

CONNS INC  
Form DEF 14A  
April 17, 2017  
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**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)

Payment of Filing Fee (Check the appropriate box):

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No fee required.

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

- 1) Title of each class of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
- 2) Aggregate number of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
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Fee paid previously with preliminary materials.

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

- 1) Amount Previously Paid:
  
  
  
  
  
  
  
  
  
  
- 2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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**CONN S, INC.**

**NOTICE OF 2017 ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held May 31, 2017**

**Location Information**

**The Westin at The Woodlands**

**Edgewater Ballroom B**

**2 Waterway Square Place**

**The Woodlands, Texas 77380**

To the Stockholders of Conn s, Inc.:

NOTICE IS HEREBY GIVEN that the 2017 annual meeting of stockholders of Conn s, Inc. will be held on Wednesday, May 31, 2017, at The Westin at The Woodlands, Edgewater Ballroom B, 2 Waterway Square Place, The Woodlands, Texas, 77380, commencing at 12:00 P.M., Central Daylight Time, for the following purposes:

1. to elect the eight directors nominated by our Board of Directors and named in this proxy statement;
2. 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, 2018;
3. to hold a non-binding advisory vote to approve the compensation of our named executive officers;
4. to hold a non-binding advisory vote on the frequency of holding an advisory vote on compensation of our named executive officers;
5. to approve the adoption of the Amended 2016 Omnibus Incentive Plan; and
6. to transact such other business as may properly come before the meeting.

Only stockholders of record at the close of business on April 5, 2017 are entitled to notice of, and to vote at, the 2017 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 executive offices located at 4055 Technology Forest Blvd., Suite 210, The Woodlands, Texas 77381. If you plan on attending in person, you will need to provide proof of stock ownership, such as an account or brokerage statement reflecting stock ownership as of the record date, and a form of valid government-issued picture identification, such as a driver s license or passport.

We are pleased to take advantage of the U.S. Securities and Exchange Commission ( SEC ) rule that allows companies to furnish proxy materials to their stockholders over the Internet. As a result, on or about April 12, 2017, we are mailing to our stockholders, other than those who previously requested electronic or paper delivery of proxy materials, a **Notice of Internet Availability of Proxy Materials** (the Notice ) for the fiscal year ended January 31, 2017. 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, 2017, and a form of proxy card or voting instruction card. **It is very important that your shares are represented and voted at the meeting. As explained in further detail in the Notice, your shares may be voted via a toll-free telephone number, on the Internet, or by signing, dating and returning the enclosed proxy card in the envelope provided. Your proxy card will not be used if you are present at the meeting and prefer to vote in person, or if you revoke your proxy.**

By Order of the Board of Directors,

Mark L. Prior  
Vice President, General Counsel and Secretary

April 12, 2017

The Woodlands, Texas

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**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS  
FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 31, 2017**

The Company's Proxy Statement for the 2017 Annual Meeting of Stockholders and the Annual Report on Form 10-K for the fiscal year ended January 31, 2017 are available free of charge 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).

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**PROXY STATEMENT**

**2017 ANNUAL MEETING OF STOCKHOLDERS**

**Date:** May 31, 2017

**Time:** 12:00 P.M., Central Daylight Time

**Location of Meeting:** Conn s, Inc. (we, us or the Company )

The Westin at The Woodlands

Edgewater Ballroom B

2 Waterway Square Place

The Woodlands, Texas 77380

**Record Date and Number of** April 5, 2017. Holders of our Common Stock, par value \$0.01 per share (Common Stock ) are entitled to one vote for each share of Common Stock they owned as of the close of business on April 5, 2017. You may not cumulate votes.

**Votes:**

- Agenda:**
1. To elect the eight directors nominated by our Board of Directors and named in this proxy statement;
  2. 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, 2018 (fiscal 2018 );
  3. To hold a non-binding advisory vote to approve the compensation of our named executive officers;
  4. To hold a non-binding advisory vote on the frequency of holding an advisory vote on compensation of our named executive officers;
  5. To approve the adoption of the Amended 2016 Omnibus Incentive Plan; and



6. 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 eight directors nominated by the Board of Directors and named in this proxy statement;
2. FOR the proposal to ratify the appointment by the Audit Committee of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2018;
3. FOR the approval, on a non-binding, advisory basis, of the compensation of our named executive officers;
4. FOR a frequency of ONE YEAR as the frequency with which stockholders are provided an advisory vote on compensation of our named executive officers; and
5. FOR the adoption of the Amended 2016 Omnibus Incentive Plan.

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 of the Company (the Board of Directors or Board ).

