

INSIGHT ENTERPRISES INC  
Form DEF 14A  
April 06, 2018  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities**

**Exchange Act of 1934 (Amendment No. \_\_\_\_)**

Filed by the Registrant

Filed by a Party other  
than the Registrant

**Check the appropriate box:**

Preliminary Proxy Statement

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

**INSIGHT ENTERPRISES, INC.**

*(Name of Registrant as Specified in its Charter)*

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

**Payment of Filing Fee (Check the appropriate box):**

**No fee required.**

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

**Fee paid previously with preliminary materials.**

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

**Table of Contents**

**Notice of 2018 Annual Meeting of Stockholders**

**and**

**Proxy Statement**

**Table of Contents**

**In 2017, our team delivered strong growth in our core business and gained market share from competitors in North America, reflecting growth in data center solutions as well as devices. Our acquisition of Datalink in January 2017, which delivered solid financial results in its first year as part of Insight, complemented the growth in our core business. Additionally, we delivered an impressive increase in earnings from operations year over year, driven by gross profit growth that was faster than sales and tight cost management across the business in 2017. We believe that we have a full suite of solutions that position us to provide value to our clients throughout their technology journey and provide a strong foundation for us to compete in the marketplace in 2018.**

Dear Fellow Stockholder,

On behalf of our Board of Directors, I am pleased to invite you to Insight's 2018 Annual Meeting of Stockholders. The meeting will be held on Thursday, May 10, 2018 at 11:00 a.m. MST, at our client support center located at 910 West Carver Road, Suite 110, Tempe, Arizona. The attached Notice of Annual Meeting of Stockholders and Proxy Statement will serve as your guide to the business to be conducted at the meeting.

For Insight, 2017 was a year of record financial performance and strategic progress, as we improved profitability and made strategic investments for the future.

For more information on Insight and to take advantage of the many stockholder resources and tools available, we encourage you to visit our Investor Relations website at [www.insight.com](http://www.insight.com).

Your vote is very important. Whether or not you plan to attend the Annual Meeting, we urge you to vote either via the Internet, by telephone or by signing and returning a proxy card. Please vote as soon as possible so that your shares will be represented at the meeting.

Thank you for your trust in Insight and your investment in our business.

**Kenneth T. Lamneck**  
*President and Chief Executive Officer*  
April 6, 2018

**Table of Contents**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**When:**

**Thursday, May 10, 2018  
11:00 a.m. MST**

**Where:**

**Insight Client Support Center  
910 West Carver Road, Suite 110  
Tempe, Arizona**

We are pleased to invite you to the Insight Enterprises, Inc. 2018 Annual Meeting of Stockholders (the Annual Meeting ).

**Items of Business:**

1. To elect nine directors for a term expiring at the 2019 Annual Meeting of Stockholders (or until their respective successors have been duly elected and qualified);
2. To approve, on an advisory basis, named executive officer compensation;
3. To ratify KPMG LLP as the Company's independent registered public accounting firm for the year ending December 31, 2018; and
4. To consider any other business that may properly come before the Annual Meeting or any adjournments or postponements of the meeting.

**Record Date:**

Holders of our common stock at the close of business on March 22, 2018 are entitled to notice of, and to vote at, the Annual Meeting.

**How to Vote:**

Your vote is important to us. Please see [Voting Information](#) on page 1 for instructions on how to vote your shares.

These proxy materials are first being distributed on or about April 6, 2018.

**April 6, 2018**

By Order of the Board of Directors,

**Samuel C. Cowley**  
*Senior Vice President, General Counsel and  
Secretary*

**Important Notice Regarding Availability of Proxy Materials for the Annual Meeting to be Held on May 10, 2018: The proxy materials relating to our 2018 Annual Meeting (notice, proxy statement and annual report) are available at**

[www.proxypush.com/nsit](http://www.proxypush.com/nsit).

