LLP to the stockholders for ratification as a matter of good corporate practice. The Audit Committee believes it to be in the best interests of our stockholders to retain Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain Ernst & Young LLP. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent public accounting firm at any time during the year if they determine that such a change would be in our best interests and those of our stockholders. The Audit Committee annually reviews the performance of our independent public accountants and the fees charged for their services. The Audit Committee anticipates, from time to time, obtaining competitive proposals from other independent public accounting firms for our annual audit. Based upon the Audit Committee's analysis of this information, we will determine which independent public accounting firm to engage to perform our annual audit each year. Representatives of Ernst & Young LLP will attend the 2014 annual meeting of stockholders and will be available to respond to appropriate questions that may be asked by stockholders. These representatives will also have an opportunity to make a statement at the meeting if they desire to do so.

**We Recommend That You Vote For The Ratification Of Ernst & Young LLP As Our Independent**

**Registered Public Accounting Firm.**



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**Table of Contents**

**PROPOSAL FOUR:**  
**ADVISORY VOTE FOR APPROVAL OF THE COMPENSATION**  
**OF OUR NAMED EXECUTIVE OFFICERS**

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, enables our stockholders to vote to approve or disapprove, in a non-binding advisory vote, the compensation of our named executive officers. At our annual meeting of stockholders held on May 24, 2011, our stockholders recommended in an advisory vote that we hold the advisory vote for approval of the compensation of our named executive officers annually. Our board of directors has agreed with this advisory vote, and have determined to hold this vote annually.

As described in the Compensation Discussion and Analysis, our compensation program for our named executive officers is designed to (i) motivate and reward performance that increases our stockholder value, including individual measured goals and objectives, (ii) attract and retain executive talent by offering competitive compensation opportunities, and (iii) build and encourage ownership of shares of our Common Stock. Toward these goals, our executive compensation program has been designed and administered to reward our named executive officers based on our financial and operating performance, and their individual performance, and to align our their interests with those of our stockholders. In addition, our executive compensation program is designed to encourage their long term commitment to the Company. We believe that our executive compensation program, which primarily consists of a base salary, an annual performance-based cash bonus opportunity, and time-and performance-based equity awards, promotes these objectives. Please read the Compensation Discussion and Analysis for a discussion of these objectives, the determination of and the elements of compensation and awards for our executive officers, as well as the elements paid and awarded during our fiscal year 2014.

The Compensation Committee of our board of directors in applying these objectives, relied upon:

input and recommendations received from our Chairman and Chief Executive Officer regarding the performance of each executive officer other than the Chairman and the Chief Executive Officer, each of whose performance is analyzed by the Compensation Committee, the provided documented support for the attainment by individual executive officers of their respective goals and objectives, and areas of responsibilities and expectations for future performance and goal attainment;

publicly available information with respect to the executive compensation practices of certain public companies in our industry and peer groups;

the analysis and recommendations regarding our compensation programs for our executive officers of Frederic W. Cook & Co., a compensation consultant that served as an independent advisor; and

the individual members of the Compensation Committee knowledge of industry compensation practices and programs.

For the reasons discussed above, the Board of Directors unanimously recommends that stockholders vote in favor of the following resolution:

RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED on an advisory basis.

While the resolution is non-binding, the Board of Directors values the opinions that stockholders express in their votes and in any additional dialogue. It will consider the outcome of the vote and those opinions when making future compensation decisions. To the extent there is any significant vote against the named executive officers' compensation, the Compensation Committee will consider our stockholders' advisory vote, and evaluate whether, and if so to the extent any actions are necessary to address our named executive officers' compensation program.

**We Recommend That You Vote For The Compensation**

**Of Our Named Executive Officers.**

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**Table of Contents**

**BOARD OF DIRECTORS**

**Board of Director Nominees for 2014 - 2015:**

**Theodore M. Wright** was elected as our Chief Executive Officer and President effective December 5, 2011, having previously served as our Interim Chief Executive Officer and President from February 27, 2011 until this election. He was elected as Chairman of our board of directors effective December 7, 2010 and has served as a director since September 2003 when the Company became a publicly held entity. Mr. Wright served as the President of Sonic Automotive, Inc., a New York Stock Exchange listed and Fortune 300 automotive retailer, from October 2002 until his retirement in April 2005. Previously Mr. Wright served as its Chief Financial Officer from April 1997 to April 2003. Mr. Wright also served on Sonic Automotive, Inc. board of directors from 1997 through 2004. From 1995 to 1997, Mr. Wright was a Senior Manager in Deloitte & Touche LLP's Columbia, South Carolina office. From 1994 to 1995, he was a Senior Manager in Deloitte & Touche LLP's National Office of Accounting Research and SEC Services Department. Mr. Wright currently serves on the board of directors of Titan Machinery, Inc., and serves as a member of its audit committee and its compensation committee. Mr. Wright received a B.A. from Davidson College.

Mr. Wright has extensive financial knowledge and public company experience and provides valuable guidance to our board of directors in overseeing various aspects of our Company's operations. He previously served on the board of directors' Audit Committee as its chairman, and on the board's Compensation Committee. In addition, his prior experience as executive of a public company in the retail industry provides additional insights to our board of directors. His service to our Company as our Chief Executive Officer and President provides Mr. Wright with additional and particular knowledge of our Company that he brings to our board of directors.

**Bob L. Martin** has served as director since September 2003, and was appointed as our Lead Independent Director in August 2012. Mr. Martin was elected as an Operating Partner of The Stephens Group LLC, a family-owned investment company in March 2012. He was previously a consultant to that entity. Mr. Martin has over 34 years of retailing and merchandising experience. Prior to retiring from the retail industry in 1999, he headed the international operations of Wal-Mart International, Inc. for 15 years. From 1968 to 1983, Mr. Martin was responsible for technology services for Dillard's, Inc. During the previous five years, Mr. Martin served as a director of Dillard's, Inc. until 2006, and also served as director of Sabre Holdings Corporation, Furniture Brands International and Guitar Center, Incorporated. Mr. Martin currently serves on the board of directors of Gap, Inc. He has experience as chairman of the corporate governance committee and compensation committee, and has been a member of the audit committee of publicly held companies. Mr. Martin attended South Texas University and holds an honorary doctorate degree from Southwest Baptist University.

Mr. Martin was selected to serve on our board of directors due to his extensive experience in information technology and the retail industry, as well as his service and experience on a host of other public company boards. Mr. Martin's experiences contribute to our board of directors understanding of innovations and issues affecting information technologies and retail strategies in our industry and marketplace.

**Jon E.M. Jacoby** has served as a director since September 2003. In September 2006, Mr. Jacoby was elected Vice Chairman and Senior Managing Director of The Stephens Group LLC, a family-owned investment company, and, on June 30, 2006, was elected as Executive Vice President of SF Holdings, Inc., formerly known as The Stephens Group, Inc. In September 2003, he retired as a Vice Chairman of Stephens Inc., where he was employed since 1963. His positions included Investment Analyst, Assistant to the President and Manager of the Corporate Finance Department and the Special Investments Department for Stephens Group, Inc. Mr. Jacoby has also previously served on the board of directors of Delta and Pine Land Company, Power-One, Inc. and Eden Bioscience Corporation. He received his B.S. from the University of Notre Dame and his M.B.A. from Harvard Business School.

Mr. Jacoby brings to our board of directors expertise in investment and financial analysis through his career and other board experience. His experience in investment valuation and analysis makes him a valuable resource to our board of directors. Additionally, Mr. Jacoby's relationship with holders of a large number of our Company's shares of stock helps the board of directors to have more direct insight into how its decisions impact our stockholders. Mr. Jacoby serves as chair of our Compensation Committee and our Nominating and Corporate Governance Committee.

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**Table of Contents**

**Kelly M. Malson** was appointed as a director in August 2012 and chair of the Company's Audit Committee effective November 26, 2012. Ms. Malson served as Senior Vice President, Chief Financial Officer and Treasurer of World Acceptance Corporation from May 2009 until stepping down from those positions in December 2013. She remained employed by World Acceptance Corporation from December 2013 until her retirement in February 2014. Prior to that, she held the titles of Vice President and Chief Financial Officer from March 2006 until May 2009 and Vice President of Internal Audit from September 2005 to March 2006 at World Acceptance Corporation. Ms. Malson served as Finance Compliance Manager for ITRON, Inc., IEM Unit from 2004 to 2005. Prior to 2004, she served in various positions with KPMG, LLC and Arthur Andersen LLP. Ms. Malson obtained her Bachelor's Degree in Accountancy from Southern Illinois University in 1993.

Ms. Malson was selected to serve on our board because of her extensive experience in the financial industry, her executive positions at World Acceptance Corporation, a consumer finance business, and her substantive knowledge about the variety of issues confronting our business.

**Douglas H. Martin** has served as a director of the predecessor to the Company since 1998, and was appointed as one of our directors in February 2003. Mr. Martin is an Executive Vice President of Stephens Inc. where he has been employed since 1981. He is responsible for the investment of the firm's capital in private companies. Mr. Martin serves as a member of the board of directors of numerous privately held companies. He received his B.A. in physics and economics from Vanderbilt University and his M.B.A. from Stanford University.

Mr. Martin brings to our board of directors diverse experience in investment analysis and valuation, and has extensive experience and insights into debt and equity financing and structuring, capital markets and capitalization strategies. Mr. Martin brings historical working knowledge of our Company to our board of directors due to his long tenure and relationship with us. Mr. Martin's relationship with the holders of a large number of shares of our stock also helps the board of directors to have more direct insight into how its decisions impact our stockholders.

**David Schofman** was nominated to serve on our board of directors by our Nominating and Corporate Governance Committee at its meeting in March 2012. Mr. Schofman is an active executive, investor and board member for several companies including: Pure Networx, Inc., an online reseller of IT hardware; Coro Health, LLC, a new media healthcare company and CPO Commerce, Inc., the largest online tool retailer. In addition, Mr. Schofman participates in several other business ventures through his private equity and management services business, AnderSchof Investments, LLP. Mr. Schofman previously served as the Chief Executive Officer of Callaway Golf Interactive from June 2004 to September 2007, and as the Executive Vice President Global Ecommerce of Callaway Golf from 2004 to 2007. Mr. Schofman was the co-founder and CEO of FrogTrader from 2000-2004 until the Company was sold to Callaway Golf. Prior to that, Mr. Schofman was the co-founder and CEO of International Golf Outlet from 1995-1999, which was sold to CBS Sportsline. Mr. Schofman is a graduate of the University of Texas at Austin in 1994.

Mr. Schofman has varied and valuable experience in electronic media, E-commerce, retail operations, branding and merchandising strategies. Having built and operated several business ventures, Mr. Schofman brings invaluable background and assets to our board of directors. He also brings our board of directors a high level of executive experience due to his serving as chief executive officer of businesses, as well as his serving as a director of other company boards of directors and advisors.

**Scott L. Thompson** has served as a director since June 2004. Mr. Thompson is the former Chief Executive Officer and President of Dollar Thrifty Automotive Group, Inc., and Chairman of its board of directors, positions he held from 2008 until November 2012 when the Company was sold to the Hertz Corporation. Mr. Thompson retired from Group 1 Automotive, Inc. where he played a major role in the founding and subsequent growth of that New York Stock Exchange listed and Fortune 500 Company. He served as Executive Vice President, Chief Financial Officer and Treasurer of Group 1 from February 2002 until his retirement in January 2004. From 1996 until February 2002, Mr. Thompson served as Senior Vice President, Chief Financial Officer and Treasurer of Group 1. From 1991 to 1996, Mr. Thompson served as Executive Vice President, Operations and Finance for KSA Industries, Inc., a billion dollar diversified enterprise with interests in automotive retailing, investments, energy and professional sports. Mr. Thompson previously served on the board of directors of UAP Holding Corp. through 2008, and is currently serving on the board of Houston Wire and Cable. Mr. Thompson has extensive experience in automotive retailing, investments, energy and professional sports and is a certified public accountant.

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## **Table of Contents**

Mr. Thompson's varied and valuable experience in the financial, retail, operational, corporate governance and accounting areas of business brings invaluable background and assets to our board of directors. He also brings our board of directors a high level of executive experience due to his having served as chief executive officer of a public company, as well as his service as a director of other public company boards of directors. Mr. Thompson has served on our Audit Committee for each fiscal year since his joining our board of directors, and was one of our Audit Committee's financial experts during that period. He was appointed to serve on our Compensation Committee in November 2012.

If elected, these directors will serve one year terms which expire at our 2015 annual meeting of stockholders.

### **Nomination Policies and Procedures**

The Nominating and Corporate Governance Committee consists of two of our current independent directors: Jon E.M. Jacoby and Bob L. Martin.

The goal of our board has been and continues to be, to identify nominees for service on the board of directors who will bring a diversity and variety of perspectives and skills from their professional and business experience, including financial and accounting experience as appropriate. In carrying out its function to nominate candidates for election to our board, the Nominating and Corporate Governance Committee considers the mix of skills, experience, character, commitment, and diversity—diversity being broadly construed to mean a variety of opinions, perspectives, experiences and backgrounds, such as gender, race and ethnicity differences, as well as other differentiating characteristics, all in the context of the requirements of our board at that point in time. The Nominating and Corporate Governance Committee will assess the effectiveness of this policy annually in connection with the nomination of directors for election at the annual meeting of stockholders. In furtherance of our board's goal of identifying and selecting nominees, our board has adopted Corporate Governance Guidelines which are available on our website at [www.conns.com](http://www.conns.com) under Investor Relations Corporate Governance.

The Nominating and Corporate Governance Committee assists the board in fulfilling its responsibilities by (1) identifying individuals believed to be qualified to become members of the board, consistent with criteria approved by the board, (2) recommending candidates to the board for election or reelection as directors, including director candidates submitted by our stockholders, and (3) overseeing, reviewing and making periodic recommendations to the board concerning our corporate governance policies.

The Nominating and Corporate Governance Committee will consider candidates for nomination proposed by stockholders so long as they are made in accordance with the provisions of Section 2.14 of our Bylaws. Section 2.14 of our Bylaws requires that the stockholder provide written notice to our corporate secretary no later than the close of business on the ninetieth (90<sup>th</sup>) day nor earlier than the close of business on the one hundred twentieth (120<sup>th</sup>) day prior to the anniversary date of the mailing of the proxy statement for the immediately preceding annual meeting of the stockholders. The notice to our secretary must set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, 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 Securities Exchange Act of 1934 (including such person's written consent to being named in the proxy statement as a nominee and to serve as a director if elected); (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of such business, the reasons for conducting such business at the meeting and any material interest in the business by the stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address, as they appear on the Company's books, of such stockholder and beneficial owner; and (ii) the class and number of shares of the Company that are owned beneficially and held of record by such stockholder and such beneficial owner. Notwithstanding this procedure, the board may, in its discretion, exclude from any proxy materials sent to stockholders any matters that may properly be excluded under the Exchange Act, Securities and Exchange Commission rules or other applicable laws.