**Distribution** 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

**Date:** available on or about April 12, 2017.

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

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

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**GENERAL INFORMATION REGARDING THE 2017 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 our common stock (the Common Stock ) entitled to vote at the 2017 annual meeting of stockholders (the 2017 annual meeting or the meeting ), 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 5, 2017, the Record Date, there were 30,658,022 shares of our Common Stock issued and outstanding and entitled to vote, meaning that 15,329,012 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 2017 annual meeting?**

The following matters will be voted on at the 2017 annual meeting:

1. the election of eight directors nominated to the Board of Directors;
2. a proposal to ratify the Audit Committee's appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2018;
3. a non-binding advisory resolution to approve the compensation of our named executive officers;
4. a non-binding advisory resolution on the frequency of holding the non-binding advisory vote to approve the compensation of our named executive officers;
5. the adoption of the Amended 2016 Omnibus Incentive Plan; and
6. 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 eight directors nominated by the Board of Directors and named in this proxy statement.

2. FOR the ratification of the appointment by the Audit Committee of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2018.
3. FOR the approval, on a non-binding advisory basis, of the compensation of our named executive officers, as disclosed in this proxy statement.
4. FOR the approval, on a non-binding advisory basis, of a frequency of ONE YEAR as the frequency with which stockholders are provided an advisory vote on compensation of our named executive officers.
5. FOR the adoption of the Amended 2016 Omnibus Incentive Plan.

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

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 2017 annual meeting. Rule 452 of the New York Stock Exchange, which governs all brokers (including those holding NASDAQ-listed securities), 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. Other than with respect to the proposal to ratify the appointment of Ernst & Young as our independent registered public accounting firm (Proposal Two), which is considered routine, all of the other proposals are considered non-routine matters. Please provide instructions to your broker or nominee on how to vote your shares. If you do not provide such voting instructions to your broker, they will not be able to vote for Proposals One, Three, Four or Five for you and a

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broker non-vote will result. 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 ratify the appointment by the audit committee of our Board of Directors (the Audit Committee) of our independent registered public accounting firm and any other routine matters that may properly come before the meeting. 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 2017 annual meeting, 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's election exceeds the number of shares voted against that director's election. Abstentions and broker non-votes will have no effect on this proposal.

Proposal Two: 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 represented by proxy and entitled to vote on the subject matter at the meeting is required to ratify the Audit Committee's appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2018. Abstentions will have the same effect as a vote against this proposal and broker non-votes will have no effect on this proposal.

Proposal Three: Advisory Vote on Executive Compensation - An affirmative vote of a *majority* of the shares present in person or represented by proxy and entitled to vote on the subject matter 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.

Proposal Four: Advisory Vote on Frequency of Advisory Vote on Executive Compensation - The frequency (one, two or three years) of the advisory vote on compensation of our named executive officers receiving the greatest number of votes will be the recommended frequency that stockholders approve. Because your vote for this proposal 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 the frequency of the advisory vote on compensation of our named executive officers. Abstentions and broker non-votes will have no effect on this proposal.

Proposal Five: Adoption of the Amended 2016 Omnibus Incentive Plan - An affirmative vote of a *majority* of the shares present in person or represented by proxy and entitled to vote on the subject matter at the meeting is required for the adoption of the Amended 2016 Omnibus Incentive Plan. 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 5, 2017, 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 thereof 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 eight directors nominated by our Board of Directors and named in this proxy statement;

FOR the ratification of the Audit Committee's appointment of Ernst & Young LLP, as our independent registered public accounting firm for fiscal 2018;



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FOR the approval, on a non-binding advisory basis, of the compensation of our named executive officers, as disclosed in this proxy statement;

FOR the approval, on a non-binding advisory basis, of a frequency of ONE YEAR as the frequency with which stockholders are provided an advisory vote on compensation of our named executive officers; and

FOR the adoption of the Amended 2016 Omnibus Incentive Plan.

*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 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 2017 annual meeting, your shares will not be voted at the 2017 annual meeting. For each of the proposals, 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.

*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. See [What is the effect of a broker non-vote?](#) for more information.

### **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 31, 2017.

**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 31, 2017.

**In person at the Annual Meeting.** You may vote your shares in person at the 2017 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 2017 annual meeting.

*Beneficial Owners.* If you are a beneficial owner of your shares, you should receive a Notice 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 2017 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 2017 annual meeting.

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

*Stockholders of Record.* If you are a stockholder of record, you may revoke your proxy at any time before the final vote at the 2017 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 2017 annual meeting and voting in person; or

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

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*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 proxy.

Your attendance at the 2017 annual meeting will not automatically revoke your proxy unless you vote again at the 2017 annual meeting.

### **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 present proposals for inclusion in our proxy statement for consideration at our 2018 annual meeting of stockholders. To be considered at our next annual meeting, you must submit your proposals, in addition to meeting other legal requirements, within the appropriate time periods, as set forth below. If you want to make a proposal for consideration at our 2018 annual meeting and have it included in the Company's proxy materials relating to our 2018 annual meeting, we must receive your proposal at our principal executive office by no later than December 15, 2017, and such proposal must otherwise comply with Rule 14a-8 ( Rule 14a-8 ) of the Securities Exchange Act of 1934 (the Exchange Act ) and other applicable SEC rules. If you want to make a proposal or nominate a director for consideration at our 2018 annual meeting without having the proposal included in the Company's proxy materials, you must comply with the then-current advanced notice provisions and other requirements set forth in our Amended and Restated Bylaws ( Bylaws ). Under our current Bylaws, our Corporate Secretary must receive such proposals for possible consideration at our 2018 annual meeting at our principal executive offices no earlier than December 15, 2017 and no later than January 14, 2018. However, if the date of the 2018 annual meeting changes by more than 30 days from the first anniversary date of this year's meeting, we will then provide notice of the new date of the 2018 annual meeting in our earliest possible quarterly report on Form 10-Q. If we do not receive your proposal or nomination by the appropriate deadline, then it may not be brought before the 2018 annual meeting even if it meets the other proposal or nomination requirements.

