

LogMeIn, Inc.
Form DEF 14A
April 08, 2016
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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 Rule 14a-12

LOGMEIN, INC.

(Name of the Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

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

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- 1) Amount previously paid:

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

 - 3) Filing Party:

 - 4) Date Filed:

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**Notice of 2016 Annual
Meeting of Stockholders
and Proxy Statement**

Thursday, May 26, 2016 at 9:00 a.m., Eastern Time

Offices of Latham & Watkins LLP,

John Hancock Tower, 27th Floor, 200 Clarendon Street

Boston, MA 02116

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2016 NOTICE OF MEETING AND PROXY STATEMENT

April 8, 2016

Dear Fellow Stockholders:

We are pleased to invite you to our 2016 Annual Meeting of Stockholders, which will take place on Thursday, May 26, 2016 at 9:00 AM, Eastern Time, at the offices of Latham & Watkins LLP, John Hancock Tower, 27th Floor, 200 Clarendon Street, Boston MA 02116. Annual Meetings play an important role in maintaining communications and understanding among our management, board of directors and stockholders, and we hope you will join us.

On the pages following this letter you will find the notice of our 2016 Annual Meeting of Stockholders, which lists the items of business to be considered at the Annual Meeting, and our proxy materials, which describe the items of business listed in the notice and provide other information you may find useful in deciding how to vote. We have elected to provide our proxy materials over the Internet under the Securities and Exchange Commission's notice and access rules. Consequently, most stockholders will not receive paper copies of our proxy materials. We will instead send to these stockholders a Notice Regarding the Availability of Proxy Materials (the "Notice") with instructions for accessing the proxy materials, including our proxy statement and Annual Report to Stockholders, and for voting via the Internet. Providing our proxy materials to stockholders electronically allows us to conserve natural resources and reduce our printing and mailing costs related to the distribution of our proxy materials. If you wish to receive paper copies of our proxy materials you may do so by following the instructions contained in the Notice.

The ability to have your vote counted at the Annual Meeting is an important stockholder right. Regardless of the number of shares you hold or whether you plan to attend the meeting, we hope that you will promptly cast your vote. You may vote over the Internet, or, if you received printed proxy materials, by mailing a proxy or voting instruction card. Please review the instructions on each of your voting options described in our proxy statement, as well as in the Notice.

Thank you for your ongoing support and continued interest in LogMeIn.

Sincerely,

William R. Wagner

President & Chief Executive Officer

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2016 NOTICE OF MEETING AND PROXY STATEMENT

Notice of Annual Meeting of Stockholders

To Be Held on Thursday, May 26, 2016

Notice is hereby given that the 2016 Annual Meeting of Stockholders will be held at the offices of Latham & Watkins LLP, John Hancock Tower, 27th Floor, 200 Clarendon Street, Boston MA 02116, on Thursday, May 26, 2016, at 9:00 AM, Eastern Time, for the following purposes:

1. To elect the two nominees identified in the attached proxy statement as members of our board of directors to serve as class I directors for a term of three years;
2. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016;
3. To approve an amendment and restatement of our 2009 Stock Incentive Plan that will increase the number of shares of common stock that may be issued under the plan by an additional 1,600,000 shares;
4. To approve the Company's proposed Cash Incentive Bonus Plan so that the Company may qualify performance-based cash incentives paid as performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder;
5. To approve, on an advisory basis, the compensation of our named executive officers; and
6. To transact other business, if any, that may properly come before the Annual Meeting of Stockholders or any adjournment of the Annual Meeting of Stockholders.

For this year's Annual Meeting, we are taking advantage of the Securities and Exchange Commission rules that allow us to furnish proxy materials to you via the Internet. We believe this will allow us to provide you with the information you need in a manner that is convenient and familiar to you, while also helping us lower our costs to deliver these materials and reduce the environmental impact of our Annual Meeting.

On or about April 8, 2016, we will mail to our stockholders a Notice Regarding the Availability of Proxy Materials (the "Notice") containing instructions on how to access our proxy statement for our Annual Meeting and our Annual Report to Stockholders for the year ending December 31, 2015, which contains our audited consolidated financial statements and other information of interest to our stockholders. The Notice will also provide instructions on how to vote online and includes instructions on how to request a paper copy of the proxy materials by mail. Stockholders of record at the close of business on our record date, Friday, April 1, 2016, are entitled to receive this Notice and to vote at the Annual Meeting of Stockholders and at any adjournments of such meeting. The stock transfer books of LogMeIn will remain open between the record date and the date of the Annual Meeting for any stockholder to examine for any purpose germane to the Annual Meeting. These books will also be available to stockholders for any such purpose at the Annual Meeting.

Your vote is important. Whether or not you plan to attend the Annual Meeting of Stockholders, we urge you to cast your vote and submit your proxy as soon as possible by one of the methods below:

1. Vote over the Internet. You may vote your shares by following the Internet voting instructions provided in the Notice you received. Please see the section of this proxy statement entitled "INFORMATION ABOUT THE ANNUAL MEETING AND VOTING - How do I vote?" for additional information.
2. Vote by mail. If you received your proxy materials by mail, you may vote by completing and signing the proxy card delivered with those materials and returning it in the postage pre-paid envelope we provided.
3. Vote in person. If you are attending the 2016 Annual Meeting of Stockholders, you may vote by delivering a completed proxy card in person or by completing and submitting a ballot, which will be provided at the 2016 Annual Meeting of Stockholders.

If you are a registered stockholder (that is, you hold your shares in your name), you must present valid identification to vote at the Annual Meeting. If you are a beneficial stockholder (that is, your shares are held in the name of a broker, bank or other holder of record), you will also need to obtain a legal proxy from the holder of record to vote at the Annual Meeting.