The charter of the Nominating and Corporate Governance Committee sets forth the minimum requirements for a person to be qualified to be a member of the board of directors, which are that a person must (i) be an individual of the highest character and integrity and have an inquiring mind, vision, a willingness to ask hard questions and the ability to work well with others; (ii) be free of any conflict of interest that would violate any

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## **Table of Contents**

applicable law or regulation or interfere with the proper and reasonable performance of the responsibilities of a director; (iii) be willing and able to devote sufficient time to the affairs of the Company and be diligent in fulfilling the responsibilities of a director and board committee member (including developing and maintaining sufficient knowledge of the Company and its industry; reviewing and analyzing reports and other information important to the board and committee responsibilities; preparing for, attending and participating in board and committee meetings; and satisfying appropriate orientation and continuing education guidelines); and (iv) have the capacity and desire to represent the balanced, best interest of the stockholders as a whole and not primarily a special interest group or constituency. The Nominating and Corporate Governance Committee evaluates whether certain individuals possess the foregoing qualities and recommends to the board for nomination candidates for election or re-election as directors at the annual meeting of stockholders, or if applicable, at a special meeting of stockholders. This process is the same regardless of whether the nominee is recommended by our board or one of our stockholders.

### **Independent Board Composition**

NASDAQ requires that a majority of the board of directors of a listed company be independent. NASDAQ's rules provide that an independent director is a person other than an officer or employee of the Company or its subsidiaries or any other individual having a relationship that, in the opinion of the Company's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The board has determined that each of Jon E.M. Jacoby, Kelly M. Malson, Bob L. Martin, David Schofman, and Scott L. Thompson is independent as defined under SEC and NASDAQ rules. Mr. Bob L. Martin was appointed our Lead Independent Director in August 2012. Prior to his becoming our Interim Chief Executive Officer and President on February 27, 2011, Theodore M. Wright had also been determined by our board as independent as defined under SEC and NASDAQ rules.

The independent directors of the board held executive sessions at each regular meeting of the board of directors during fiscal 2014.

At the meeting of the Nominating and Corporate Governance Committee held in March 2013, the Committee discussed the relationships of Jon E.M. Jacoby and Bob L. Martin with The Stephens Group, LLC, and whether those relationships or ownership interests impacted their ability to exercise independent judgment in carrying out their responsibilities as a directors.

The Committee discussed the fact that Mr. Jacoby's independence has been approved by the Committee and/or the Company's board of directors every year since the Company's fiscal year 2008, the year in which The Stephens Group, LLC and Stephens Inc. became independent of each other. The Committee considered Mr. Jacoby's relationship with The Stephens Group, LLC, and that Mr. Jacoby, although previously employed by Stephens Inc., which has provided investment banking and brokerage services to the Company, was not involved in any investment activities of Stephens Inc. The Committee considered Mr. Jacoby's positions with these significant stockholders, the fact that Mr. Jacoby is not involved with the investment services of Stephens Inc., and his lack of voting control of the Company's Common Stock owned by The Stephens Group, LLC, or SG-1890 LLC, an affiliate of The Stephens Group, LLC., and his continuous exercising of independent judgment as one of our directors over the years, and determined that and recommended to the board of directors that it approve Mr. Jacoby's independence as defined under the SEC and the NASDAQ rules.

The Committee discussed the current position of Bob Martin with The Stephens Group, LLC, and the fact that the position is not substantively different from the consulting work that Mr. Martin has done in previous years for The Stephens Group, LLC, the continuous exercise of independent judgment by Mr. Bob Martin since his election to our board in 2003, and his lack of control of voting of Common Stock owned by The Stephens Group, LLC or any of its affiliates, including SG-1890 LLC, the Committee has determined that and recommended to the board of directors that it approve Mr. Bob Martin's independence as defined under the SEC and the NASDAQ rules.

Our board of directors at its meeting in March 2014 approved the independence of Messrs. Jacoby and Bob Martin.

## **Table of Contents**

### **Board Meetings**

During fiscal 2014, the board held four regularly scheduled meetings and one special telephonic meeting. The board acted three times by unanimous written consent in lieu of meeting. Each person serving as a director during fiscal 2014 attended all meetings of the board during the period.

### **Policy Regarding Director Attendance at the Annual Meeting of Stockholders**

It is our policy that each member of the board of directors is encouraged to attend our annual meeting of stockholders. Each director serving at the time of last year's annual meeting attended our annual meeting of stockholders.

### **Committees of the Board**

#### ***Audit Committee***

The Audit Committee is responsible for the appointment, compensation, retention and oversight of the work of our independent auditors. It also approves audit reports and plans, accounting policies, audit fees and certain other expenses. In connection with the rules adopted by the SEC and NASDAQ, we adopted a written charter for the Audit Committee, which is posted on our website at [www.conns.com](http://www.conns.com) under Investor Relations Corporate Governance. The Audit Committee reviews and reassesses the adequacy of the written charter on an annual basis.

Kelly M. Malson was appointed to the board in August 2012 and has served as the chair of the Audit Committee since November 2012. Scott L. Thompson and David Schofman also served as members of the Audit Committee for the entirety of fiscal 2014. The Audit Committee held four regularly scheduled meetings and took action by unanimous written consent one time in fiscal 2014. Each meeting of the Audit Committee was attended by all members of the Audit Committee. The board has determined that Ms. Malson and Mr. Thompson each is an audit committee financial expert as defined by SEC rules. In addition, each of the members of the Audit Committee is independent as defined by the NASDAQ listing standards and the Sarbanes-Oxley Act of 2002 as determined by our board of directors.

#### ***Compensation Committee***

The Compensation Committee establishes, reviews and approves the compensation program for the Chief Executive Officer and other executive officers based upon recommendations by the Chairman and Chief Executive Officer and its compensation consultant. It also evaluates the compensation plans, policies and programs of the executive officers of the Company and makes recommendations to the board of directors concerning such plans, policies and programs. In addition, it advises the board regarding compensation plans, policies and programs applicable to non-employee directors for their services as a director, and administers our stock option, stock purchase and other equity plans. The Compensation Committee also evaluates the competitiveness of our compensation and the performance of our Chairman and Chief Executive Officer and other executive officers. In connection with the rules adopted by the SEC and NASDAQ, the Company adopted a written charter for the Compensation Committee, which was amended by our board in March 2014 to provide that before engaging a compensation adviser (other than in-house legal counsel), the Compensation Committee shall consider all factors that could affect the independence of such consultant, counsel or advisor as may be identified from time to time in the rules and regulations of the SEC and the listing standards of NASDAQ relevant to that adviser's independence from management.

Jon E.M. Jacoby (Chairman), Scott Thompson and Bob L. Martin comprised the Compensation Committee for the entirety of our fiscal year 2014.

The Compensation Committee held four regular meetings in fiscal 2014. Each meeting was attended by all members of the committee at the time of the meeting. All members of the Compensation Committee were determined by the board of directors to be independent directors as defined by NASDAQ listing standards. Additional information on the Compensation Committee's processes and procedures for consideration of executive compensation are addressed in the Compensation Discussion and Analysis section of this proxy statement below.

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**Table of Contents**

***Nominating and Corporate Governance Committee***

The Nominating and Corporate Governance Committee assists the board in identifying and recommending individuals for election or reelection as directors, including director candidates submitted by our stockholders, and advises the board with respect to corporate governance policies and procedures. The committee will periodically review and make recommendations regarding our corporate governance policies and procedures; copies of which corporate governance policies and procedures are discussed below under Corporate Governance and are posted on our website at [www.conns.com](http://www.conns.com) under Investor Relations Corporate Governance. We adopted a written charter for the Nominating and Corporate Governance Committee, and a summary corporate governance policies and procedures which are posted on our website at [www.conns.com](http://www.conns.com) under Investor Relations Corporate Governance.

Members of the Nominating and Corporate Governance Committee are appointed by the board. The members of the Committee serve until their successors are duly elected and qualified, and they may be removed by the board of directors in its discretion. Members of the Committee are independent directors who are not employees of the Company or any of its subsidiaries. The members of the Committee are Jon E.M. Jacoby and Bob L. Martin (Chairman), each of whom served on the Nominating and Corporate Governance Committee for the entirety of fiscal 2014. All members of the Nominating and Corporate Governance Committee were determined to be independent as defined by the SEC and NASDAQ listing standards.

**COMPENSATION DISCUSSION AND ANALYSIS**

***Fiscal 2014 Business Highlights***

We are a leading specialty retailer that offers a broad selection of quality, branded durable consumer goods and related services together with a proprietary credit solution for its core credit constrained consumers. We operate an integrated and scalable business through our retail stores and website. Our complementary product offerings include home appliances, furniture and mattresses, consumer electronics and home office products from leading global brands across various price points. Our credit offering provides financing solutions to a large, underserved population of credit constrained consumers who typically have credit scores between 550 and 650. We provide customers the opportunity to comparison shop across brands with confidence in our competitive prices as well as affordable monthly payment options, next day delivery and installation, and product repair service. We believe our large, attractively merchandised stores and credit solutions offer a distinctive shopping experience compared to other retailers that target our core customer demographic.

We achieved several significant financial and operational results in fiscal 2014:

Full fiscal year consolidated revenue was \$1.19 billion, a 38.0% increase year-over-year;

Same store sales growth of 26.5% year-over-year;

Opened 14 new locations in six new markets;

Retail gross margins grew 470 basis points, year-over-year, to 39.9%;

Retail segment operating income rose to \$133.2 million, a 146.1% increase year-over-year; and

Diluted earnings grew to \$2.54 per share, a 62.8% increase year-over-year.



**Table of Contents**

This compensation discussion and analysis provides information regarding the fiscal year 2014 compensation of the following executive officers (together, the *named executive officers*):

Theodore M. Wright, Chairman, President and Chief Executive Officer

Michael J. Poppe, Executive Vice President and Chief Operating Officer

David W. Trahan, President Retail Division

Brian E. Taylor, Vice President, Chief Financial Officer and Treasurer

Walter M. Broussard, Senior Vice President Store Operations

**Executive Summary**

The Compensation Committee made the following key decisions with respect to the fiscal 2014 compensation of our named executive officers:

Maintained base salaries at fiscal 2013 levels, with two exceptions	The Compensation Committee did not increase the base salaries of any of the named executive officers for fiscal 2014 other than with respect to the base salary of Mr. Poppe, whose base salary was increased from \$375,000 to \$425,000 and Mr. Trahan, whose base salary was increased from \$295,000 to \$345,000.
Approved annual cash performance bonuses at 193% of target levels	Based on our achieving fiscal 2014 operating income of \$163,969,000 (after excluding reported charges and credits), the Compensation Committee approved annual performance bonuses at 193% of target.
Adopted an equity compensation policy for fiscal 2014 for our named executive officers (other than Mr. Broussard)	The Compensation Committee adopted a policy for equity awards to our named executive officers (other than Mr. Broussard) which provides:

The target value of an annual equity award to a named executive officer will equal to 100% of base salary;

50% of the target value of the annual award will be in the form of time-vested restricted stock units that vest in equal annual installments over four years, subject to the named executive officer's continuing service; and

50% of the target value of the annual award will be in the form of performance based restricted stock units, the amount and vesting of which is tied to return on invested capital and the named executive officer's continuing service.

*Compensation Philosophy and Objectives*

We have developed a compensation program for our named executive officers designed to: (i) reward and motivate individual and Company performance; (ii) attract and retain executive talent with competitive compensation opportunities; and (iii) build and encourage ownership of our Common Stock. Toward these goals, our compensation program has been designed and administered to reward our named executive officers based on our financial and operating performance and their individual performance, and to align their interests with those of our stockholders. In addition, these goals are intended to encourage their long term commitment to the Company. We believe that our executive compensation program, which consists primarily of a base salary, an annual performance-based cash bonus opportunity, and time-and performance-based equity awards, promotes these objectives.

## **Table of Contents**

### *Compensation Philosophy*

The following is the executive compensation philosophy of our Company adopted by our Compensation Committee effective August 30, 2011:

Compensation realized by executives should reflect the individual skills and contributions of the executive, as well as the Company's overall performance against its business plan and changes in stockholder value.

The basic objectives of the Company's executive compensation program include:

Attracting, motivating and retaining skilled executives necessary to execute its business strategy;

Motivating executives by linking compensation opportunity to the achievement of the Company's short-term and long-term growth and profitability goals as well as execution of its business strategy;

Aligning interests of management and stockholders by linking realized compensation directly to increases in stockholder value and requiring ownership of Company stock over a sustained period; and

Promoting a pay-for-performance culture on a risk-appropriate basis with a majority of the named executive officer's compensation to be earned, or increase in value, based on Company and stock performance.

In addition, the efficiency of the overall program from a tax, accounting, cash flow and stockholder dilution perspective should be balanced against the above objectives. In support of the stated objectives, the Company delivers an executive compensation program that includes the following fundamental elements:

1. Base salary;
2. Short-term cash incentives; and
3. Long-term equity incentives in the form of options, restricted stock units and performance-based restricted stock units. Additional benefits and perquisites may be included when appropriate.

A named executive officer's total direct compensation opportunity (i.e., base salary, target short-term cash incentives and long-term equity incentives) should be competitive with market practice. Market practice generally means the median (i.e., 50<sup>th</sup> percentile) of the total direct compensation opportunity of peer executives at companies in our peer group (defined below). However, the Compensation Committee may in its discretion provide a named executive officer with a total direct compensation opportunity above or below market practice based on the following factors:

The named executive officer's individual skills, experience, and performance;

The difficulty of replacing the named executive officer and importance of the position to the Company; and

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The risk profile of the named executive officer's compensation relative to market practice. Actual compensation earned by a named executive officer may be above or below market level depending on the named executive officer's individual performance and the Company's absolute or relative performance to its peers.

### *Compensation Objectives*

*Reward Performance:* A significant portion of the total direct compensation of each of our named executive officers is performance-based. One way in which we reward performance is through grants of equity, the value of which is tied to increases in our stock price. While we recognize that stock price performance is one measure of performance, given business conditions in the industry and the financial markets, and our long-term strategic direction and goals, we believe that it may not always be the best performance measure. As a result, a

## **Table of Contents**

portion of our named executive officers' total direct compensation is based on the Company's financial results, as measured by our operating income in the case of annual cash bonuses and by our return on invested capital in the case of performance-based restricted stock units. We may also award discretionary bonuses based on our subjective review of the individual performance of each of the named executive officers.

*Attract, Retain and Motivate:* We structure the compensation of our named executive officers with the goal of attracting and retaining the benefits of excellent executives in our significant areas of operations—sales, merchandising, financial and liquidity, consumer credit, distribution, product service and training. We promote these objectives by ensuring that our compensation is competitive within our industry and by providing that equity awards vest over at least a four-year period (subject to our Compensation Committee's discretion in determining a different vesting schedule as it deems appropriate under the circumstances). In addition, a significant portion of a named executive officer's total direct compensation opportunity is tied to performance-based incentives that motivate our the named executive officer to achieve strong financial and operational results.

*Encourage Ownership of our Shares of Common Stock:* We believe that ownership of company Common Stock by our named executive officers and non-employee directors directly aligns their interests with those of our stockholders. To reinforce this belief, our Compensation Committee adopted stock ownership guidelines for our non-employee directors and our named executive officers in August 2011 which were updated by our Nominating and Corporate Governance Committee and approved by the Board in December 2013, as discussed in more detail below.