We do not intend to bring any business before the 2017 annual meeting other than the matters described in this proxy statement and 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 2017 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** to our stockholders owning shares of our Common Stock on or about April 12, 2017. 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, 2017 (fiscal 2017 ), 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 by e-mail on an ongoing basis. A stockholder's election to receive proxy materials by mail or by e-mail will remain in effect until the stockholder terminates such election. We encourage stockholders to take advantage

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of the availability of the proxy materials on the Internet to help reduce the environmental impact of the 2017 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 free of charge 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).

**How can I find the result of the voting at the 2017 annual meeting?**

Preliminary voting results will be announced at the 2017 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, 2017, which will be posted on our website at [www.conns.com](http://www.conns.com), under Investor Relations.

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**PROPOSALS FOR STOCKHOLDER ACTION**

**PROPOSAL ONE:**

**ELECTION OF DIRECTORS**

**Number of Directors to be Elected**

Our Board currently consists of ten director positions and we currently have eight members on our Board. We intend for the two vacancies to remain until our Board of Directors desires to fill such vacancies or reduce the size of the Board. At this time the Board of Directors believes eight is the appropriate number of directors and does not intend to fill the two director vacancies. The eight directors to be elected at the 2017 annual meeting will hold office until the 2018 annual meeting of stockholders, or until their respective successors have been elected and qualified or earlier upon their 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 of our Board (the Nominating and Corporate Governance Committee ) in accordance with the committee's charter, our certificate of incorporation ( Certificate of Incorporation ) and Bylaws, our Corporate Governance Guidelines, and the criteria determined by the Board for our director candidates. In considering the nomination of the directors identified below to serve until the 2018 annual meeting, the Nominating and Corporate Governance Committee 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 the 2017 annual meeting holds or has held senior executive positions in organizations providing such background and expertise, 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 director nominees 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 director nominees 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 consideration diversity in range of backgrounds, perspectives and experience of the individuals it recommends for nomination to our Board of Directors. Information on the specific experience of each nominee can be found under the caption Board of Directors Board of Director Nominees for 2017 2018.

**Board Nominees**

Our Board of Directors met in March 2017 and considered the candidates for nomination for election to the Board at the 2017 annual meeting. The Nominating and Corporate Governance Committee, 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 2017 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 2017 annual meeting.

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<b>Name</b>	<b>Position</b>	<b>Age</b>	<b>Term of Office</b>	<b>Committee Membership</b>
James H. Haworth	Independent Director	55	March 2016 - Current	Compensation Committee  Nominating and Corporate Governance Committee
Kelly M. Malson	Independent Director	46	August 2012 - Current	Audit Committee (Chair)  (Financial Expert)  Nominating and Corporate Governance Committee
Bob L. Martin	Lead Independent Director	68	September 2003 - Current	Nominating and Corporate Governance Committee (Chair)  Compensation Committee (Chair)
Douglas H. Martin	Director	63	February 2003 - Current	Credit Risk and Compliance Committee
Norman L. Miller	President, Chief Executive Officer and Chairman of the Board	56	September 2015 - Current	None
William E. Saunders, Jr.	Independent Director	43	August 2014 - Current	Audit Committee (Financial Expert)  Credit Risk and Compliance Committee (Chair)
William (David) Schofman	Independent Director	45	May 2012 - Current	Compensation Committee



Oded Shein	Independent Director	55	March 2016 - Current	Audit Committee (Financial Expert)
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Credit Risk and Compliance  
Committee

Each director nominee currently serves as a member of the Board, having been elected at our 2016 annual meeting and served on the Board of Directors throughout fiscal 2017.

Those nominees identified in the table above as independent director have been determined by our Board to be independent under NASDAQ rules. 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 director nominee that the Nominating and Corporate Governance Committee and our Board of Directors considered to determine that such nominee should serve as one of our directors, please refer to the section captioned Board of Directors Board of Director Nominees for 2017 2018, below.

Each director nominee will be elected by the vote of a majority of the votes cast with respect to such director nominee. This means the number of votes cast for a director nominee must exceed 50% of the votes cast with respect to that director nominee (excluding abstentions and broker non-votes). Each director nominee has tendered his or her resignation from the Board, which shall be effective only in the event that (i) the votes cast for such director nominee are equal to or less than 50% of the votes cast with respect to that director nominee, and (ii) the Board of Directors accepts such resignation. The Nominating and Corporate Governance Committee will make a recommendation to the Board of Directors whether to accept any resignation in the event any director nominee fails to receive over 50% of the votes cast for such director nominee. The Board of Directors will then consider the recommendation and publicly disclose its decision within 90 days after the certification of the election results.