**Table of Contents****PROXY STATEMENT TABLE OF CONTENTS**

<b><u>VOTING INFORMATION</u></b>	1
<u>Who is Eligible to Vote</u>	1
<u>Participate in the Future of Insight – Vote Today</u>	1
<u>Voting in Advance of the Annual Meeting</u>	1
<u>Voting at the Annual Meeting</u>	1
<u>Frequently Asked Questions</u>	1
<b><u>PROXY SUMMARY</u></b>	2
<b><u>CORPORATE GOVERNANCE</u></b>	7
<u>Independence of Our Board of Directors</u>	7
<u>Board of Directors Leadership Structure</u>	8
<u>Board Refreshment</u>	8
<u>Board Assessment</u>	8
<u>Corporate Social Responsibility</u>	8
<u>Board and Committee Meetings</u>	8
<u>Board Committees</u>	9
<u>Board of Directors Role in Strategy</u>	11
<u>Board of Directors Role in Risk Oversight</u>	11
<u>Code of Ethics and Business Practices</u>	12
<u>Hedging, Short Sales and Pledging Policies</u>	12
<u>Communications with the Board of Directors</u>	12
<u>Compensation Committee Interlocks and Insider Participation</u>	12
<u>Related Party Transactions</u>	12
<b><u>PROPOSAL 1 – Election of Directors</u></b>	14
<u>Director Nomination Process</u>	14
<u>Director Qualifications</u>	14
<u>2018 Nominees for Election to the Board of Directors</u>	15
<b><u>DIRECTOR COMPENSATION</u></b>	19
<u>Elements of Director Compensation</u>	19
<u>Stock Ownership Guidelines</u>	19
<u>2017 Director Compensation Table</u>	20
<b><u>STOCK OWNERSHIP</u></b>	21
<u>Ownership of Our Common Stock</u>	21
<u>Certain Beneficial Owners, Directors and Executive Officers</u>	22
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	23

<b><u>EXECUTIVE OFFICERS</u></b>	23
<b><u>PROPOSAL 2</u></b> <u>Advisory Vote to Approve Named Executive Officer Compensation</u>	25
<b><u>COMPENSATION DISCUSSION AND ANALYSIS</u></b>	26
<b><u>OVERVIEW</u></b>	27
<u>2017 Business Highlights</u>	27
<u>Our Executive Compensation Program</u>	29
<u>Our Executive Compensation Practices</u>	30
<u>2017 Say-on-Pay Vote</u>	30

**Table of Contents**

<b><u>WHAT WE PAY AND WHY</u></b>	30
<u>2017 Executive Compensation Decisions</u>	30
<u>Base Salary</u>	31
<u>Annual Cash Incentive Awards</u>	31
<u>Long-Term Equity-Based Incentive Program</u>	36
<u>Other Elements of Our 2017 Executive Compensation Program</u>	39
<b><u>HOW WE MAKE EXECUTIVE COMPENSATION DECISIONS</u></b>	41
<u>Role of the Board, Compensation Committee and our Executive Officers</u>	42
<u>Guidance from the Compensation Committee's Independent Compensation Consultant</u>	42
<u>Comparison Peer Groups</u>	42
<u>Alignment of Senior Management Team to Drive Performance</u>	45
<b><u>COMPENSATION COMMITTEE REPORT</u></b>	45
<b><u>2017 EXECUTIVE COMPENSATION</u></b>	46
<u>2017 Summary Compensation Table</u>	46
<u>2017 Grants of Plan-Based Awards Table</u>	47
<u>2017 Outstanding Equity Awards at Fiscal Year-End Table</u>	48
<u>2017 Option Exercises and Stock Vested Table</u>	49
<u>Employment Agreements, Severance and Change in Control Provisions</u>	50
<b><u>EQUITY COMPENSATION PLAN INFORMATION</u></b>	55
<b><u>PROPOSAL 3 – Ratification of Independent Registered Public Accounting Firm</u></b>	56
<b><u>AUDIT COMMITTEE REPORT</u></b>	56
<u>Independent Registered Public Accounting Firm Fees and Independence</u>	58
<b><u>FREQUENTLY ASKED QUESTIONS CONCERNING THE ANNUAL MEETING</u></b>	59
<b><u>OTHER BUSINESS</u></b>	62
<u>Annual Report</u>	62
<u>Householding</u>	62
<u>Stockholder Proposals and Director Nominations for the 2019 Annual Meeting</u>	62
<b><u>FORWARD-LOOKING STATEMENTS</u></b>	63
<b><u>APPENDIX A</u></b>	A-1
<b><u>INSIGHT ENTERPRISES, INC. AND SUBSIDIARIES NON-GAAP ADJUSTED FINANCIAL MEASURE RECONCILIATIONS</u></b>	A-1

**Table of Contents****VOTING INFORMATION****Who is Eligible to Vote**

You are entitled to vote at the Annual Meeting if you were a stockholder of Insight Enterprises, Inc. (the Company or Insight ) as of the close of business on March 22, 2018, the record date for the Annual Meeting.