## **Determining Compensation**

The Compensation Committee reviews the compensation of the named executive officers on an annual basis. Our compensation program consists of three basic elements: (i) base salary; (ii) annual cash bonus (both predetermined based on our Company and individual performance, and with discretionary aspects to reward those with outstanding performance); and (iii) equity awards. These components work together in determining the overall compensation of our named executive officers.

The Compensation Committee is responsible for administering the executive compensation program for each of the named executive officers, including the Chief Executive Officer. The Chief Executive Officer assists the Compensation Committee with administering the executive compensation program for the other named executive officers, except with regard to certain actions and responsibilities that are specifically reserved to the Compensation Committee or Board of Directors. The Chief Executive Officer plays no role in the compensation process, and is not present during voting or deliberations, with respect to his own compensation. These responsibilities are identified in the Compensation Committee Charter posted on our website at [ir.conns.com](http://ir.conns.com).

Our Compensation Committee seeks to structure compensation of our named executive officers in such a manner as to avoid encouraging excessive risk taking. To discourage excessive risk-taking the Compensation Committee: (i) caps the annual incentive bonuses at 200% of target; (ii) adopted equity ownership guidelines for our named executive officers; and (iii) imposes varying time horizons for short- and long-term incentive compensation, intending to balance the executive's attention to our short- and long-term performance goals and business objectives. The Compensation Committee also periodically reviews and adjusts the cash and equity award amounts tied to our short-term and long-term performance goals and objectives. In so doing, we are better able to address market and Company risks as they arise and adjust our direction and actions to compensate for such risks while maintaining our stability over the long-term. We believe that these actions ensure ongoing alignment of our performance objectives and our stockholder interests with a view to long-term value creation.

In applying the above-described objectives for our executive compensation program, the Compensation Committee, in making its final determination, primarily relies upon:

input and recommendations received from the Chairman and the Chief Executive Officer, and other supervisors of each executive officer except the Chief Executive Officer, regarding the day-to-day performance of each individual and each executive officer's areas of responsibilities and expectations for future performance;

publicly available information with respect to the executive compensation practices of our peer group companies;

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**Table of Contents**

the analysis and recommendations of its independent compensation consultant regarding our compensation programs for our executive officers; and

its own judgment and knowledge of the industry.

*Input Received from our Chairman and Chief Executive Officer.* The Compensation Committee has historically relied in part on the input and recommendations of the our Chairman and Chief Executive Officer in making its determination regarding base salaries of the executive officers, individual levels for bonus compensation, and whether to grant long-term equity awards to our executive officers and if so, in what forms and amounts. The Compensation Committee believes that our Chairman and Chief Executive Officer, by virtue of his role in overseeing the day-to-day performance of such individuals and his experience in the industry, is appropriately suited to make informed recommendations to the Compensation Committee with respect to the foregoing elements of our executive compensation program. The Compensation Committee alone, with input and guidance from its independent compensation consultant, determines the compensation for our Chief Executive Officer.

*Peer Group Data.* While the Compensation Committee does not rely solely on any comparative analyses of the amounts and forms of compensation which are paid to executive officers with comparable roles at other public companies, it does review annually and take into consideration such analyses for public companies of comparable size and nature to our businesses (i.e., retail businesses including those that provide in-house financing of their merchandise sales), as well as similarly situated public companies outside the retail business industry. We refer to such companies collectively as our peer group. For fiscal 2014, the peer group was reviewed and updated by the Compensation Committee based on refined selection criteria that better reflect the Company's size and business. The selection criteria were tied on industry classification, revenue, and market capitalization, and developed by the Compensation Committee's independent compensation consultant. The new selection criteria resulted in four companies from the fiscal 2013 peer group being removed and six companies being added. For the fiscal year 2014, the companies that comprised our peer group were: Restoration Hardware, Pier 1 Imports, Aaron's, Rent-A-Center, La-Z-Boy, Cash America, Mattress Firm Holding, Select Comfort, Ethan Allen, EZCORP, Haverty Furniture, Tuesday Morning, hhgregg, DFC Global, and Gordmans Stores. The amount and structure of peer company compensation is considered in the Compensation Committee's determination of the compensation of executive officers, but the Compensation Committee does not target compensation of our named executive officers to a specific benchmark level relative to our peer group since our business model and resulting areas of responsibility are not directly comparable with those of named executives within our peer group. Instead, the Compensation Committee utilizes the competitive peer group compensation data to confirm that our compensation and incentive opportunities are appropriate and competitive relative to the market. The Compensation Committee may determine to modify the compensation levels of our named executive officers if it is deemed to not be competitive. The Compensation Committee also relies on its knowledge of the industry practices and our peers in determining our named executive officers' base salary, bonus and equity awards, as it deems appropriate and necessary to reward overall performance and achievements and to promote retention and stability within our executive team.

*Compensation Consultant.* Our Compensation Committee retained an independent compensation consultant, Frederic W. Cook & Co., Inc. (the Compensation Consultant), to review our named executive officers' compensation and to make recommendations to the Compensation Committee regarding the compensation packages for our named executive officers for the fiscal year 2014. The Compensation Committee has utilized the recommendations of the Compensation Consultant as well as input from our Chief Executive Officer in setting the compensation packages for our named executive officers for fiscal year 2014. The Compensation Committee assessed the independence of the Compensation Consultant pursuant to SEC and NASDAQ rules and concluded that no conflict of interest exists that would prevent it from serving as an independent consultant to the Compensation Committee.

*Other Factors.* The Compensation Committee will also consider our financial performance to the extent that the Compensation Committee believes it may be fairly attributed or related to the performance of a particular named executive officer. The Compensation Committee will also consider the contribution of each named executive officer relative to his individual responsibilities and capabilities. While the Compensation Committee does consider our stock price performance generally, it is not used as an explicit performance measure to determine incentive payouts given the fact that it reflects a variety of factors not within the direct control of our named executive officers including, but not limited to, the business conditions of the industry within which we operate and the broader economy in general.

**Table of Contents****Elements of Compensation**

The compensation of our named executive officers consists of three basic elements: (i) base salary; (ii) bonus (both pre-determined based on our performance and individual performance, and discretionary); and (iii) equity awards. These components work together in determining the overall compensation of our named executive officers.

*Base Salary:* Each named executive officer receives a base salary determined by the Compensation Committee to be commensurate with the officer's area of responsibility and that officer's areas and extent of responsibility in relation to our performance as a whole. The determination of this component is generally made at the first Compensation Committee meeting during each fiscal year, and is set for the ensuing fiscal year, or at other meetings as deemed appropriate by the Compensation Committee. For our fiscal 2014, this determination was made by our Compensation Committee at its meeting held in March 2013. Individual salaries take into account our established salary policies; the individual's levels of responsibility, contribution and value to the Company; individual performance; and prior relevant experience. No specific formula is applied to determine the weight of each factor, and the factors are considered by our Compensation Committee in its discretion. Salary reviews are conducted annually in which individual performance is evaluated; however, individual salaries are not necessarily adjusted each year. Our Compensation Committee generally establishes base salaries at competitive levels.

Based on these factors (and, in the case of named executive officers other than our Chief Executive Officer, the recommendations of our Chief Executive Officer) our Compensation Committee approved the base salaries for our named executive officers, for fiscal 2014:

Name	Fiscal 2013 Base Salary	Fiscal 2014 Base Salary
Theodore M. Wright	\$ 700,000	\$ 700,000
Michael J. Poppe	\$ 375,000	\$ 425,000
David W. Trahan	\$ 295,000	\$ 345,000
Brian E. Taylor	\$ 295,000	\$ 295,000
Walter M. Broussard	\$ 225,000	\$ 225,000

As noted in the table above, except for the base salaries of Mr. Poppe and Mr. Trahan, there were no changes to the base salaries of any other named executive officer from their respective fiscal 2013 base salaries. The Compensation Committee believed that the approximate 13% and 17% increases for Mr. Poppe and Mr. Trahan, respectively, were appropriate based on their strong performance and contribution to Company objectives, and that even after the increase such base salaries were still below the 50<sup>th</sup> percentile of our peer group of companies.

*Annual Cash Incentive Bonus:* The Compensation Committee establishes our bonus program for all named executive officers, as well as certain other executive officers and employees, after receiving recommendations from the Chairman and Chief Executive Officer. The bonus program is based on both pre-determined levels of Company performance and bonus levels set for each named executive officer based on individual performance, and may include elements of discretionary bonus based upon an individual's performance. The bonus opportunity is stated as a percentage of base salary consistent with the competitive market for executives in similar positions. During fiscal 2014 the bonus opportunity for the named executive officers was as follows:

Name	Target Bonus (as a % of Salary)	Target Bonus Value (100%)	Maximum Bonus (as a % of Salary)
Theodore M. Wright	61%	\$ 425,000	122%
Michael J. Poppe	60%	\$ 255,000	120%
David W. Trahan	60%	\$ 207,000	120%
Brian E. Taylor	60%	\$ 177,000	120%
Walter M. Broussard (1)	60%	\$ 135,000	120%

- (1) 50% of Mr. Broussard's total bonus opportunity is based on the Company's operating income goals and 50% is based on achievement of certain personal performance goals. His total target bonus potential is shown in the table above.

**Table of Contents**

The named executive officers receive bonus payments based on the achievement of pre-determined Company performance goals approved by the Compensation Committee each fiscal year. For the fiscal year ended January 31, 2014, the performance metrics and the bonus amount associated with each of those goals were as follows:

Name	Fiscal Year 2014 Operating Income Goals		
	\$120,300,000 Threshold (1)	\$140,200,000 Target (1)	\$165,800,000 Maximum (1)
Theodore M. Wright	85,000	425,000	850,000
Michael J. Poppe	51,000	255,000	510,000
Brian E. Taylor	35,400	177,000	354,000
David W. Trahan	41,400	207,000	414,000
Walter M. Broussard (2)	27,000	135,000	270,000

(1) Bonuses are calculated on a pro-rata basis when operating income falls between the levels shown above.

(2) 50% of bonus payment is based on the achievement of certain personal performance goals. Upon completion of each fiscal year, the Compensation Committee determines the annual cash incentive bonuses based on the results of the bonus plan formula described above. The Compensation Committee discusses and approves the annual cash incentive bonus payments, considering the factors stated above. The Company's operating income in fiscal 2014 was \$163,969,000, 193% of target levels. Below are the cash bonuses that were earned and paid under our fiscal 2104 annual cash incentive bonus program:

Name	Fiscal 2014 Actual Payout
Theodore M. Wright (1)	\$ 819,603
Michael J. Poppe	\$ 419,762
David W. Trahan	\$ 399,195
Brian E. Taylor	\$ 341,340
Walter M. Broussard (2)	\$ 260,344

(1) The bonus paid to Mr. Wright is pursuant to his Incentive Compensation Award Agreement, as approved by our stockholders at our May 30, 2012 annual meeting.

(2) Mr. Broussard performance goal target paid out at 100%. Mr. Broussard's bonus payment of \$260,344 is comprised of \$130,172, which equals the 50% of his total bonus potential weighted towards the Company's performance goals, and \$130,172 which equals the 50% of his total bonus potential weighted toward meeting his individual performance goals.

Individual named executive officers may also receive bonus payments based on individual performance. These bonus levels are recommended by the Chairman and the Chief Executive Officer, and determined by the Compensation Committee, based on that named executive officer's level of responsibility and ability to affect the performance of his area of responsibility and the Company's performance. None of these bonus levels are based



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**Table of Contents**

upon any percentage of the individual's base salary or goals, but each does have defined objective calculations based upon the areas of that individual's responsibilities. At the end of each fiscal year, the Compensation Committee may additionally establish individual performance bonus awards for each named executive officer upon recommendation of the Chairman and Chief Executive Officer, or as separately determined by the Compensation Committee. No bonuses were awarded to any of our named executive officers based in individual performance in fiscal 2014, other than to Mr. Broussard where his personal performance is weighted 50% towards his total annual cash incentive bonus payout.

*Equity Awards*

The fiscal year 2014 annual equity awards to certain of our named executive officers were granted pursuant to a policy adopted by the Compensation Committee in June 2013. The specific performance metrics are approved annually by the Compensation Committee. That policy provides that:

The target value of an annual equity award to all named executive officers will equal to 100% of his or her base salary;

50% of the target value of the annual equity award will be in the form of time-vested restricted stock units that vest in equal annual installments over four years; and

50% of the target value of the annual award will be in the form of performance-based restricted stock units. The named executive officer can earn: (i) 50% of the performance-based restricted stock units if we average 16.5% return on invested capital ( ROIC ), over the two-year measurement period (the Threshold level); (ii) 100% of the performance-based restricted stock units if we average 20% ROIC over the performance period (the Target level); and (iii) 150% of the performance-based restricted stock units if we average 23.5% ROIC (the Maximum level). In the event the threshold is not attained over the performance period, no performance-based restricted stock units will be earned. These performance-based restricted stock units, if earned, will vest as follows: 50% at June 3, 2015, 25% at June 3, 2016 and 25% at June 3, 2017.

ROIC for each performance-based restricted stock unit grant is calculated over a two-year period as: (A) operating income (excluding charges and credits) divided by (B) the average balances of (i) debt plus (ii) equity, minus (iii) cash over the two-year period. This performance metric is approved by the Compensation Committee.

The Compensation Committee selected ROIC because it is a measure of whether the long-term capital investment decisions made by our named executive officers improved our financial and operational performance. In addition, the Compensation Committee believes that our ROIC performance is closely linked to our stock price performance and stockholder returns.

The Compensation Committee may in its discretion grant other equity awards to the named executive officers from time-to-time, which may include time-vested stock options, restricted stock, restricted stock units, and performance-based restricted stock units pursuant to our 2011 Omnibus Incentive Plan. In making any such awards, the Compensation Committee will consider:

the number of equity awards previously granted to the named executive officer; and

the named executive officer's past and expected future contributions to the Company.

Compensation under our equity incentive program is intended to align the long-term interests of our named executive officers with those of our stockholders and to provide long-term performance incentives to our named executive officers to complement the other forms of compensation they receive.

In making long-term incentive compensation decisions, no formal weighting formula is used in deciding award amounts under our equity incentive programs. Our Compensation Committee instead considers each executive's ability and individual responsibility to directly impact our Company's overall performance in the long-term, and makes equity awards based on considerations for each individual executive.

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We use equity awards to counterbalance the short-term base salary and bonus compensation components provided to our named executive officers. We do not target any set mix of compensation components. Our Compensation Committee reviews the goals of our Company and the status of the markets in which we compete to determine the appropriate combination of short-term and long-term incentive compensation should be structured in

## **Table of Contents**

order to properly incentivize our executives to best implement both the short-term and long-term elements of our Company strategies.

### **Timing of Equity Grants**

Annual equity awards are granted to our named executive officers at the Company's regular meeting of the Board of Directors scheduled for the first quarter of each fiscal year. Off-cycle (non-annual) awards may be made if our Chief Executive Officer and the Compensation Committee deem it appropriate for newly-promoted employees, strategic new hires, or in other special or unique circumstances.