**The Board of Directors Recommends That You Vote FOR the Election Of Each Of The Eight Board Nominees.**

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**PROPOSAL TWO:**

**RATIFICATION OF THE SELECTION OF INDEPENDENT**

**REGISTERED PUBLIC ACCOUNTING FIRM**

Ernst & Young LLP served as our independent registered public accounting firm for fiscal 2017. The Audit Committee has appointed Ernst & Young LLP as our independent registered public accounting firm for fiscal 2018. 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 2017 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 fiscal 2018. 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 it determines 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 2017 annual meeting 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.

**The Board of Directors and the Audit Committee Recommend That You Vote FOR The Ratification Of Ernst & Young LLP As Our Independent Registered Public Accounting Firm.**

*Principal Accounting Firm Fees and Services*

Fees for professional services rendered by Ernst & Young LLP to the Company during the fiscal years ended January 31, 2017 and 2016 in each of the following categories, including related expenses, are:

	<b>Fiscal Years Ended</b>	
	<b>January 31,</b>	
	<b>2017</b>	<b>2016</b>
Audit	\$ 1,205,355	\$ 1,255,451
Audit-Related Fees	\$ 131,039	\$ 95,000
Tax Fees	-	\$ 66,140
All Other Fees	-	-

**Audit fees:** Consists of fees for professional services rendered for the 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, the issuance of consents and in connection with responses to SEC comment letters.

***Audit-related fees:*** Fees for fiscal 2017 and fiscal 2016 consist of work performed to support the Company's securitization transactions.

***Tax fees:*** Consists of fees billed for professional services related to tax compliance, tax advice, and other tax planning services and advice. There were none of these services performed in fiscal 2017.

***All Other Fees:*** Consists of fees billed for all other services and are unrelated to specific audit or audit-related services described above. There were none of these services performed in fiscal 2016 or fiscal 2017.

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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 the fiscal years ended January 31, 2017 and 2016. The Audit Committee determined that no services rendered by our outside auditors during fiscal 2017 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 Quarterly Reports on Form 10-Q during fiscal 2017, is compatible with maintaining Ernst & Young LLP's independence and has determined that such services rendered met the requirements of independence under applicable SEC rules.

**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; (iii) implementation and compliance with Sarbanes-Oxley Section 404 requirements and authorities; and (iv) financial, tax, and risk management policies. The Audit Committee is composed of three independent, non-employee directors 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 fiscal 2017.

**Review and Discussion**

Management is responsible for our financial reporting process (including our system of internal controls) and for the preparation of Conn's, Inc.'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 fiscal 2017, 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 fiscal 2017, with management;

discussed with Ernst & Young LLP the matters required to be discussed by auditing standards, including Auditing Standard No. 16, as adopted by the Public Company Accounting Oversight Board (PCAOB); and

received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the PCAOB concerning independence, and discussed with Ernst & Young LLP its independence, 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.

**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 fiscal 2017, for filing with the SEC.

**AUDIT COMMITTEE:**

Kelly M. Malson, Chair  
William E. Saunders, Jr.  
Oded Stein

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

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (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 and this vote is provided as required pursuant to section 14A of the Exchange Act. 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 has determined to hold this vote annually. At our 2016 annual meeting, approximately 99% of the votes cast were in favor of the advisory resolution on our executive compensation.

As described in the Compensation Discussion and Analysis section of this proxy statement, 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 their interests with those of our stockholders. In addition, our executive compensation program is designed to encourage the long-term commitment of our named executive officers to the Company. We believe that our executive compensation program, which primarily consists of a base salary, an annual Company performance-based cash bonus opportunity, and time- and performance-based equity awards, promotes these objectives. Please read the section captioned 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 ended January 31, 2017.

In applying these objectives, the compensation committee of our Board of Directors (Compensation Committee ) relied upon:

input and recommendations received from our Chairman and Chief Executive Officer regarding the performance of each executive officer (other than the Chief Executive Officer), each of whose performance is analyzed by the Compensation Committee, the documentation provided to support 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 composed by Frederic W. Cook & Co., the Compensation Committee's independent compensation consultant; and

the knowledge of the individual members of the Compensation Committee 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 contained in this proxy statement, is hereby APPROVED on a non-binding, 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 to what extent, any actions are necessary to address our named executive officers' compensation program.

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**The Board of Directors Recommends That You Vote FOR The Approval, On A Non-Binding Basis, of The Compensation Of Our Named Executive Officers.**

**PROPOSAL FOUR:**

**ADVISORY VOTE ON FREQUENCY OF AN**

**ADVISORY VOTE ON COMPENSATION**

**OF OUR NAMED EXECUTIVE OFFICERS**

The Dodd-Frank Act enables our stockholders to indicate, every six years, how frequently we should seek an advisory vote on the compensation of our named executive officers, such as Proposal Three presented for vote to the stockholders in this proxy statement, and this vote is being provided as required pursuant to section 14A of the Exchange Act. By voting on this Proposal Four, stockholders may indicate their preference for an advisory vote on named executive officers' compensation once every one, two or three years.