**Participate in the Future of Insight Vote Today**

Please cast your vote as soon as possible on all of the proposals listed below to ensure that your shares are represented.

	<b>More</b>	<b>Board</b>
	<b>Information</b>	<b>Recommendation</b>
Proposal 1	Page 14	
Election of Directors		<b>FOR each Director Nominee</b>
		<b>FOR</b>
Proposal 2	Page 25	
Advisory Vote to Approve Named Executive Officer Compensation		
Proposal 3		<b>FOR</b>
Ratification of Independent Registered Public Accounting Firm	Page 56	

**Voting in Advance of the Annual Meeting**

Even if you plan to attend our Annual Meeting in person, please read this proxy statement with care and vote right away as described below. For stockholders of record, have your notice and proxy card in hand and follow the instructions. If you hold your shares through a broker, bank or other nominee, you will receive voting instructions from your broker, bank or other nominee, including whether telephone or Internet options are available.

**INTERNET / MOBILE**

**PHONE**

**MAIL**

Visit 24/7:  
[www.proxypush.com/nsit](http://www.proxypush.com/nsit)

Dial toll free 24/7:  
1-866-883-3382

Mark, sign and date your  
proxy card and return it in

Use the Internet to vote  
your proxy until 11:59  
p.m. (CT) on May 9,  
2018.

Use a touch-tone telephone to  
vote your proxy until 11:59  
p.m. (CT) on May 9, 2018.

the postage-paid  
envelope provided.

**Voting at the Annual Meeting**

You may vote in person at the Annual Meeting, which will be held on Thursday, May 10, 2018, at 11:00 a.m. MST, at the Insight Client Support Center, 910 West Carver Road, Suite 110, Tempe, Arizona. If you hold your shares through a broker, bank or other nominee and would like to vote in person at the Annual Meeting, you must first obtain a proxy issued in your name from the institution that holds your shares.

**Frequently Asked Questions**

We provide answers to many frequently asked questions about the meeting and voting under **Frequently Asked Questions Concerning the Annual Meeting** beginning on page 59 of this proxy statement.

**Table of Contents****PROXY SUMMARY**

*This summary highlights information contained elsewhere. This summary does not contain all of the information that you should consider, and you should read carefully the entire proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2017 before voting at the Annual Meeting. Measures used in this proxy statement that are not based on U.S. generally accepted accounting principles ( GAAP ) are defined and reconciled to the most directly comparable GAAP measure in Appendix A.*

**Business Overview**

We are a Fortune 500 global information technology ( IT ) provider helping organizations of all sizes from small and medium sized businesses to worldwide enterprises, governments, schools and health care organizations define, architect, implement and manage Intelligent Technology Solutions . We empower our clients in managing their IT environments so they can drive meaningful outcomes today and transform their operations for tomorrow.

This year, 2018, marks 30 years of doing business for Insight. Across three decades, we have evolved with the industry in pursuit of helping our clients run their businesses smarter. The ever increasing complexity across the technology ecosystem, combined with the continual emergence of new trends and offerings, has made it difficult for most clients to effectively manage their IT environments. We believe that our core business plus our recent strategic acquisitions have provided us with an integrated foundation to better serve our clients. We have identified four key solutions areas that capitalize on this foundation and include robust offerings to address our clients demands. Our key solutions areas are:

*Supply Chain Optimization* We help our clients **invest smarter**. By optimizing their supply chain, we help our clients maximize resources and do more today so they can invest in the future.

*Connected Workforce* We help our clients employees **work smarter**. By connecting their workforces, we help our clients create meaningful employee experiences that fuel productivity as well as attract and retain essential talent.