### **Health, Retirement, Perquisites and Other Benefits**

Our named executive officers are eligible to participate in the same retirement and other health and welfare benefit plans, including medical, dental, vision, long-term and short-term disability, life insurance, employee discount, and in the Company's employee stock purchase plan, in each case on the same basis as our other eligible employees.

### **Annual Advisory Vote on Executive Compensation**

At our 2013 annual meeting, approximately 99.4% of the votes cast were in favor of the advisory resolution on our executive compensation. The Compensation Committee believes that the positive outcome of this vote supports the compensation arrangements established by it for our named executive officers, and therefore continued to apply the same pay-for-performance principles and philosophies when making decisions relating to our named executive officers fiscal year 2014 compensation. In addition, at our 2011 annual meeting, our stockholders approved a recommendation of an annual advisory vote by the stockholders on our executive officers' compensation. The board of directors has adopted that recommendation and has held, and intends to hold, an annual advisory vote on our executive officers' compensation.

### **Stock Ownership Guidelines**

In August 2011, our Board of Directors adopted stock ownership guidelines for our non-employee directors and certain executive officers to further align their interests more closely with the interests of our stockholders. In December 2013, our stock ownership guidelines were revised by the Nominating and Corporate Governance Committee and the Board and are described below.

The Company's Chief Executive Officer is required to own shares of Company Common Stock with a value equal to at least four times his or her annual base salary, and each other named executive officer is required to own shares of our Common Stock with a value equal to at least two times his or her annual base salary. All beneficially owned shares of Common Stock including vested options and options that will vest within 60 days and unvested restricted stock units are counted towards achievement of the ownership guideline. Individuals are required to achieve the applicable level of ownership within five years after first becoming subject to the guidelines. If an individual becomes subject to the stock ownership guidelines or is subject to a greater ownership amount, due to promotion or an increase in base salary, the individual is expected to meet the applicable ownership amount within the later of the original period or twelve-months from the effective date of the promotion or salary change. If an individual falls below the applicable guideline due solely to a decline in the value of the Common Stock, the individual will not be required to acquire additional shares to meet the guideline, but he or she will be required to retain all shares then held (except for shares withheld to pay withholding taxes or the exercise price of options) until such time as the individual again attains the stock ownership threshold.

All of our named executive officers comply with our current stock ownership guidelines.

## **Table of Contents**

### **Prohibition on Hedging and Pledging**

The Company's insider trading policy, a copy of which is available on our website at <http://ir.conns.com> restricts all officers, directors and certain employees from engaging in any of the following activities with respect to the securities of:

Purchases on margin (where money is borrowed to make the purchase);

Short sales;

Buying or selling puts or calls;

Hedging or monetization transactions, such as zero-cost collars and forward sale contracts, that allow an employee to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential upside appreciation in the stock; or

Holding Company securities in a margin account or pledging Company securities as collateral for a loan without adequate financial resources to prevent a forced sale.

To the Company's knowledge, none of our officers or directors have entered into any hedging transactions with respect to Company stock, nor have they pledged any Company stock to secure any personal indebtedness or deposited Company stock into any margin account.

### **Other Compensation**

We provide our named executive officers with limited perquisites and other benefits, as reflected in the All Other Compensation column in the Summary Compensation Table, which the Compensation Committee believes is reasonable, competitive and consistent with the objectives of our executive compensation program.

### **Employment and Related Agreements**

Certain of the named executive officers have entered into Executive Severance Agreements with the Company, the material terms of which are explained in more detail under Termination of Employment and Change of Control Arrangements.

## **COMPENSATION COMMITTEE REPORT**

The Compensation Committee has reviewed the Compensation Discussion and Analysis and discussed it with the Company's management. Based on its review and discussions with management, the Committee recommended to the board of directors that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K for fiscal year ended January 31, 2014 and the Company's 2014 Proxy Statement on Schedule 14A related to the 2014 annual meeting of stockholders, for filing with the Securities and Exchange Commission.

### **Compensation Committee:**

Jon E.M. Jacoby, Chairman

Bob L. Martin

Scott L. Thompson



**Table of Contents****Summary Compensation Table**

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$) (1)	Stock Awards (\$) (2)	Option Awards (\$) (3)	Non-Equity Incentive Plan Compensation (\$) (1)	Nonqualified Deferred Compensation Earnings (\$) (1)	Change in Pension Value and All Other Compensation (\$) (4)	Total (\$)
Theodore M. Wright <i>Chairman, President and CEO</i>	2014	700,000		699,966		819,603			2,219,569
	2013	700,000		1,248,252	1,918,875	637,500			4,504,627
	2012	482,628		932,950	955,500	548,834		3,500	2,923,412
Michael J. Poppe <i>Executive Vice President and COO</i>	2014	416,667		425,004		491,762		27,482	1,360,915
	2013	370,833		374,996		450,000		63,714	1,259,543
	2012	350,000		183,050		271,188		19,563	823,800
David W. Trahan <i>President - Retail Division</i>	2014	336,667		325,009		399,195		13,475	1,074,346
	2013	295,000		295,012		265,500		55,503	911,015
	2012	295,000		154,285		228,573		21,925	699,783
Brian E. Taylor <i>Vice President, CFO and Treasurer</i>	2014	295,000		295,020		341,340		12,000	943,360
	2013	227,954		509,700		205,763		9,500	952,917
Walter M. Broussard <i>Senior Vice President - Store Operations</i>	2014	225,000		112,480		260,344		12,000	609,824
	2013	225,000		90,002		195,863		12,000	522,865
	2012	225,000		67,680		174,335		2,000	469,015

- (1) As described in the Compensation Discussion and Analysis, the amount paid upon the achievement of the Company goals appear in the Non-equity Incentive Plan Compensation column and the amount paid, if any, upon the achievement of individual goals appear in the Bonus column.
- (2) Aggregate grant date fair value of restricted stock units granted during the year in accordance with FASB ASC Topic 718, Compensation-Stock Compensation, which may be greater or less than the value that the named executive officer realizes upon vesting of the restricted stock units. Information regarding the assumptions used in calculating the fair value under FASB ASC Topic 718 can be found in Note 11 to the financial statements contained in the Company's annual report on Form 10-K for the year ended January 31, 2014. Performance-based units granted assume achievement of target level financial metrics related to the fiscal year 2014 grants.
- (3) Aggregate grant date fair value of awards granted during the year in accordance with FASB ASC Topic 718, Compensation-Stock Compensation, which may be greater or less than the value that the named executive officer realizes upon vesting of the restricted stock units. Information regarding the assumptions used in calculating the fair value under FASB ASC 718 can be found in Note 11 to the financial statements contained in the Company's annual report on Form 10-K for the year ended January 31, 2014.
- (4) All Other Compensation for fiscal 2014 consists of:

Matching contributions under the Company's 401(k) plan as follows: Mr. Poppe, \$7,625 and Mr. Trahan, \$1,475.

Automobile and gas allowance as follows: Mr. Poppe, \$12,000; Mr. Trahan, \$12,000; Mr. Taylor, \$12,000 and Mr. Broussard, \$12,000.

Taxable relocation assistance as follows: Mr. Poppe, \$7,857.

**Table of Contents****Grants of Plan-Based Awards**

Name	Grant Date	Estimated Future payouts under non-equity incentive plan awards (1)			Estimated future payouts under equity incentive plan awards (4)			All other stock awards; or shares of underlying securities or units (#)	All other option awards; or securities of underlying options awards (#)	Exercise price of awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)(8)
		Threshold (2) (\$)	Target (\$)	Maximum (3) (\$)	Threshold (#)(5)	Target (#)(6)	Maximum (#)(7)				
Theodore M. Wright											
Annual Incentive Bonus	3/25/2013	85,000	425,000	850,000							
RSU	6/3/2013							7,049			349,983
Performance-Based RSU	6/3/2013				3,525	7,049	10,574				349,983
Michael J. Poppe											
Annual Incentive Bonus	3/25/2013	51,000	255,000	510,000							
RSU	6/3/2013							4,280			212,502
Performance-Based RSU	6/3/2013				2,140	4,280	6,420				212,502
Brian E. Taylor											
Annual Incentive Bonus	3/25/2013	35,400	177,000	354,000							
RSU	6/3/2013							2,971			147,510
Performance-Based RSU	6/3/2013				1,485	2,971	4,456				147,510
David W. Trahan											
Annual Incentive Bonus	3/25/2013	41,400	207,000	414,000							
RSU	6/3/2013							3,273			162,504
Performance-Based RSU	6/3/2013				1,636	3,273	4,909				162,504
Walter M. Broussard											
Annual Incentive Bonus	3/25/2013	27,000	135,000	270,000							
RSU	12/3/2013							1,928			112,480

- (1) These columns show the fiscal 2014 annual cash award opportunities under the Annual Incentive Bonus Plan. They do not reflect the actual amounts paid out under the program which are included in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table and discussed in the Compensation Discussion and Analysis.
- (2) Amounts in this column represent a bonus payout of 20% of Target.
- (3) Amounts in this column represent a bonus payout of 200% of Target.
- (4) The number of performance-based restricted stock units are calculated on a pro-rata basis when the performance metrics fall between threshold and target or target and maximum, as applicable. No shares will be issued when the performance conditions fall below the threshold level and no additional shares will be issued when the performance conditions exceed the maximum level. Any performance-based restricted stock units earned will vest as follows: 50% at June 3, 2015, 25% at June 3, 2016 and 25% at June 3, 2017.
- (5) Represents the adjusted number of performance-based restricted stock units to be issued on June 3, 2015 when the Company's ROIC is equal to 16.5% over the two-year measurement period ending January 31, 2015.
- (6) Represents the adjusted number of performance-based restricted stock units to be issued on June 3, 2015 when the Company's ROIC is equal to 20% over the two-year measurement period ending January 31, 2015.
- (7) Represents the adjusted number of performance-based restricted stock units to be issued on June 3, 2015 when the Company's ROIC is equal to 23.5% over the two-year measurement period ending January 31, 2015.
- (8) The amounts in the Grant Date Fair Value of Stock Awards column were determined in accordance with FASB ASC Topic 718, which may be greater or less than the value that the respective named executive





**Table of Contents**

officer realizes upon the exercise of the stock options and vesting of the performance-based restricted stock units and time-based restricted stock units. For additional information concerning our application of FASB ASC Topic 718, see Note 11 to the financial statements contained in the Company's annual report on Form 10-K for the year ended January 31, 2014.

**Outstanding Equity Awards at Fiscal Year End**

Name	Option Awards					Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Un-earned Shares, Units or Other Rights That Have Not Vested (\$)
	Number of Securities Underlying Unexercised Options- Exercisable (#)	Number of Securities Underlying Unexercised Options- Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Been Vested (#)	Market Value of shares or Units of Stock That Have Not Been Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	
Theodore M. Wright <i>Chairman, President and CEO</i>	10,000			29.24	7/2/2017				
	10,000			16.93	6/3/2018				
	10,000			10.21	6/2/2019				
	10,000			7.54	5/25/2020				
	116,666	58,334 (1)		11.86	12/5/2016				
		87,500 (2)		21.93	8/28/2022				
						16,667	1,011,854 (3)		
						15,333	930,866 (4)		
								20,444 (5)	1,241,155
						25,000	1,517,750 (2)		
						7,049	427,945 (6)		
								7,049 (7)	427,945
Michael J. Poppe <i>Executive Vice President and COO</i>	10,000			33.88	11/30/2015				
	20,000			22.68	12/4/2016				
	20,000			19.99	11/27/2017				
	30,000			6.33	11/25/2018				
	24,000	6,000 (8)		6.34	11/24/2019				
	21,000	14,000 (9)		3.20	11/30/2020				
						17,500	1,062,425 (10)		
						8,214	498,672 (11)		
								10,952 (5)	664,896
						4,280	259,839 (6)		
								4,280 (7)	259,839
Brian E. Taylor <i>Vice President and CFO</i>						22,500	1,365,975 (12)		
						2,971	180,369 (6)		
								2,971 (7)	180,369
David W. Trahan <i>President - Retail Division</i>	10,000			17.73	11/30/2014				
	15,000			33.88	11/30/2015				
	20,000			22.68	12/4/2016				
	20,000			19.99	11/27/2017				
	9,166			6.33	11/25/2018				
	6,000	6,000 (8)		6.34	11/24/2019				
	18,000	12,000 (9)		3.20	11/30/2020				
						14,750	895,473 (10)		
						6,462	392,308 (11)		
								8,616 (5)	523,077
						3,273	198,704 (6)		
								3,273 (7)	198,704
Walter M. Broussard <i>Senior Vice President - Store Operations</i>	10,000			19.99	11/27/2017				
	6,004			6.33	11/25/2018				
	8,000	2,000 (8)		6.34	11/24/2019				

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6,000	4,000 (9)	3.20	11/30/2020	3,600	218,556 (13)
				2,620	159,060 (14)
				1,928	117,049 (15)

- (1) Stock options that vest ratably at 33.33% over three-years with final vesting 12/5/14.
- (2) Vest 50% on 8/28/15 and 50% on 8/28/16; provided Mr. Wright has been an officer or non-executive chairman continuously throughout the vesting period.
- (3) Restricted stock units vest ratably at 33.33% over three years with final vesting on 12/5/14.
- (4) Restricted stock units vest ratably at 25% per year over four years with final vesting on 5/30/16.

**Table of Contents**

- (5) Reflects the target number of performance-based restricted stock units that may be issued for the twenty-four month performance period ending January 31, 2014. The performance-based restricted stock units vest 50% on May 30, 2014, 25% on May 30, 2015 and May 30, 2016.
- (6) Restricted stock units vest ratably at 25% over four years with final vesting 6/3/17.
- (7) Reflects the target number of performance-based restricted stock units that may be issued for the twenty-four month performance period ending January 31, 2015. The performance-based restricted stock units vest 50% on June 3, 2015, 25% on June 3, 2016 and June 3, 2017.
- (8) Stock options vest ratably at 20% per year over five years with final vesting on 11/24/14.
- (9) Stock options vest ratably at 20% per year over five years with final vesting on 11/30/15.
- (10) Restricted stock units vest ratably at 25% per year over four years with final vesting on 5/24/15.
- (11) Restricted stock units vest ratably at 25% per year over four years with final vesting on 5/30/16.
- (12) Restricted stock units vest ratably at 25% per year over four years with final vesting on 4/23/16.
- (13) Restricted stock units vest ratably at 20% per year over five years with final vesting on 11/30/16.
- (14) Restricted stock units vest ratably at 20% per year over five years with final vesting on 11/27/17.
- (15) Restricted stock units vest ratably at 20% per year over five years with final vesting on 12/3/18.

**OPTION EXERCISES AND STOCK AWARDS**

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Theodore M. Wright	15,000	546,750	21,778	1,418,167
Michael J. Poppe	30,000	823,650	11,488	553,700
Brian E. Taylor			7,500	318,150
David W. Trahan	38,834	1,412,213	9,529	459,035
Walter M. Broussard	15,000	732,550	1,854	110,982

Our named executive officers do not participate in any pension benefit plan or non-qualified deferred compensation plan.