At the 2011 annual meeting of stockholders, our stockholders voted, in a non-binding advisory capacity, to hold an annual advisory vote on compensation of our named executive officers. After discussion and consideration of such results, our Board determined to hold an advisory vote on compensation of our named executive officers annually, and has held such an advisory vote at every annual meeting of stockholders since the 2011 annual meeting of stockholders.

After discussions and consideration of this Proposal Four, our Board has determined that an advisory vote on our named executive officers' compensation should occur every year in order that our Company receives the opinions of our stockholders in a timely manner on a regular basis. This annual vote would enable our Board to consider annually the views of our stockholders and to determine whether our Company's compensation package should be adjusted to reflect those opinions.

You may cast your vote for one, two or three years or abstain from voting. The option receiving the highest number of votes will be the frequency requested by our stockholders in this advisory vote. However, since the vote is advisory, our Board may decide, in its opinion, that it is in the best interests of the Company and our stockholders to hold the advisory vote on executive compensation more or less frequently than the option receiving the most votes from our stockholders.



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**The Board of Directors Recommends That You Vote FOR The Option of Every Year As Frequency With Which Stockholders Are Provided An Advisory Vote on Compensation of Our Named Executive Officers.**

**BOARD OF DIRECTORS**

**Board of Director Nominees for 2017 - 2018:**

**Norman L. Miller** was appointed as our President and Chief Executive Officer, and to our Board of Directors, effective September 7, 2015. Mr. Miller was appointed as our Chairman of the Board in May 2016. Prior to joining the Company, Mr. Miller most recently served as the Senior Vice President and President, Automotive at Sears Holdings, which operates over 700 Sears Auto Center locations. Previously, he served as President and Chief Operating Officer of DFC Global Corp (formerly Dollar Financial Corp, NASDAQ: DLLR) from 2007 to 2014. Prior to his employment at DFC Global Corp, Mr. Miller served as Group President, Sports and Entertainment unit at ARAMARK, where he worked for a decade. He was named to the role after serving as the President of ARAMARK's Correctional Services unit from 2002 to 2003. Mr. Miller's career also includes nine years with Nestle, Kraft General Foods and PepsiCo, serving in management positions in sales, marketing and operations. Mr. Miller received a Bachelor's of Science degree from the United States Military Academy at West Point.

Mr. Miller has extensive financial knowledge and provides valuable guidance to our Board of Directors in overseeing various aspects of our operations. In addition, his prior experience as an executive of Sears Holdings and DFC Global Corp provides valuable experience from both the retail and credit operations perspective. His service to our Company as our Chairman, Chief Executive Officer and President provides Mr. Miller with additional and particular knowledge of our Company that he brings to our Board of Directors.

**Bob L. Martin** has served as a 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, and currently holds such position. Mr. Martin is also the Chief Executive Officer (part-time) of Mcon Management Services, Ltd., a consulting company since 2002. He was previously a consultant to that entity. Mr. Martin has over 35 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. Mr. Martin has also served as a director of Dillard's, Inc., 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 a corporate governance and compensation committee, and has been a member of an audit committee, in each case, 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. Mr. Martin is the chair of the Nominating and Corporate Governance Committee and the Compensation Committee.

There is no relation between Mr. Bob Martin and Mr. Doug Martin.

**Kelly M. Malson** was appointed as a director in August 2012 and chair of the Audit Committee effective November 26, 2012. Ms. Malson was also appointed to the Company's Nominating and Corporate Governance Committee in December 2015. 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, LLP 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 related to our business.

**Douglas H. Martin** served as a director of the predecessor to the Company beginning in 1998, and was appointed as one of our directors in February 2003. Mr. Martin is an Executive Vice President of Stephens Inc., an investment bank, 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.

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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 Stephens, Inc., which owns a substantial amount of the Company's Common Stock, also helps the Board of Directors to have more direct insight into how its decisions impact our stockholders. Mr. Martin is a member of the Credit Risk and Compliance Committee.

**William E. Saunders, Jr.** was appointed as a director in August 2014 and has served on the Company's Audit Committee since his appointment. He has also chaired the Company's Credit Risk and Compliance Committee since the committee's formation in December 2014. Mr. Saunders has served as the Chief Executive Officer of Community Choice Financial Inc., a leading retailer of alternative consumer financial services products, since June 2008, and Chairman of its Board of Directors since May 2014, after joining the company as its Chief Financial Officer in March 2006. Prior to joining Community Choice Financial (previously CheckSmart Financial Holdings), Mr. Saunders was a Vice President for Stephens Inc., an investment bank, from 2004 to 2006 and, prior to that was an associate at Houlihan Lokey, an investment bank, SunTrust Equitable Securities, an investment bank, and Arthur Andersen, an accounting firm. He also serves on the board of FactorTrust, a global credit reporting agency. Mr. Saunders holds a B.S. in Business with Special Attainment in Accounting and Commerce from Washington & Lee University and is a certified public accountant in the State of Georgia.