*Cloud and Data Center Transformation* We help our clients **run workloads smarter**. By defining and navigating cloud and data center platforms, we help our clients optimize and modernize their businesses.

*Digital Innovation* We help our clients **innovate smarter**. By innovating their digital business process, we help our clients monetize existing offerings, create new revenue streams and drive differentiation across their customers experience.

We are organized in three geographic operating segments:

		% of 2017
Operating Segment	Geography	Consolidated Net Sales

Edgar Filing: INSIGHT ENTERPRISES INC - Form DEF 14A

North America	United States and Canada	77%
EMEA	Europe, Middle East and Africa	20%
APAC	Asia-Pacific	3%

**Table of Contents**

**2017 Business Highlights**

In 2017, our team delivered strong growth in our core business and gained market share from competitors in North America, reflecting growth in data center solutions as well as devices. Our acquisition of Datalink in January 2017, which delivered solid financial results in its first year as part of Insight, complemented the growth in our core business. Overall, we improved profitability partly as a result of expense discipline across the business. For the year, we delivered the following consolidated financial results:

Net sales growth of \$1.2 billion, or 22%, to \$6.7 billion

Gross profit growth of 24%, with gross margin increasing approximately 20 basis points

Non-GAAP Adjusted earnings from operations ( EFO ) growth of 24%

Non-GAAP Adjusted diluted earnings per share ( EPS ) growth of 29%, to \$3.24

Non-GAAP Adjusted return on invested capital ( ROIC ) of 10.33%

*See Appendix A for a reconciliation of each non-GAAP Adjusted financial measure to the most directly comparable GAAP measure*

From a strategic standpoint, Insight continued to expand its market leading capabilities for delivering global IT solutions for complex business problems through:

the acquisition of Datalink Corporation ( Datalink ), a leading provider of IT services and enterprise data center solutions based in Eden Prairie, Minnesota with operations throughout the United States, on January 6, 2017 and completion of the IT systems and back office integration activities by mid-year; and the acquisition of Caase.com, a Dutch cloud service provider, in the third quarter of 2017, which further enhanced our technical capabilities around Office 365 and Azure in the EMEA region.

We also continued to make additional strategic investments for the future to develop capabilities to serve our clients needs.

**Table of Contents**

The following chart shows how a \$100 investment in the Company's common stock on December 31, 2012 would have grown to \$220 on December 31, 2017. The chart also shows Insight's performance versus the NASDAQ US Benchmark TR Index (Market Index) (\$100 investment would have grown to \$207) and the NASDAQ US Benchmark Computer Hardware TR Index (Industry Index) (\$100 investment would have grown to \$241) over the same period, with dividends reinvested quarterly.

For further details about our performance in 2017, please see the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

Table of Contents**Our Board of Directors**

**Independent Board.** Our Board of Directors is comprised entirely of independent directors, other than our President and Chief Executive Officer.

**Independent Chair of the Board.** Timothy A. Crown serves as our independent Chair of the Board.

**Independent Board Committees.** All members of our Audit, Compensation and Nominating and Governance Committees are independent directors.

**Board Committee Membership****As of April 1, 2018**

Name	Age	Director Since	Primary Occupation	Independent	Audit	Compensation	Nominating & Governance
Kenneth T. Lamneck	63	2010	President and Chief Executive Officer, Insight Enterprises, Inc.				
Timothy A. Crown	54	1994	Investor / Entrepreneur				
Richard E. Allen	61	2012	Investor			x	
Bruce W. Armstrong	56	2016	Operating Partner, Khosla Ventures		x		x
Linda Breard	48	2018	Investor		x	x	
Catherine Courage	43	2016	Vice President, Experience for Ads			x	x

			and Commerce, Google, Inc.		
Bennett Dorrance*	72	2004	Managing Director, DMB Associates, Inc.		×
Michael M. Fisher*	72	2001	Investor	×	×
Anthony A. Ibargiuen	58	2008	President, AquaVenture Holdings LLC and Chief Executive Officer, Quench USA, Inc.	×	
Kathleen S. Pushor	60	2005	Independent Consultant		