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**Table of Contents**

**Termination of Employment and Change of Control Arrangements**

**Executive Severance Agreements**

Our Company entered into executive severance agreements with each of Messrs. Wright, Poppe, Trahan and Taylor (collectively, the *Agreement*). The Agreement is designed to (i) provide a level of transition assistance in the event of an involuntary termination of employment with the goal of keeping these named executive officers focused on our business rather than their personal circumstances, and (ii) encourage these named executive officers to continue to devote their full attention to the business of the Company in the event of a potential change in control to allow for a smooth transition. The Compensation Committee believes the Agreement promotes the objectives of the Company and aligns with the interests of our stockholders by encouraging continuity of leadership in those situations.

The term of the Agreement is for one year and automatically renews for successive one-year periods unless terminated by the Company upon prior written notice. If the named executive officer is involuntarily terminated without cause (as defined below) or if the executive voluntarily terminates his employment for good reason (as defined below), then (i) the executive will receive salary continuation payments (at the rate in effect on the day before his termination) for eighteen months following termination (the *severance period*), (ii) the executive will receive continuation coverage during the severance period under the Company's medical, dental, life, disability and other welfare benefit plans, and (iii) all awards held by executive under our 2003 Incentive Stock Option Plan and 2011 Omnibus Incentive Plan will continue to vest and, if applicable, be exercisable during the severance period as if the executive had continued his employment for the duration of the severance period.

Under the Agreement *cause* is defined as (i) behavior of executive which is adverse to the Company's interests, (ii) executive's dishonesty, criminal charge or conviction, grossly negligent misconduct, willful misconduct, acts of bad faith, neglect of duty or (iii) executive's material breach of the Agreement.

Under the Agreement *good reason* generally means, without the executive's express written consent, (i) the material diminution of the executive's title, duties, authority or responsibilities relative to executive's duties, authority or responsibilities as in effect immediately prior to such reduction, or the assignment to executive of such reduced duties, authority or responsibilities, (ii) a substantial reduction, without good business reasons, of the facilities and perquisites (including office space and location) available to the executive immediately prior to such reduction, (iii) a material reduction of executive's base salary or annual bonus opportunity, each as in effect as of the effective date of the Agreement, (iv) a material reduction in the kind or level of employee benefits, including additional bonus opportunities, to which the executive was entitled immediately prior to such reduction with the result that the executive's overall benefits package is significantly reduced, (v) upon a change of control (as defined below), the failure of the Company to obtain the assumption of the Agreement by the successor, (vi) upon a change of control, the transfer of executive's principal place of employment to a location that is more than 100 miles from executive's principal place of employment immediately prior to the change of control, or (vii) any act or set of facts or circumstances that would, under case law or statute, constitute a constructive termination of executive, provided, in each case, that executive terminates employment within 60 days of the occurrence of such circumstances.

The Agreement also provides that if during the period beginning one year prior to a change of control (as defined below) and ending one year following the change in control, the executive is terminated without cause (as defined above) or if the executive voluntarily terminates his employment for good reason (as defined above), then (i) the executive will receive a lump sum payment equal to three times the executive's annual base salary (as in effect on the day prior to the date of such termination), (ii) the executive will receive continuation coverage under the Company's medical, dental, life, disability and other welfare benefit for eighteen months following termination, and (iii) all equity awards held by executive under our 2003 Incentive Stock Option Plan and 2011 Omnibus Incentive Plan will immediately vest on the later of the date of termination or the date of the change of control, and if applicable, these equity awards will continue to be exercisable for eighteen months following executive's termination as if the executive had remained an employee of the Company.

The Agreement generally defines a *change of control* as (i) a person acquiring 35% or more of the voting power of the Company, (ii) a change in the composition of our Board of Directors during any twelve-month period as a result of which less than a majority of the directors are incumbent directors (as defined in the Agreement), (iii) a merger or consolidation of the Company (unless it still controls a majority of the voting stock), (iv) a complete liquidation or dissolution of the Company, or (v) a sale, disposition, lease, or exchange of all or substantially all of the Company's assets or of one of the significant operating divisions, including the retail and credit divisions.

By entering into the Agreement, each of the executives agreed to be subject to and bound by the confidentiality, non-compete, non-disclosure and non-solicitation provisions therein.

On December 3, 2013, the Company entered into a First Amendment to the Agreement with each of Theodore M. Wright, Michael J. Poppe, Brian E. Taylor and David W. Trahan which provides that if payments triggered by a change of control would be subject to an excise tax under

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Section 4999 of the Internal Revenue Code, then the payments either (i) would be reduced by the amount needed to avoid triggering the excise tax, or (ii) would not be reduced, depending on which alternative left the executive in the best after-tax position. Before this amendment the Agreement provided that payments under the Agreement would be reduced by the amount needed to avoid triggering the excise tax.

**Table of Contents**

Mr. Broussard is not a party to an Agreement. However, all unvested stock options held by Mr. Broussard will vest upon a change of control (as defined in our Amended and Restated 2003 Incentive Stock Option Plan (the "2003 Plan")) unless (i) the acquiring entity assumes or substitutes his unvested stock options, and (ii) he is not involuntarily terminated (as defined in the 2003 Plan) during the one-year period following the change of control. In addition, upon a change of control (as defined in our 2011 Omnibus Incentive Plan) all unvested restricted stock units held by Mr. Broussard will fully vest.

The following table provides the quantitative disclosure of the severance and change of control payments that would be made to our named executive officers assuming the applicable payment event occurred on January 31, 2014:

**Fiscal 2014 Potential Payments Upon Termination or Change-of-Control**

Named Executive Officer	Benefit (1)	Voluntary Termination for Good Reason (\$) 1/31/14	Involuntary Not for Cause Termination (\$) 1/31/14	Normal Retirement (\$) 1/31/14	Change in Control with Voluntary Termination for Good Reason (\$) 1/31/14	Change in Control with Involuntary Termination Cause (\$) 1/31/14	Change in Control without Termination (\$) 1/31/14	Death or Disability (\$) 1/31/14
					(\$) 1/31/14	(\$) 1/31/14		
Theodore M. Wright	Stock Options (2)				6,242,866	6,242,866		
	Restricted Stock Units				3,888,415	3,888,415		
	Performance-Based RSUs (3)				1,669,100	1,669,100		
	Cash Severance	1,050,000	1,050,000		2,100,000	2,100,000		
	Welfare Benefits (4)				23,778	23,778		
	<b>TOTAL</b>	1,050,000	1,050,000		13,924,159	13,924,159		
Michael J. Poppe	Stock Options (2)				1,087,400	1,087,400		
	Restricted Stock Units				1,820,936	1,820,936		
	Performance-Based RSUs (3)				924,735	924,735		
	Cash Severance	637,500	637,500		1,275,000	1,275,000		
	Welfare Benefits (4)				23,778	23,778		
	<b>TOTAL</b>				5,131,849	5,131,849		
Brian E. Taylor	Stock Options (2)							
	Restricted Stock Units				1,546,344	1,546,344		
	Performance-Based RSUs (3)				180,369	180,369		
	Cash Severance	442,500	442,500		885,000	885,000		
	Welfare Benefits (4)				23,778	23,778		
	<b>TOTAL</b>				2,635,491	2,635,491		
David W. Trahan	Stock Options (2)				978,660	978,660		
	Restricted Stock Units				1,486,484	1,486,484		
	Performance-Based RSUs (3)				721,781	721,781		
	Cash Severance	517,500	517,500		1,035,000	1,035,000		
	Welfare Benefits (4)				23,778	23,778		
	<b>TOTAL</b>				4,245,703	4,245,703		
Walter M. Broussard (5)	Stock Options (6)							
	Restricted Stock Units (7)						377,616	
	<b>TOTAL</b>						377,616	

- (1) If a named executive officer is terminated for cause (as defined under the applicable plan/program), all such executive's rights to payment would be automatically forfeited.
- (2) The Table assumes full exercise of options that become exercisable upon termination or change-in-control as of January 31, 2014. This Table does not include the exercisable options reflected in the Outstanding Equity Awards at Fiscal Year End Table. Option values are based on the difference between the option exercise price and the closing price for our common stock on January 31, 2014, multiplied by the number of shares to be acquired upon exercise of the option.

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- (3) Assumes for purposes of change-in-control with termination that payout for the performance-based restricted stock units will be at target.
- (4) Amount reported reflects the COBRA premium for family coverage under our group health plans for the 18-month benefit continuation period. Amount does not include the value of the 18-month continuation coverage available under our life, disability and other welfare benefit plans.
- (5) Mr. Broussard is not party to an Executive Severance Agreement with the Company.
- (6) All unvested stock options held by Mr. Broussard would vest upon a change of control (as defined in our Amended and Restated 2003 Incentive Stock Option Plan (the "2003 Plan" )) unless (i) the acquiring entity assumes or substitutes his unvested stock options, and (ii) he is not involuntarily terminated (as defined in the 2003 Plan) during the one-year period following the change of control. Assuming that a change of control occurred on January 31, 2014, and the acquiring entity did not assume or substitute Mr. Broussard's outstanding unvested stock options or he is involuntarily terminated immediately following that change of control, the aggregate value of the accelerated vesting of Mr. Broussard's unvested stock options as of January 31, 2014, would be \$338,780, calculated based on the closing price of our common stock on January 31, 2014.
- (7) This amount assumes accelerated vesting of Mr. Broussard's unvested restricted stock units assuming a change of control (as defined in our 2011 Omnibus Incentive Plan) occurred on January 31, 2014. The amount is calculated based on the closing price of our common stock on January 31, 2014.
- (8) The amounts reported are the maximum amounts and do not reflect any potential cutbacks triggered by application of Section 280G of the Internal Revenue Code under the terms of the applicable agreement/plan/program.

**Table of Contents**

**Compensation of Non-Employee Directors**

Each of our non-employee directors receives an annual Director's fee of \$50,000, the chair of the Audit Committee receives an annual fee of \$15,000, and the chair of the Compensation Committee receives an annual fee of \$10,000. An annual fee of \$15,000 is paid to our Lead Independent Director.

Non-employee directors are also eligible to participate in the employee discount program and are subject to the same terms of the program as Company employees.

In February 2003, we adopted the 2003 Non-Employee Director Stock Option Plan in connection with our initial public offering, and amended the plan by vote of stockholders at our 2006 annual meeting of stockholders. The plan is administered by the board of directors. Only non-employee directors are eligible grantees. Upon the closing of the initial public offering, we granted each of our then-current non-employee directors the option to purchase 40,000 shares of our Common Stock. Up until the 2012 fiscal year, we automatically, per the 2003 Non-Employee Director Stock Option Plan, granted our non-employee directors an option to purchase an additional 10,000 shares following each annual meeting of stockholders on and after the fourth anniversary of each non-employee director's initial election or appointment to the board of directors. The initial options to purchase 40,000 shares of our Common Stock issued to non-employee directors vested equally over a three year period, and the additional options to purchase 10,000 shares of our Common Stock issued to non-employee directors vested on the first annual anniversary date of the date of the grant. All of these options have vested and are reflected in the tables below to the extent unexercised. The exercise price of each option was equal to the price per share of our Common Stock at the close of market on the date the option was granted. The options have a term of up to ten years before they expire. If the Compensation Committee were to determine to issue any further options to non-employee directors, they would vest on the annual anniversary date of their issuance, and would be priced as of the close of market on the date of the grant, and upon a change in control or sale of the Company, the optionees would have special vesting and exercise rights. Under the 2003 Non-Employee Director Stock Option Plan, the number of options available to issue is 600,000. As of January 31, 2014, 550,000 options had been issued under this Plan.

The annual award of options granted under our 2003 Non-Employee Director Stock Option Plan was eliminated by our Compensation Committee for our non-employee board members since fiscal year 2012 and no options have been issued to our non-employee directors since fiscal 2011.



**Table of Contents**

At our 2011 annual meeting, our stockholders approved the adoption of the Company's 2011 Non-Employee Director Restricted Stock Plan. This Plan is administered by our Compensation Committee and only non-employee directors are eligible recipients of awards under the Plan. The Plan permits the awarding restricted stock and restricted stock units to our non-employee directors.

In March 2013, the Compensation Committee awarded each non-employee director 1,208 restricted stock units with a fair value of approximately \$60,000. The actual number of restricted stock units issued was based on the closing price of our Common Stock on the day immediately preceding the award.

All of the restricted stock units issued to our non-employee directors under our 2011 Non-Employee Director Restricted Stock Plan fully vest on the annual anniversary of each award date.

Presented in the following table is the total compensation for each non-employee director for the fiscal year 2014:

**DIRECTOR COMPENSATION**

Name	Fees earned or paid in cash \$(1)	Stock Awards \$(2)	Option Awards (\$)	Non Equity Incentive Plan (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Jon E. M. Jacoby	60,000	59,977					119,977
Bob L. Martin	65,000	59,977					124,977
Douglas H. Martin	50,000	59,977					109,977
Scott L. Thompson	50,000	59,977					109,977
David Schofman	50,000	59,977					109,977
Kelly M. Malson	65,000	59,977					124,977

(1) Reflects cash retainer fee at rate of \$50,000 per year, annual Committee chair fees paid to Mr. Jacoby (\$10,000 for serving as chair of the Compensation Committee), Ms. Malson (\$15,000 for serving as chair of the Audit Committee) and the Lead Director fee (\$15,000) paid to Mr. Bobby Martin. Mr. Jacoby did not receive a fee for serving as the chair of the Nominating and Corporate Governance Committee.

(2) Aggregate grant date fair value of awards granted during the year in accordance with FASB ASC Topic 718. Information regarding the assumptions used in calculating the fair value under FASB ASC Topic 718 can be found in Note 10 to the financial statements contained in the Company's annual report on Form 10-K. On June 5, 2013, each of our non-employee directors were issued 1,208 restricted stock units pursuant to the Company's Non-Employee Director Restricted Stock Plan. The awards fully vest after one year.

All non-employee directors are required to own shares of our Common Stock with a value equal to three times his or her annual cash retainer subject to the terms of the Company's stock ownership guidelines which are described in greater detail under Stock Ownership Guidelines. Except for Ms. Malson, all of our directors comply with our current stock ownership guidelines. Ms. Malson joined our board of directors in August 2012 and, in accordance with our stock ownership guidelines, has 5 years from that date to attain the required level of ownership.

Listed below are the aggregate outstanding restricted stock unit awards and option awards held by each non-management director at the end of fiscal year 2014:

Name	Restricted Stock Unit Awards	Option Awards
	(#)	(#)
Jon E. M. Jacoby	1,208	10,000
Bob L. Martin	1,208	40,000
Douglas H. Martin	1,208	40,000
Scott L. Thompson	1,208	10,000
David Schofman	1,208	-

Kelly M. Malson

1,208

-

## **Table of Contents**

### **Indemnification Arrangements**

As permitted by the Delaware General Corporation Law, we have adopted provisions in our Certificate of Incorporation and Bylaws that provide for the indemnification of our directors and certain executive officers, including our named executive officers, to the fullest extent permitted by applicable law. These provisions, among other things, indemnify each of our directors and certain officers for certain expenses, including judgments, fines and amounts paid in settling or otherwise disposing of actions or threatened actions, incurred by reason of the fact that such person was a director or officer of the Company or of any other corporation which such person served in any capacity at the request of the Company.