Mr. Saunders brings extensive investment banking, finance, management, credit and regulatory experience to our Board.

**William (David) Schofman** was appointed as a director in March 2012. Mr. Schofman is an active executive, investor and board member for several companies including: PureWRX, Inc., a value-added distributor and reseller of information technology 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 until 2004, before the Company was sold to Callaway Golf. Prior to that, Mr. Schofman was the co-founder and CEO of International Golf Outlet from 1995 until 1999, which was sold to CBS Sportsline. Mr. Schofman graduated from the University of Texas at Austin in 1994.

Mr. Schofman has varied and valuable experience in marketing, electronic media, E-commerce, retail operations, branding and merchandising strategies. Having built and operated several business ventures, Mr. Schofman brings invaluable background 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 and advisor to other companies. Mr. Schofman serves on our Compensation Committee.

**Oded Shein** was appointed as a director in March 2016 and was appointed to the Company's Audit Committee and Credit Risk and Compliance Committee concurrent with his joining the Board. Mr. Shein has served as Executive Vice President and Chief Financial Officer of Stage Stores since January 2011. From July 2004 until January 2011, Mr. Shein served in various financial positions at Belk, Inc., including as its Vice President, Finance and Treasurer. Prior to joining Belk, Inc., Mr. Shein served as the Vice President, Treasurer of Charming Shoppes, Inc. Mr. Shein holds a B.B.A. in Information Systems from Baruch College and an M.B.A. in Finance from Columbia University.

Mr. Shein brings significant knowledge of financial and operational matters in the retail industry, including his experience as a public company Chief Financial Officer, to the Board.

**James H. Haworth** was appointed as a director in March 2016 and was appointed to the Company's Compensation Committee and Nominating and Corporate Governance Committee concurrent with his joining the Board. In August 2016, Mr. Haworth resigned from Professional Bull Riders Inc. ( PBR ) to join Outdoor Cap, a privately held company in Bentonville, Arkansas, as President and Chief Executive Officer. As required by our Corporate Governance Guidelines, Mr. Haworth submitted his conditional resignation to the Board due to his departure from PBR. The Nominating and Corporate Governance Committee (without Mr. Haworth) considered the conditional resignation and the Board (without Mr. Haworth) accepted the Nominating and

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Corporate Governance Committee's recommendation to decline Mr. Haworth's conditional resignation. Mr. Haworth served as Chairman and Chief Executive Officer of PBR from 2011 to 2016. From 2010 through 2011 he served as Executive Vice President and President, Retail Services for Sears Holding Corporation. Prior to that, he served as Chairman, President and Chief Executive Office for Chia Tai Enterprises International Limited & CP Lotus, an investment holding company principally engaged in the operation of shopping centers in China, from 2006 to December 2009. Mr. Haworth is also the founder and President of Business Decisions Inc., a consulting firm specializing in strategic product marketing for the retail, merchandising and supply chain industries. Previous to Business Decisions Inc., Mr. Haworth spent 20 years with Wal-Mart Stores, Inc., in roles of increasing responsibility including Executive Vice President of Operations for Sam's Club and Executive Vice President and Chief Operating Officer, Wal-Mart Stores, Inc. Mr. Haworth received a Bachelor's of Science in Business Administration from Central Missouri State University.

Mr. Haworth brings extensive leadership experience in retail and strategic planning through his positions with other public companies to our Board.

If elected, these director nominees will serve one year terms, which will expire at our 2018 annual meeting of stockholders.

## **Nomination Policies and Procedures**

The goal of our Board has been, and continues to be, to identify nominees for service on the Board of Directors who will bring diverse and varied 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 the time of such consideration. The Nominating and Corporate Governance Committee assesses the effectiveness of its charter annually in connection with the nomination of directors for election at the annual meeting of stockholders. In addition, our Corporate Governance Guidelines, which are available on our website at [www.conns.com](http://www.conns.com) under Investor Relations Corporate Governance, contain provisions regarding the identification and selection of our director nominees.

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 Board approved criteria, (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 does not have a specific written policy or process regarding the nominations of directors, nor does it maintain minimum standards for director nominees other than as set forth in its charter and the Company's Corporate Governance Guidelines.

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 a stockholder provide written notice to our 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 Exchange Act (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, SEC rules or other applicable laws. The Nomination and Corporate Governance Committee treats recommendations for directors that are received from the Company's stockholders equally with recommendations received from any other source, so long as the recommendations comply with the procedures for stockholder recommendations set forth in the Company's Bylaws, as outlined above.

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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, a vision and 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 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 by 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 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 Ms. Malson, Mr. Bob Martin, Mr. Saunders, Mr. Schofman, Mr. Shein and Mr. Haworth is independent as defined under applicable SEC and NASDAQ rules. Mr. Bob L. Martin was appointed our Lead Independent Director in August 2012 and has since served as our Lead Independent Director.

The independent directors of the Board held executive sessions at each regular meeting of the Board of Directors during fiscal 2017.