In addition, we have entered into indemnification agreements with each of our directors pursuant to which we will indemnify them against judgments, claims, damages, losses and expenses incurred as a result of the fact that any director, in his capacity as a director, is made or threatened to be made a party to any suit or proceeding. The indemnification agreements also provide for the advancement of certain expenses (such as attorney's fees, witness fees, damages, judgments, fines and settlement costs) to our directors in connection with any such suit or proceeding.

We maintain a directors' and officers' liability insurance policy to insure our directors and officers against certain losses resulting from acts committed by them in their capacities as our directors and officers, including liabilities arising under the Securities Act of 1933.

## **CORPORATE GOVERNANCE**

### **Corporate Governance Policies and Procedures**

The Company believes that sound corporate governance practices are essential to maintain the trust of our stockholders, customers, employees and other stakeholders. We believe we operate under governance practices that are transparent, up-to-date and appropriate for our industry. The following materials are related to our corporate governance and related matters:

the Audit Committee Charter

the Compensation Committee Charter

Nominating and Corporate Governance Committee Charter

the Code of Business Conduct and Ethics for Employees

Code of Ethics for the Chief Executive Officer, President and Senior Financial Professionals

Code of Business Conduct and Ethics for Members of the Board of Directors

Whistle Blower Policy

Corporate Governance Guidelines

Amended and Restated Insider Trading Policy

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Each of the aforementioned are available on the Company's website at [ir.conns.com](http://ir.conns.com). There were no amendments to, or waivers from, any of our Codes of Business Conduct for any of our named executive officers during the fiscal year ended January 31, 2014.

## **Table of Contents**

### **Separation of Chairman of the Board and Chief Executive Officer**

Effective December 7, 2010, our board of directors elected Theodore M. Wright as the Chairman of the Board of Directors. Prior to February 27, 2011, Mr. Wright was not and never had been an employee or executive officer of our Company, had been a member of our board of directors since September 2003, and had been designated an independent director each year since his election to the board of directors. Effective February 27, 2011, Mr. Wright was elected to serve as our Interim Chief Executive Officer and President while our board pursued and completed a search for a Chief Executive Officer and President. Effective December 5, 2011, Mr. Wright was elected by our board to serve as our Chief Executive Officer and President, and our board requested that he continue to serve as its Chairman. While our bylaws and corporate governance guidelines do not require that our Chairman of the Board of Directors position and Chief Executive Officer positions be separated, effective February 27, 2011, with the election of Mr. Wright as Interim Chief Executive Officer and President, the board determined that, at least while the search for a permanent Chief Executive Officer and President was continuing and until such position is filled, the Company's best interests would be best served by having the positions of Chairman of the Board of Directors and the Interim Chief Executive Officer and President be filled by Mr. Wright, who was thereby deemed to no longer be an independent member of the board of directors. Upon Mr. Wright's election by the board of directors to serve as the Chief Executive Officer in conclusion of its search, the board determined that the Company's best interests are served by Mr. Wright continuing to serve as both Chairman and Chief Executive Officer of the Company.

The determination by the board of directors to elect a director determined by the board of directors to no longer be independent as its Chairman, rather than to elect an independent member of the board as its Chairman, was based upon the board of directors belief that this separation was not needed due to the length of time Mr. Wright had served on the Board as an independent director since 2003, and that his expertise in both roles would be in the best interest of the Company and our stockholders, and additionally would bring a different perspective to the board from that of previous chief executive officers whose time and efforts had been primarily devoted to the Company operations.

### **Lead Independent Director**

Our board of directors determined at its meeting held in August 2012, that our interests would be better served by the designation and appointment of a lead independent director, and appointed Bob L. Martin to serve in that capacity until his resignation and his successor is appointed. The lead independent director is responsible for coordinating the activities of the independent directors of the board of directors, and shall perform such other duties and assume such other responsibilities as the board may determine. Certain of the specific responsibilities of the lead independent director are:

Act as the principal liaison between the independent directors of the board and the Chairman of the Board;

Develop the agenda for and preside at executive sessions of the board's independent directors;

Approve with the Chairman of the Board the agenda for board and committee meetings and the need for special meetings of the board;

Advise the Chairman of the Board as to the quality, quantity and timeliness of the information submitted by the Company's management that is necessary or appropriate for the independent directors to effectively and responsibly perform their duties;

Recommend to the board the retention of advisors and consultants who report directly to the board;

Interview, along with the chair of the Nominating and Corporate Governance Committee, all board candidates, and make recommendations to the Nominating and Corporate Governance Committee;

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Assist the board and Company officers in better ensuring compliance with and implementation of the Corporate Governance Guidelines;

Serve as Chairman of the Board when the Chairman is not present; and

Serve as a liaison for consultation and communication with stockholders.

## **Table of Contents**

### **Risk Oversight**

The board is actively involved in oversight of risks that could affect the Company. Management is responsible for the day-to-day management of risks we face, while the board, as a whole and through its Audit Committee has responsibility for the oversight of risk management. The Audit Committee of our board of directors is charged by its charter with the responsibility to and does review and discuss the Company's policies and practices with respect to risk assessment and risk management at each of its regularly scheduled meetings, and to report to the board of directors various areas of risk, including credit, technology, regulatory, liquidity and operational, that should receive further attention and discussions among the board of directors and Company management. Our management does present specifically to the Audit Committee, and the board of directors if requested by the Audit Committee, various areas of risk concerns and management practices relative thereto as required by the Audit Committee, and when requested by the board, including enterprise risk management which is the subject of oversight by the Audit Committee through presentations and discussions with the Company's management at each Audit Committee meeting. Additionally, at various regularly scheduled Audit Committee meetings, our management presents a particular area of risk, either independently as a result of its assessment of materiality or at the request of the Audit Committee in addition to the discussions of enterprise risk management. The Audit Committee works with management in assessing and addressing the Company's policies' strengths and weaknesses in each area presented or separately assessed. The full board of directors receives at each regularly scheduled meeting, and more often as necessary, a presentation from management of our operations, including presentations of liquidity and credit reports and risks. Upon request by the board of directors, representatives of management for the separate areas commit to and do subsequently or simultaneously provide additional information, revisions and explanations pertaining to their respective areas of management.

### **Stockholder Communications with the Board**

The Company's Board of Directors has a process for stockholders and other interested parties to send communications to the Board. Communications should be addressed to:

Lead Director

c/o Corporate Secretary

Conns, Inc.,

4055 Technology Forest Blvd, Suite 210, The Woodlands, Texas 77381

generalcounsel@conns.com

Our General Counsel reviews all communications directed to the Audit Committee and the Chairman of the Audit Committee is promptly notified of any significant communications relating to accounting, internal accounting controls, auditing matters or other significant communication. Communications addressed to a named director are promptly sent to the director. Communications directed to the non-management directors are promptly sent to the Lead Director. All communications submitted to the Board or any committee of the Board will be compiled by the Corporate Secretary and submitted to the Lead Director on a periodic basis.

All communications received as described above and intended for the Board of Directors, a committee of the Board of Directors, an individual director, or the non-management directors as a group will be relayed to the appropriate directors.

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**Table of Contents**

**AUDIT COMMITTEE REPORT**

**The Committee**

Our board of directors established the Audit Committee to be responsible for the appointment, compensation, retention and oversight of the work of our independent auditors and to oversee our (i) financial reporting process; (ii) internal audits, internal control policies and procedures implementation and compliance with Sarbanes-Oxley Section 404 requirements and authorities; and (iii) financial, tax, and risk management policies. The Audit Committee is composed of three members and operates under a written charter, a copy of which is published on our website at [www.conns.com](http://www.conns.com) under Investor Relations Corporate Governance. The Audit Committee has prepared the following report on its activities with respect to our financial statements for the fiscal year ended January 31, 2014.

**Review and Discussion**

Management is responsible for our financial reporting process including its system of internal controls, and for the preparation of Conn's consolidated financial statements in accordance with generally accepted accounting principles. Ernst & Young LLP, our independent registered public accounting firm, is responsible for auditing those financial statements and for attesting to the effectiveness of our internal control over financial reporting. It is the Audit Committee's responsibility to monitor and review these processes. The members of the Audit Committee are not employees of the Company and do not represent themselves to be or to serve as, accountants or auditors by profession or experts in the field of accounting or auditing.

In connection with the preparation of our audited financial statements for the fiscal year ended January 31, 2014, the Audit Committee:

reviewed and discussed our Annual Report on Form 10-K, including our audited consolidated financial statements and Management's Report on Internal Control over Financial Reporting for the year ended January 31, 2014, with management;

discussed with Ernst & Young LLP the matters required to be discussed by auditing standards, including Auditing Standard No. 16 (*Communications with Audit Committees*) issued by the Public Company Accounting Oversight Board; and

received the written disclosures and the letter from Ernst & Young LLP required by PCAOB Rule 3526 (Communication with Audit Committees Concerning Independence), and discussed with Ernst & Young LLP its independence from the Company, including whether Ernst & Young LLP's provision of non-audit services to the Company is compatible with the auditors' independence.

The Audit Committee meets separately with our independent auditors to discuss the results of their examinations, their evaluations of our internal controls and the overall quality of our financial reporting. The Audit Committee held four regularly scheduled meetings and acted once by unanimous written consent in lieu of meeting during the fiscal year ended January 31, 2014.

**Recommendation**

Based on the review and discussion referred to above, the Audit Committee recommended to the board of directors that the audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended January 31, 2014, for filing with the Securities and Exchange Commission.

**AUDIT COMMITTEE:**

Kelly M. Malson, Chair

Scott L. Thompson

David Schofman





**Table of Contents****PERFORMANCE GRAPH**

The following graph provides a comparison of the cumulative total stockholder return on our Common Stock against the NASDAQ U.S. Stock Market Index and the average of a peer group index comprised of publicly traded consumer electronic and/or appliance retailers against which we benchmark our executives' compensation. The graph reflects the value of a \$100 investment as of January 31, 2009 in either our stock or the indices presented at the dates of measurement, including reinvestment of dividends. The corresponding index values and Common Stock price values are summarized in the table below by measurement date.

<b>Trade Date</b>	<b>Conn's Index</b>	<b>NASDAQ US Stock Market Index</b>	<b>New Peer Group Stock Index<sup>1</sup></b>	<b>Old Peer Group Stock Index<sup>2</sup></b>	<b>Conn's Closing Stock Price</b>
January 31, 2009	100.00	100.00	188.23	100.00	\$ 12.16
January 31, 2010	46.22	146.91	242.78	251.79	5.62
January 31, 2011	36.35	186.66	297.78	310.68	4.42
January 31, 2012	95.39	196.55	297.44	379.80	11.60
January 31, 2013	233.88	222.91	322.43	439.91	28.44
January 31, 2014	499.26	295.12	309.86	502.59	60.71

(1) The new peer group index consists of the simple average of the indices of Restoration Hardware, Pier 1 Imports, Aaron's, Rent-A-Center, La-Z-Boy, Cash America, Mattress Firm Holding, Select Comfort, Ethan Allen, EZCORP, Haverty Furniture, Tuesday Morning, hhgregg, DFC Global, and Gordmans Stores.

(2) The old peer group index consists of the simple average of the indices of hhgregg, Inc., Duckwall-ALCO, Ethan Allen Interiors, Gordmans Stores, Haverty Furniture, Kirkland's, La-Z-Boy, Overstock.com, Mattress Firm Holding, Pier 1 Imports, Tuesday Morning, Select Comfort, Consumer Portfolio Services, CompuCredit Holdings and World Acceptance.

**Table of Contents****EXECUTIVE OFFICERS****Biographical Information**

The board elects our executive officers at its board meeting immediately following our annual meeting of stockholders, and updates the executive officer positions as necessary. Our executive officers serve at the discretion of the board and until their successors are elected and qualified or until the earlier of their death, resignation or removal.

The following sets forth certain biographical information regarding our executive officers. For our executive officers who are also directors, you may find their biographies under Board of Directors; Board of Director Nominees above.

<b>Name</b>	<b>Age</b>	<b>Positions</b>	<b>Years of Service</b>
Theodore M. Wright	51	Chief Executive Officer and President	11
Michael J. Poppe	46	Executive Vice President and Chief Operating Officer	10
David W. Trahan	53	President-Retail	26
Brian E. Taylor	51	Vice President, Chief Financial Officer and Treasurer	2
Walter M. Broussard	54	Senior Vice President-Store Operations	26
Clinton W. Harwood	57	Senior Vice President-Information Technology	20
David Dubois	48	Senior Vice President-Credit and Collections	9 months
Robert F. Bell	42	Vice President, General Counsel and Secretary	8 months

**Michael J. Poppe** was appointed by our board of directors as an Executive Vice President effective June 1, 2010, and our Chief Operating Officer effective April 23, 2012. From February 1, 2008 until April 23, 2012, Mr. Poppe served as our Chief Financial Officer. He served as our Controller and Assistant Chief Financial Officer and Assistant Treasurer since he joined us in September 2004 until February 1, 2008. In the 14 years prior to his joining us, Mr. Poppe served in various accounting and finance management positions in public accounting at Arthur Andersen LLP and in automotive retail companies, most recently as Vice President and Corporate Controller of Group 1 Automotive, Inc. Mr. Poppe spent from January 1997 until May 2004 at Group 1, a New York Stock Exchange listed, Fortune 500 retail company, and was a member of the founding management team. Mr. Poppe is a certified public accountant and obtained his B.B.A in accounting and finance from Texas A&M University.

**David W. Trahan** was elected President Retail Division by our board of directors on June 3, 2008. Mr. Trahan has previously served as our Executive Vice President Retail from June 1, 2007, as our Senior Vice President Retail from April 1, 2006 and as our Senior Vice President Merchandising from October 2001. He has been employed by us since 1986 in various capacities, including sales, store operations and merchandising. He has been directly responsible for our merchandising and product purchasing functions, as well as product display and pricing operations, for the last four years. Mr. Trahan has completed special study programs at Harvard University, Rice University and Lamar University.

**Brian E. Taylor** was appointed by the Company's Board of Directors to the position of Vice President and Chief Financial Officer, effective April 23, 2012. In June 2013, Mr. Taylor was also appointed as our Treasurer. Mr. Taylor has over 26 years of experience with growing, publicly-traded companies. He most recently served as Finance Integration Manager for Schlumberger Limited, after its acquisition of Smith International, Inc. in 2010. From 1999 through 2010, he served in various financial management roles with Smith International, Inc., including Corporate Vice President and Controller. Mr. Taylor also spent two years at Camco International, Inc. as its Director of Corporate Accounting and Worldwide Controller. Mr. Taylor began his career at Arthur Andersen LLP, spending 10 years in its assurance practice. Mr. Taylor is a certified public accountant and obtained a B.S. in accounting from Louisiana State University.

**Walter M. Broussard** has served as our Senior Vice President Store Operations since June 2010, Senior Vice President Recruiting since June 3, 2008, as our Senior Vice President Sales since 2005, and previously served as our Senior Vice President Store Operations from October 2001. Mr. Broussard has served us in numerous retail capacities since 1985, including working on the sales floor as a sales consultant, store manager and

## **Table of Contents**

district manager. He has over 29 years of retail sales experience. He attended Lamar University and has completed special study programs at Harvard University, Rice University and the University of Notre Dame.