At the meeting of the Nominating and Corporate Governance Committee held in March 2017, the Committee discussed the relationships of Mr. Bob L. Martin with The Stephens Group, LLC, and whether his relationship or ownership interest impacted his ability to exercise independent judgment in carrying out his responsibility as a director. The Committee discussed the current position of Mr. 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. 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 Mr. Martin is properly considered an independent director and recommended to the Board of Directors that it approve Mr. Martin's independence as defined under the SEC and the NASDAQ rules.

At its meeting in March 2017, our Board of Directors approved the independence of Mr. Bob Martin.

## **Board Meetings**

During fiscal 2017, the Board of Directors held 13 meetings. Each director attended 75% or more of all meetings of the Board and the committees on which such director served during fiscal 2017.

## **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. All of our directors 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.



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The current members of our Audit Committee are Ms. Malson, who has served as chair of the Audit Committee since November 2012, Mr. Saunders and Mr. Shein. In March 2016, Mr. Shein replaced Mr. Schofman as a member of the Audit Committee concurrent with Mr. Shein's appointment to the Board. The Audit Committee held 10 meetings during fiscal 2017. The board has determined that Ms. Malson, Mr. Saunders and Mr. Shein are audit committee financial experts as described in Item 407(d)(5) of Regulation S-K. 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 its independent compensation consultant. Our Chief Executive Officer does not play a role, nor does he make any recommendations in respect of, the determination of his own compensation. The Compensation Committee 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 members of our Board, 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 Chief Executive Officer and other executive officers. In connection with 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. A copy of the Compensation Committee charter, as amended, is posted on our website at [www.conns.com](http://www.conns.com) under Investor Relations Corporate Governance.

The current members of the Compensation Committee are Mr. Bob Martin (Chair), Mr. Schofman and Mr. Haworth. Mr. Haworth was appointed to the Compensation Committee in March 2016 concurrent with his appointment to the Board.

The Compensation Committee held six meetings during fiscal 2017. 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 section of this proxy statement captioned Compensation Discussion and Analysis below.

## ***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 Nominating and Corporate Governance Committee will periodically review and make recommendations regarding our corporate governance policies and procedures, which are discussed in part below under the caption Corporate Governance and copies of which 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.

The Nominating and Corporate Governance Committee is also responsible for overseeing a formal evaluation process to assess the composition and performance of the Board, each committee, and each individual director on an annual basis. The assessment is conducted to identify opportunities for improvement and skill set needs, as well as to ensure that the Board, committees, and individual members have the appropriate blend of diverse experiences and backgrounds, and are effective and productive. As part of the process, each member of the Board completes a questionnaire that includes Board, committee and individual assessments. While results are aggregated and summarized for discussion purposes, individual responses are not attributed to any member and are kept confidential to ensure honest and candid feedback is received.

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Members of the Nominating and Corporate Governance Committee are appointed by the Board. The members of the Nominating and Corporate Governance Committee serve until their successors are duly elected and qualified, and they may be removed by the Board of Directors in its discretion. Each member of the Nominating and Corporate Governance Committee is an independent director (who, for the avoidance of doubt, is not an employee of the Company or any of its subsidiaries).

Our Nominating and Corporate Governance Committee currently consists of Mr. Bob Martin (Chair), Ms. Malson and Mr. Haworth. Mr. Haworth was appointed to the Nominating and Corporate Governance Committee in March 2016 concurrent with his appointment to the Board.

All members of the Nominating and Corporate Governance Committee were determined by the Board to be independent as defined by the SEC and NASDAQ listing standards. The Nominating and Governance Committee held two meetings during fiscal 2017.

### ***Credit Risk and Compliance Committee***

In December 2014, the Board established a Credit Risk and Compliance Committee. The Credit Risk and Compliance Committee is responsible for reviewing credit risk, underwriting strategy, compliance activities, the provision methodology, and monitoring trends in the Company's loan portfolio. We adopted a written charter for the Credit Risk and Compliance Committee, which is posted on our website at [www.conns.com](http://www.conns.com) under Investor Relations Corporate Governance. Our Credit Risk and Compliance Committee currently consists of Mr. Saunders (Chair), Mr. Doug Martin and Mr. Shein. Mr. Shein was appointed to the Credit Risk and Compliance Committee in March 2016, concurrent with his appointment to the Board. The Credit Risk and Compliance Committee held 12 meetings during fiscal 2017.