**Clinton W. Harwood** has served as our Senior Vice President – Information Technology since being appointed by our board of directors effective June 1, 2007. He previously served as our Vice President – Information Technology since August 2000. Mr. Harwood joined Conn’s in April 1994 as Manager of Computer Operations, and has served the Company in all aspects of information technology since that time. Prior to joining the Company, he served in various information technology positions in the utility, academic and petrochemical industries. Mr. Harwood holds both a Bachelor and Master of Science degree in Computer Science from Lamar University, and completed a special study program at Harvard University.

**David J. Dubois** was appointed as Senior Vice President–Credit and Collections by our board of directors in August 2013. He has over 20 years of experience in credit underwriting, collections, strategy development, analytics and compliance. From 2007 through 2013, Mr. Dubois served as a Senior Vice President of Operations of Collections with iQor, Inc. responsible for its financial services group. Prior to that, Mr. Dubois held several positions with CitiFinancial Auto, including as Assistant Vice President of Collections responsible for managing its sub-prime delinquency portfolio.

**Robert F. Bell** was appointed by our Board of Directors as Vice President, General Counsel and Corporate Secretary in August 2013. Prior to joining the Company, Mr. Bell served as Senior Counsel and Assistant Corporate Secretary with KBR, Inc. in its Corporate Legal Group and was responsible for supporting the mergers and acquisitions, securities and other corporate functions. Prior to joining KBR in 2007, he worked as a corporate and securities associate at the law firm of Akin, Gump, Strauss, Hauer & Feld, LLP after beginning his career with the law firm of Porter Hedges, LLP. Mr. Bell holds a Bachelor of Arts in Government from the University of Texas and a juris doctorate from the University of Houston Law Center.

## **Legal Proceedings**

On March 5, 2014, the Company and three of its current executive officers were sued in a purported securities class action in the United States District Court for the Southern District of Texas captioned Milton S. Linder, Individually and on Behalf of All Other Similarly Situated v. Conn’s, Inc., Theodore M. Wright, Brian E. Taylor, and Michael J. Poppe, Case No. 4:14-cv-00548. On March 7, 2014, a similar suit was filed in the United States District Court for the Southern District of Texas captioned Peter Holman, Individually and on Behalf of All Others Similarly Situated v. Conn’s, Inc., Theodore M. Wright, Brian E. Taylor, and Michael J. Poppe, Case No. 4:14-cv-00570. The complaints allege that the defendants made false and misleading statements and/or failed to disclose material adverse facts about the Company’s business, operations, and prospects, primarily regarding the Company’s guidance for fiscal year 2015 and its underwriting and collections practices. The complaints allege violations of sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. The complaints do not specify the amount of damages sought. The defendants intend to vigorously defend against these claims. It is not possible at this time to predict the timing or outcome of the class action lawsuits that have or may be filed.

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**Table of Contents**

**EQUITY INCENTIVE PLANS**

**Amended and Restated 2003 Incentive Stock Option Plan**

In February 2003, we adopted our Amended and Restated 2003 Incentive Stock Option Plan, and amended the plan in June 2004 and May 2006. The plan is administered by the Compensation Committee of our board of directors. Our employees and employees of our subsidiaries, subject to certain exclusions, are eligible to participate in the plan. Option grants have been made at the discretion of the Compensation Committee, for such terms as the Compensation Committee may determine, but not for terms greater than ten years from the date of grant. The maximum number of shares of our Common Stock that may be issued under this plan is 3,859,767 shares, subject to adjustment. All options issued vest equally over five-year term or less, as per the grant. At January 31, 2014, there were options to purchase 909,942 shares of our Common Stock issued and outstanding under the plan and 500,047 shares remaining for future issuance under the plan.

**2011 Omnibus Incentive Plan**

In May 2011, our stockholders approved our 2011 Omnibus Incentive Plan. The plan is administered by the Compensation Committee of our board of directors. Our employees and employees of our subsidiaries, subject to certain exclusions, are eligible to participate in the plan. The maximum number of shares of our Common Stock that may be issued under this plan is 1,200,000 shares, subject to adjustment and a cap of 300,000 to any one participant in any one taxable year. Restricted stock units that have been issued under the Plan vest at various periods, depending on the recipient and the criteria of measurement for performance-based restricted stock units, but none longer than five years. At January 31, 2014, there were time-based restricted stock units issued that are convertible to 334,499 shares of our Common Stock issued and outstanding. Additionally, at January 31, 2014, there were performance-based restricted stock units issued that are convertible to a minimum of 0 shares and a maximum of 86,377 shares, determinable by the performance of our Company over a stated period of time ending January 31, 2014. A minimum of 546,786 shares and a maximum of 633,163 shares remain for future issuance under the plan.

**Employee Stock Purchase Plan**

In February 2003, we adopted our Employee Stock Purchase Plan. The Employee Stock Purchase Plan was amended on November 30, 2011 to permit highly compensated employees to participate. The plan is administered by the Compensation Committee of our board of directors. Our employees and employees of our subsidiaries, subject to certain exclusions, are eligible to participate in the plan. Eligible employees are able to purchase shares of our Common Stock without brokerage commissions and at a discount from market prices. The maximum number of shares of our Common Stock that may be issued under this plan is 1,267,085 shares, subject to adjustment. At January 31, 2014, there were 212,253 shares issued and 1,054,832 shares available for future issuance under the plan.

**2003 Non-Employee Director Stock Option Plan**

We also have the 2003 Non-Employee Director Stock Option Plan, which we adopted in February 2003. The maximum number of shares of our Common Stock that may be issued under this plan is 600,000 shares, subject to adjustment. All options issued to a director when he or she becomes a director currently vest equally over a three-year term, while those issued to a director on his fourth anniversary date and those issued immediately following each annual stockholders' meeting upon the director's election by the stockholders as a director, vest on the first anniversary date of the grant. As a result of the approval by the stockholders of the 2011 Non-Employee Director Restricted Stock Plan, discussed below, the Compensation Committee has determined at this time to issue no further options under this 2003 Non-Employee Director Stock Option Plan. At January 31, 2014, there were options to purchase 170,000 shares of our Common Stock issued and outstanding under this plan and 50,000 shares remaining for future issuance under the plan.

**2011 Non-Employee Director Restricted Stock Plan**

In May 2011 our stockholders approved our 2011 Non-Employee Director Restricted Stock Plan. The plan is administered by the Compensation Committee of our board of directors. Only our non-employee directors are eligible to participate in the plan. The maximum number of shares of our Common Stock that may be issued under this plan is 300,000 shares. Only restricted stock and restricted stock units may be awarded under the Plan. Restricted stock units that have been issued under the Plan have one-year vesting periods. At January 31, 2014, there

**Table of Contents**

were restricted stock units issued to purchase 7,248 shares of our Common Stock issued and outstanding under the plan and 213,120 shares remaining for future issuance under the plan.

The following table provides information regarding the number of shares of our Common Stock that may be issued on exercise of outstanding stock options and will be issued under restricted stock unit awards under our existing equity compensation plans as of January 31, 2014. These plans are as follows:

the Amended and Restated 2003 Incentive Stock Option Plan;

the 2011 Omnibus Incentive Plan;

the Non-Employee Director Stock Option Plan;

the 2011 Non-Employee Director Restricted Stock Plan; and

the Employee Stock Purchase Program.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (A))
Equity Compensation Plans Approved by Stockholders	1,499,280	\$ 9.27	2,373,571
Equity Compensation Plans Not Approved by Stockholders			
<b>Total</b>	<b>1,499,280</b>	<b>\$ 9.27</b>	<b>2,373,571</b>

- <sup>(1)</sup> Includes 170,000 outstanding options and 50,000 options available for future issue applicable to the Non-Employee Director Stock Option Plan. Weighted average remaining life for options outstanding at January 31, 2014 4.9 years for Employee Incentive Stock Option Plan, 4.9 for Non-Employee Director Stock Option Plan, with overall weighted average remaining life for all options outstanding at January 31, 2014 being 4.9 years. Weighted average remaining life for restricted stock unit awards outstanding at January 31, 2014 0.3 years for Non-Employee Director Restricted Stock Plan, 2.8 years for Omnibus Incentive Plan, with overall weighted average remaining life for all restricted stock unit awards outstanding at January 31, 2014 being 2.7 years.

**STOCK OWNERSHIP OF DIRECTORS, EXECUTIVE OFFICERS**

**AND PRINCIPAL STOCKHOLDERS**

The following table sets forth information regarding the beneficial ownership of our Common Stock for each person who is known by us to be the beneficial owner of more than 5% of our voting securities, for each director and named executive officer, and for all directors and executive officers as a group. Unless otherwise indicated in the footnotes, each person named below has sole voting and investment power over the shares indicated. For purposes of this table, a person is deemed to be the beneficial owner of the number of shares of Common Stock that such person has the right to acquire within 60 days of March 14, 2014 through the exercise of any option, warrant or right, through the conversion of any security, through the power to revoke a trust, discretionary account, or similar arrangement, or through the automatic termination of a trust,

discretionary account or similar arrangement.

**Table of Contents**

Name	Common Stock Owned	Percent of Common Stock Owned
Warren A. Stephens	2,563,511(1)	7.12%
The Stephens Group, LLC and its affiliates	5,000,454(2)	13.89%
Jon E.M. Jacoby	4,997,481(3)	13.88%
Dimensional Fund Advisors LP	2,197,863(4)	6.11%
St. Denis J. Villere & Company, LLC	2,580,433(5)	7.17%
Luxor Capital Group, LP	2,004,759(6)	5.57%
Theodore M. Wright	272,555(7)	0.75%
Michael J. Poppe	136,094(8)	0.38%
Brian E. Taylor	12,949(9)	0.04%
David W. Trahan	135,982(10)	0.38%
Walter M. Broussard	71,350(11)	0.20%
Kelly M. Malson	3,620	0.01%
Bob L. Martin	82,363(12)	0.23%
Douglas H. Martin	135,094(13)	0.37%
David Schofman	4,941	0.01%
Scott L. Thompson	20,000(14)	0.06%
Directors and officers (13 persons)	5,872,429	16.31%

- (1) The address of Warren A. Stephens is 111 Center Street, Little Rock, Arkansas, 72201. Includes 1,878,222 shares beneficially owned by Warren A. Stephens Trust as to which Mr. Stephens, as Trustee, has sole voting power and sole dispositive power. Also includes 6,352 shares owned by each of Warren Miles Amerine Stephens Trust, John Calhoun Stephens Trust, and Laura Whitaker Stephens Trust, as to which Mr. Stephens, as sole Trustee of the trusts, has sole voting power and sole dispositive power. Includes 82,430 shares owned by Stephens Inc. as to which Mr. Stephens, as President of Stephens Inc., may be deemed to have sole voting power and sole dispositive power. Also includes 54,014 shares held in discretionary trading accounts on behalf of clients of Stephens Inc. as to which Mr. Stephens, as President of Stephens Inc., may be deemed to have shared voting power and shared dispositive power. Also includes 323,673 shares owned by Stephens Investments Holdings, LLC as to which Mr. Stephens, as Manager of the LLC, may be deemed to have sole voting power and sole dispositive power. Also includes 206,116 shares beneficially owned by WAS Conn s Annuity Trust One, Harriet C. Stephens, Trustee, as to which Mr. Stephens may be deemed to have shared voting power and shared dispositive power. The information with respect to Warren A. Stephens comes from its Schedule 13D/A filed with the SEC, and we are not responsible for its accuracy.



**Table of Contents**

- (2) The Stephens Group, LLC and its affiliates address is 100 Morgan Keegan Drive, Suite 500, Little Rock, AR 72202. The beneficial ownership described above includes 4,503,343 shares owned by SG-1990, LLC, for which Stephens Group, LLC is the manager. W.R. Stephens, Jr., Jon E.M. Jacoby, and Elizabeth Stephens Campbell have shared power to vote and dispose of such shares as members of the Executive Committee of the Stephens Group, LLC. It also, includes 1,146 shares of held by Snow Lake Holdings, Inc., and is a member of a group with The Stephens Group LLC, 619 shares owned directly by the W.R. Stephens Jr. Revocable Trust, to which Mr. Stephens, as sole trustee, has sole power to vote and dispose and is a member of a group with The Stephens Group LLC and 692,138 shares beneficially owned by Jon E.M. Jacoby as described in footnote 3 below and is a member of a group with The Stephens Group LLC. Other than information with respect to Mr. Jacoby's ownership, the information with respect to The Stephens Group, LLC comes from its Schedule 13D/A filed with the SEC, and we are not responsible for its accuracy.
- (3) The address for Mr. Jacoby is 100 Morgan Keegan Drive, Suite 500, Little Rock, AR 72202. Includes 4,305,343 shares owned by SG-1890, LLC as to which Mr. Jacoby, as Vice Chairman and Senior Managing Director of The Stephens Group, LLC, Manager of the LLC, has shared voting power and shared dispositive power. Includes 474,083 shares owned individually as to which Mr. Jacoby has sole voting power and sole dispositive power, as well as 208,055 shares owned by Coral Two Corporation, an entity wholly owned by Mr. Jacoby and for which he has sole voting and dispositive power. Also includes 10,000 shares which Mr. Jacoby has the right to receive upon the exercise of options.
- (4) Dimensional Fund Advisors LP's address is Palisades West, Building One, 6300 Bee Cave Road, Austin, Texas, 78746. Dimensional Fund Advisors LP, an investment adviser registered under Section 203 of the Investment Advisors Act of 1940, furnishes investment advice to four investment companies registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts (such investment companies, trusts and accounts, collectively referred to as the Funds). In certain cases, subsidiaries of Dimensional Fund Advisors LP may act as an adviser or sub-adviser to certain Funds. In its role as investment advisor, sub-adviser and/or manager, neither Dimensional Fund Advisors LP or its subsidiaries (collectively, Dimensional) possess voting and/or investment power over the securities of the Issuer that are owned by the Funds, and may be deemed to be the beneficial owner of the shares of the Issuer held by the Funds. However, all securities reported in this schedule are owned by the Funds. Dimensional disclaims beneficial ownership of such securities. The information with respect to Dimensional comes from Dimensional's Schedule 13G filed with the SEC, and we are not responsible for its accuracy.
- (5) St. Denis J. Villere & Company, LLC, a Louisiana limited liability company with its principal business office located at 601 Poydras St. Suite 1808 New Orleans, LA 70130 is an Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940. The information with respect to St. Denis J. Villere & Company, LLC comes from its Schedule 13G filed with the SEC, and we are not responsible for its accuracy.
- (6) Luxor Capital Partners, LP, a Delaware limited partnership (the Onshore Fund), with its principal business address at 1114 Avenue of the Americas, 29th Floor, New York, New York 10036, directly owned 675,528 shares of Common Stock. Luxor Capital Partners Offshore, Ltd., a Cayman Islands exempted company (the Offshore Feeder Fund) as the owner of a controlling interest in Luxor Capital Partners Offshore Master Fund, LP, a Cayman Islands limited partnership (the Offshore Master Fund), may be deemed to beneficially own the shares of Common Stock owned by the Offshore Master Fund. Luxor Wavefront, LP, a Delaware limited partnership (the Wavefront Fund), directly owned 200,646 shares of Common Stock. Luxor Spectrum Offshore, Ltd., a Cayman Islands exempted company (the Spectrum Feeder Fund), as the owner of a controlling interest in Luxor Spectrum Offshore Master Fund, LP, a Cayman Islands limited partnership (the Spectrum Master Fund), may be deemed to have beneficially owned the shares of Common Stock held by the Spectrum Master Fund. The Offshore Master Fund, directly owned 980,958 shares of Common Stock. The Spectrum Master Fund directly owned 67,632 shares of Common Stock. LCG Holdings, LLC, a Delaware limited liability company ( LCG Holdings ), as the general partner of the Onshore Fund, the Wavefront Fund, the Offshore Master Fund and the Spectrum Master Fund, may be deemed to have beneficially owned the 1,924,764 shares of Common Stock owned directly by the Onshore Fund, the Wavefront Fund, the Offshore Master Fund and the Spectrum Master Fund. Luxor Capital Group, LP, a Delaware limited partnership ( Luxor Capital Group ), as the investment manager of the Onshore Fund, the Wavefront Fund, the Offshore Master Fund, the Offshore Feeder

**Table of Contents**

Fund, the Spectrum Master Fund and the Spectrum Feeder Fund (collectively, the Funds), may be deemed to have beneficially owned the 1,927,764 shares of Common Stock beneficially owned by the Funds and an additional 79,995 shares of Common Stock held in the Separately Managed Account (as defined below). Luxor Management, LLC, a Delaware limited liability company (Luxor Management), as the general partner of Luxor Capital Group, may be deemed to have beneficially owned the 2,004,759 shares of Common Stock beneficially owned by Luxor Capital Group. Christian Leone, a United States citizen (Mr. Leone), as the managing member of Luxor Management, may be deemed to have beneficially owned the 2,004,759 shares of Common Stock beneficially owned by Luxor Management. The principal business address of each of the Wavefront Fund, Luxor Capital Group, Luxor Management, LCG Holdings and Mr. Leone is 1114 Avenue of the Americas, 29th Floor, New York, New York 10036. The principal business address of each of the Offshore Master Fund, the Offshore Feeder Fund, the Spectrum Master Fund and the Spectrum Feeder Fund is c/o Maples Corporate Services Limited, P.O Box 309 GT, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. The Offshore Master Fund is a subsidiary of the Offshore Feeder Fund, and the Spectrum Master Fund is a subsidiary of the Spectrum Feeder Fund. LCG Holdings is the general partner of the Onshore Fund, the Wavefront Fund, the Offshore Master Fund and the Spectrum Master Fund. Luxor Capital Group acts as the investment manager of the Funds and to an account it separately manages (the Separately Managed Account). Luxor Management is the general partner of Luxor Capital Group. Mr. Leone is the managing member of LCG Holdings. By virtue of these relationships, LCG Holdings may be deemed to have voting and dispositive power with respect to the shares of Common Stock owned directly by the Onshore Fund, the Wavefront Fund, the Offshore Master Fund and the Spectrum Master Fund. By virtue of these relationships, each of Luxor Capital Group, Luxor Management and Mr. Leone may be deemed to have voting and dispositive power with respect to the shares of Common Stock beneficially owned by the Funds and the Separately Managed Account. The information with respect to Luxor Capital Group, LP comes from its Schedule 13G filed with the SEC, and we are not responsible for its accuracy.

- (7) Includes options to purchase 156,666 shares of common stock.
- (8) Includes options to purchase 125,000 shares of common stock.
- (9) Includes 7,500 restricted stock units that will vest within 60 days of March 14, 2014.
- (10) Includes options to purchase 98,166 shares of common stock.
- (11) Includes options to purchase 30,004 shares of common stock.
- (12) Includes options to purchase 40,000 shares of common stock.
- (13) Includes 90,494 shares owned directly by Mr. Martin as to which Mr. Martin has sole voting power and sole dispositive power. Also includes 3,100 shares owned by Mr. Martin's wife, Melanie Masino Custodian for Kye Masino. Also includes 800 shares owned by Douglas Martin Custodian for Haven Celeste Martin, and as to which Mr. Martin has sole voting power and sole dispositive power. Also includes 700 shares owned by Douglas Martin Custodian for Brett Austin Martin, and as to which Mr. Martin has sole voting power and sole dispositive power. Also includes 40,000 shares which Mr. Martin has the right to receive upon the exercise of options.
- (14) Includes options to purchase 10,000 shares of common stock.

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**Table of Contents**

**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

**Review and Approval of Related Party Transactions**

The board has adopted a statement of policy with respect to all relationships and transactions in which our Company and our directors and executive officers or their immediate family members are participants. Under this policy, the board of directors reviews all related party relationships and transactions to determine whether such persons have a direct or indirect material interest, and if so, if the transactions are at arm's length and are acceptable to the board of directors. Each related party transaction must be entered into on terms that are comparable to those that could be obtained as a result of arm's length dealings with an unrelated third party to be approved and accepted by the board of directors. As required under SEC rules, transactions that are determined to be directly or indirectly material to the Company or a related person are disclosed in our proxy statement. In addition, the Audit Committee reviews any related person transaction that is required to be disclosed. In the course of its review of these relationships, the Audit Committee observes how each relates to a potential conflict of interest with the Company:

the nature of the related person's interest in the transaction;

the material terms of the transaction, including, without limitation, the amount and type of transaction, and the timing of the entering of such transaction;

the importance of the transaction to the related person;

the importance of the transaction to the Company;

whether the transaction would impair the judgment of a director or executive officer to act in our best interest; and

any other matters the committee deems appropriate.

**Related Party Transactions**

From time to time we have engaged Stephens Inc. to act as our financial advisor. For example, in fiscal 2011 we engaged Stephens Inc. to be our financial advisor to advise us in connection with our rights offer. During our fiscal 2012, we engaged Stephens to advise us on certain transactions that we considered during fiscal 2012, none of which were consummated. Stephens Inc. did not receive any fees from us for these transactions during 2012 as they were to receive success fees in the event of the consummation of any such opportunity, together with additional fees for any opinion our board asked Stephens Inc. to render in connection with any such opportunity. During our fiscal 2013, we retained Stephens Inc. among other investment banking groups to assist us in a primary and secondary offering of our stock and the stock owned by Stephens Inc. and its affiliates, including Douglas H. Martin, one of our directors and the Senior Managing Director of Stephens Inc. The disinterested members of our board of directors determined that it was in the Company's best interest to engage Stephens Inc. in such capacity to assist us in analyzing and advising us with respect to these opportunities. The engagement of Stephens Inc. was approved by the independent members of our board of directors after full disclosure of the conflicts of interests of the related parties in the transaction. Mr. Douglas H. Martin did not participate in the approval process. No fees were paid to Stephens Inc. for financial advisory services in fiscal 2014.

David W. Trahan's son, Aaron Trahan, is employed by the Company, for which he is currently paid a salary of \$175,000 and received 1,200 shares of restricted stock units in fiscal 2014. He also participates in the Company's annual cash incentive program. His target annual cash bonus was 40% of his beginning of year annual base salary in fiscal 2014.

**Table of Contents**

**SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires that our directors, executive officers as well as other persons who own more than 10% of our outstanding Common Stock file initial reports of ownership and reports of changes in ownership of our Common Stock with the SEC. Officers, directors and other stockholders who own more than 10% of our outstanding Common Stock are required by the SEC to furnish us with copies of all Section 16(a) reports they file.

To our knowledge, based on a review of reports and information furnished to us by those persons who were directors, executive officers and/or the beneficial holders of 10% or more of our Common Stock at any time during the fiscal year ended January 31, 2014 and upon representations from such persons, we believe that all stock ownership reports required to be filed under Section 16(a) by such reporting persons during the fiscal year ended January 31, 2014 were timely made.

**Table of Contents****INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Ernst & Young LLP served as our independent registered public accounting firm for the fiscal year ended January 31, 2014. The Audit Committee has appointed Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015. Representatives of Ernst & Young LLP will attend the 2014 annual meeting of stockholders and will be available to respond to appropriate questions that may be asked by stockholders. These representatives will also have an opportunity to make a statement at the meeting if they desire to do so.

Fees for professional services rendered by Ernst & Young LLP during fiscal 2014 and 2013 in each of the following categories, including related expenses, are:

	<b>Years Ended January 31,</b>	
	<b>2014</b>	<b>2013</b>
Audit Fees	\$ 799,213	\$ 1,206,919
Audit-Related Fees		
Tax Fees	122,021	123,094
All Other Fees		

**Audit fees:** Consists of fees for professional services rendered for annual audit of the Company's consolidated financial statements, including the audit of internal control over financial reporting, reviews of the interim financial statements included in the Company's Quarterly Reports on Form 10-Q and work performed to support the Company's debt and equity issuances, including SEC registration statements and filings, and the issuance of consents and in connection with responses to SEC comment letters

**Audit-related fees:** There were no audit-related services performed in fiscal 2013 or fiscal 2014.

**Tax fees:** Consists of fees billed for professional services related to tax compliance, tax advice, and other tax planning services and advice.

**Other Fees:** Consists of fees billed for all other services and are unrelated to specific audit or audit-related services described above.

Our Audit Committee Charter requires pre-approval of all services to be rendered by our independent auditors. All of the audit, audit-related fees, tax fees, and all other fees were approved by our Audit Committee for fiscal 2014 and 2013. It was determined that no services rendered by our outside auditors in fiscal 2014 were prohibited under the Sarbanes-Oxley Act of 2002. In addition, the Audit Committee has considered whether Ernst & Young LLP's provision of services, other than services rendered in connection with the audit of our annual financial statements and reviews of our financial statements included in our Forms 10-Q for the most recent fiscal year, is compatible with maintaining Ernst & Young LLP's independence and has determined that such services rendered met the requirements of independence.

**Table of Contents**

**STOCKHOLDERS SHARING THE SAME LAST NAME AND ADDRESS**

To reduce the expense of delivering duplicate proxy materials to stockholders who may have more than one account holding Conn's stock but who share the same address, we have adopted a procedure approved by the SEC called "householding." Under this procedure, certain stockholders of record who have the same address and last name, and who do not participate in electronic delivery of proxy materials, will receive only one copy of our **Notice of Internet Availability of Proxy Materials** and, as applicable, any additional proxy materials that are delivered until such time as one or more of these stockholders notifies us that they want to receive separate copies. This procedure reduces duplicate mailings and saves printing costs and postage fees, as well as natural resources. Stockholders who participate in householding will continue to have access to and utilize separate proxy voting instructions.

If you receive a single set of proxy materials as a result of householding, and you would like to have separate copies of our **Notice of Internet Availability of Proxy Materials**, annual report, or proxy statement mailed to you, please submit a request to our Corporate Secretary at 4055 Technology Forest Blvd., Suite 210, The Woodlands, Texas 77381 or call our Investor Relations department at (936) 206-3156, and we will promptly send you what you have requested. However, please note that if you want to receive a paper proxy or voting instruction form or other proxy materials for purposes of this year's annual meeting, follow the instructions included in the **Notice of Internet Availability of Proxy Materials** that was sent to you. You can also contact our Investor Relations department at the phone number above if you received multiple copies of the annual meeting materials and would prefer to receive a single copy in the future, or if you would like to opt out of householding for future mailings.

**Table of Contents**

Conn s, Inc.

**2014 ANNUAL MEETING OF STOCKHOLDERS**

**May 28, 2014**

**FORM OF PROXY**

YOU CAN VOTE OVER THE INTERNET OR BY TELEPHONE

QUICK \* EASY \* IMMEDIATE \* AVAILABLE

24 HOURS A DAY \* 7 DAYS A WEEK

Conn s, Inc. encourages you to take advantage of convenient ways to vote. If voting by proxy, you may vote over the Internet, by telephone or by mail. Your internet or telephone vote authorizes the named proxies to vote in the same manner as if you marked, signed, and returned your proxy card. To vote over the internet, by telephone, or by mail, please read the accompanying proxy statement and then follow these easy steps:

VOTE BY INTERNET [www.proxyvote.com](http://www.proxyvote.com)

Use the internet to transmit your voting instructions and for electronic delivery of information up until 11:59 PM Eastern Time on May 27, 2014. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

VOTE BY PHONE (800) 690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 PM Eastern Time on May 27, 2014. Have your proxy card in hand when you call and then follow the instructions.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by Conn s, Inc. in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in the future.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717 or Conn s General Counsel, 4055 Technology Forest Blvd., Suite 210, The Woodlands, Texas 77381

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**Important Notice Regarding the Internet Availability of Proxy Materials for the Annual Meeting:** The Notice and Proxy Statement, and Annual Report on Form 10-K are available at [www.conns.com](http://www.conns.com) and [www.proxyvote.com](http://www.proxyvote.com).

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By my signature below, I revoke all previous proxies and appoint Robert F. Bell or Michael J. Poppe as proxy, with full power of substitution and resubstitution, to represent and to vote, as designated below, all shares of Common Stock of Conn s, Inc. that I held of record as of the close of business on April 1, 2014 at the 2014 annual meeting of stockholders to be held at 4055 Technology Forest Blvd., Suite 210, The Woodlands, Texas 77381, on May 28, 2014 at 11:00 a.m. local time, or any postponements or adjournments thereof. Each of the above named proxy is hereby instructed to vote as specified.

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**THIS PROXY IS BEING SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

**PLEASE MARK YOUR VOTE IN THE BOXES BELOW USING DARK INK ONLY**

**Proposals:**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
1. To elect the seven directors listed below:			
Jon E.M. Jacoby	..	..	..
Kelly M. Malson	..	..	..
Bob L. Martin	..	..	..
Douglas H. Martin	..	..	..
David Schofman	..	..	..
Scott L. Thompson	..	..	..
Theodore M. Wright	..	..	..



**Table of Contents**

	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
2. To approve the amendment to our certificate of incorporation to increase the number of shares of capital stock which the Company shall have authority to issue to be 101,000,000 shares of stock, of which 100,000,000 shares are Common Stock, par value of \$0.01 per share, and 1,000,000 shares are Preferred Stock.	..	..	..
3. To ratify the Audit Committee's appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending January 31, 2015.	..	..	..
4. To approve, on an advisory basis, named executive officers compensation.	..	..	..
5. In the above named proxy's discretion, to act upon such other business as may properly come before the meeting.	..	..	..

**IMPORTANT This proxy must be signed and dated where provided on the reverse side.**

**If you execute and return this proxy it will be voted in the manner you have specified. If no specification is made, this proxy will be voted FOR Proposal 1, FOR Proposal 2, FOR Proposal 3, and FOR Proposal 4, and in the discretion of the above named person acting as proxy on such other matters that may properly come before the meeting.**

Please sign exactly as your name appears on this proxy. Joint owners should each sign. When signing as a fiduciary, such as an attorney, executor, administrator, trustee, guardian, etc., please give your full title as such. **Please return this form of proxy promptly in the enclosed envelope.**

The undersigned acknowledge(s) receipt of the Notice of 2014 annual meeting of stockholders and the Proxy Statement accompanying such Notice, each dated April 13, 2014.

**Print Name**

**Print Name**

**Signature(s)**

**Signature(s)**

**Date**

**Date**