### **Compensation of Non-Employee Directors**

The Compensation Committee periodically reviews director compensation for service on the Board and for service on any Board committees, and recommends director compensation and any changes to such compensation to the Board for approval. The Board annually reviews and approves director compensation for Board and committee service based on the recommendations of the Compensation Committee. In fiscal 2014, the Compensation Committee engaged Frederic W. Cook & Co. ([F.W. Cook](http://www.fwc.com)) to review the competitiveness of the compensation program for our non-employee directors. Based on the review, in May 2014 the Compensation Committee recommended to the Board that the director compensation program be adjusted to bring the fiscal 2015 annual Board and committee retainers and annual equity grants to non-employee directors in line with median peer group practice to make compensation for service on our Board more competitive in the marketplace. For fiscal 2016 and fiscal 2017, the Compensation Committee recommended no changes to the compensation program from the program for fiscal 2015 and annual equity grants continued to track the peer group median. Directors who are also employees of the Company do not receive any compensation for service on the Board in addition to their regular employee compensation. The following table summarizes the fiscal 2017 non-employee director compensation plan:

<b>Fee</b>	<b>Fiscal 2017</b>
Annual Cash Retainer (1)	\$ 70,000
Additional Annual Retainer for:	
Lead Independent Director	\$ 20,000
Audit Committee Chair	\$ 15,000
Credit Risk and Compliance Committee Chair	\$ 10,000
Compensation Committee Chair	\$ 10,000
Nominating & Corporate Governance Committee Chair	\$ 7,500
Annual Equity Awards (2)	\$ 75,000

(1) In addition to the following fees, the Company reimburses all directors for reasonable travel and out-of-pocket expenses incurred in connection with their duties as directors, including attendance at meetings.

(2) Annual equity awards issued under our 2011 Non-Employee Director Restricted Stock Plan are granted on the first day following the date of the annual stockholders meeting, are payable in the form of restricted stock units (RSUs), are valued at the grant date, and fully vest on the one-year anniversary of the date of grant. The number of shares of restricted stock granted pursuant to each such RSU grant to the directors is determined by dividing the total dollar amount awarded by the closing price of the Company's common stock on the date of grant.

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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. Pursuant to the employee discount program, non-employee directors can purchase Conn's merchandise at product cost plus 10%.

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 of restricted stock and RSUs to our non-employee directors.

In May 2016, all non-employee directors received 6,649 RSUs with an aggregate fair value of approximately \$75,000. In March 2016, Mr. Shein and Mr. Haworth, upon joining the Board, each received 743 RSUs with an aggregate fair value of approximately \$12,500, which reflects a pro-rated grant for their service until the next regularly scheduled grant date.

The following table presents the total compensation for each non-employee director for fiscal 2017:

Name	DIRECTOR COMPENSATION							Total
	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension and		All Other Compensation	
					Nonqualified Deferred Compensation Earnings			
(\$)1	(\$)2	(\$)	(\$)	(\$)	(\$)	(\$)		
Bob Martin	\$ 107,500	\$ 75,000	-	-	-	-	-	\$ 182,500
Thomas H. Martin	\$ 70,000	\$ 75,000	-	-	-	-	-	\$ 145,000
Thomas H. Haworth	\$ 70,000	\$ 87,500	-	-	-	-	-	\$ 157,500
Ms. Malson	\$ 85,000	\$ 75,000	-	-	-	-	-	\$ 160,000
Mr. Shein	\$ 70,000	\$ 87,500	-	-	-	-	-	\$ 157,500
Mr. David Schofman	\$ 70,000	\$ 75,000	-	-	-	-	-	\$ 145,000
Mr. E. Saunders, Jr.	\$ 80,000	\$ 75,000	-	-	-	-	-	\$ 155,000

(1) Reflects cash retainer fee of \$70,000 per year, annual Committee chair fees paid to Mr. Bob Martin (\$20,000 for serving as Lead Independent Director, \$10,000 for serving as chair of the Compensation Committee, and \$7,500 for serving as chair of the Nominating and Corporate Governance Committee), Ms. Malson (\$15,000 for serving as chair of the Audit Committee), and Mr. Saunders (\$10,000 for serving as chair of the Credit Risk and Compliance Committee). Directors who begin their Board service mid-year receive a pro-rata portion of the cash retainers and annual equity compensation.

(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 1 to the financial statements contained in the Company's Annual Report on Form 10-K for fiscal 2017. Each of our non-employee directors was issued 6,649 RSUs pursuant to the Company's 2011 Non-Employee Director Restricted Stock Plan on May 26, 2016. All of the awards vest on May 26, 2017. In March 2016, Mr. Shein and

Mr. Haworth, upon joining the Board, each received 743 RSUs with a fair value of approximately \$12,500, which reflects a pro-rated grant for their service until the next regularly scheduled grant date.

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 the caption Compensation Discussion and Analysis - Stock Ownership Guidelines. Non-employee directors must retain 50% of the net after-tax shares realized from any equity awards granted by the Company until the guidelines are met. As of January 31, 2017, each of Messrs. Bob Martin and Doug Martin met the ownership requirements, and each of Mr. Haworth, Ms. Malson, Mr. Saunders, Mr. Schofman, and Mr. Shein continues to make progress toward the required ownership thresholds and is in compliance with the mandatory retention requirement. No non-employee director sold any shares in fiscal 2017.

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Listed below are the aggregate outstanding RSU awards and option awards (by number of underlying shares) held by each non-management director as of January 31, 2017:

<b>Name</b>	<b>Stock Awards</b>	<b>Option Awards</b>
Bob L. Martin	6,649	40,000
Douglas H. Martin	&nb	