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By Order of the Board of Directors,

Michael J. Donahue

As Secretary

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2016 NOTICE OF MEETING AND PROXY STATEMENT

Proxy Statement Summary

The below summary is intended to highlight certain key information contained in this Proxy Statement. As it is only a summary, it does not contain all of the information that you should consider. We strongly encourage you to read the complete Proxy Statement as well as our 2015 Annual Report to Stockholders before casting your vote.

2016 Annual Meeting of Stockholders**Date & Time:**

May 26, 2016 at 9:00 AM, Eastern Time

Record Date:

April 1, 2016

Place:

The Offices of Latham & Watkins LLP

John Hancock Tower, 27th Floor

200 Clarendon Street

Boston, MA 02116

Voting:

Stockholders as of the record date are entitled to vote. Each share of our common stock that you owned on the record date entitles you to one vote on each matter that is voted on at the 2016 Annual Meeting of Stockholders.

Voting Matters & Board Recommendations

Proposal	Description:	Board's Recommendation	Page
1	Election of two Class I director nominees: Gregory W. Hughes; and Marilyn Matz	FOR each nominee	25
2	Ratification of appointment of Deloitte & Touche LLP as independent auditors for fiscal 2016	FOR	25
3	Approval of amendment and restatement of 2009 Stock Incentive Plan	FOR	25
4	Approval of the Company's Cash Incentive Bonus Plan	FOR	33
5	Advisory approval of executive compensation	FOR	35

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2016 NOTICE OF MEETING AND PROXY STATEMENT

Proxy Statement Summary (continued)

Significant 2015 Business Highlights

LogMeIn delivered another year of strong financial and operational performance in 2015, with highlights that included the following:

1. Non-GAAP net income is GAAP net income excluding stock-based compensation expense, litigation-related expense and acquisition-related costs and amortization, less the tax effect of the non-GAAP items. FY 2015 GAAP Net Income was \$14.6M.
2. Non-GAAP earnings per share is non-GAAP net income divided by diluted average weighted shares outstanding. FY 2015 GAAP earnings per share was \$0.56.
3. Adjusted EBITDA is GAAP net income, less interest income, interest expense and other (expense) income, net, provision for income taxes, depreciation and amortization expenses, acquisition-related costs, stock-based compensation expense and litigation-related expenses. FY 2015 GAAP Net Income was \$14.6M.

Corporate Governance Highlights

We believe that good corporate governance is important to achieve business success and to ensure that we are managed for the long-term benefit of our stockholders. We believe that the following corporate governance policies, guidelines and practices adopted by our board of directors reflect many current best practices, including:

- A majority of votes voting standard and a director resignation policy for directors in uncontested elections
- Seven out of nine directors are independent
- An independent lead director presides over all executive sessions of the board of directors and helps set board and committee meeting agendas
- Three standing board committees comprised solely of independent directors
- Directors have full and free access to management and, as necessary and appropriate, independent advisors
- We have separated the roles of Chairman and Chief Executive Officer
- All directors attended greater than 75% of board meetings held during 2015
- An insider trading policy that prohibits executives and directors from hedging or pledging LogMeIn stock
- Directors are subject to stock ownership guidelines
- At least annually, the board of directors and its committees conduct a self-evaluation to determine whether they are functioning effectively

Please see the section entitled "Our Commitment to Corporate Governance," beginning on page 22 of this Proxy Statement for additional information about our Corporate Governance practices.

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2016 NOTICE OF MEETING AND PROXY STATEMENT

Proxy Statement Summary (continued)

Results of Last Year's Say-on-Pay Vote

At our 2015 Annual Meeting of Stockholders, we conducted our annual non-binding advisory vote on the compensation of our named executive officers, commonly referred to as a say-on-pay vote. Approximately 88% of the votes cast by stockholders on this proposal were cast in support of the 2014 compensation of our named executive officers. While this vote is non-binding, the compensation committee and our board of directors carefully considers the results. Given the strong level of support evidenced by last year's say-on-pay vote, the compensation committee determined that our stockholders were generally supportive of our current executive compensation philosophy and program and decided that no significant changes to our executive compensation program were necessary at this time. Nevertheless, the compensation committee and our board of directors will continue to monitor the executive compensation program to ensure it continues to align the interests of our executive officers with the interests of our stockholders and adequately addresses any stockholder concerns that may be expressed in future votes.

Please see the section entitled "Executive Compensation Discussion & Analysis - Executive Summary" on page 38 of this Proxy Statement for additional information about our executive compensation program and policies.

Executive Compensation Highlights

Summary of 2015 Executive Compensation Program

We believe that the compensation paid to executive officers should closely align their interests with the interests of their stockholders. Therefore, our compensation committee designs our executive compensation programs with the goal of attracting, retaining and motivating talented executives, while simultaneously promoting the achievement of key financial and strategic performance measures by linking a portion of executive compensation to the achievement of measurable corporate performance goals, and thereby aligning the incentives of our executives with the creation of value for our stockholders.

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2016 NOTICE OF MEETING AND PROXY STATEMENT

Proxy Statement Summary (continued)

Below we summarize those executive compensation practices we have implemented to help drive executive performance, as well as practices we have chosen not to implement because we believe such practices do not support our stockholders' long-term interests:

What We Do

- ü **Emphasize Pay-for-Performance** all of our named executive officers (except for Mr. D'Angelo who is on a sales commission plan) participate in our annual performance-based cash incentive bonus plan, which compensates our executive officers for our achievement of strategic, operational and financial goals, thereby aligning our executive incentives with our performance and the creation of stockholder value. Additionally, at least 50% of our CEO and CFO's target total direct compensation opportunity consisted of performance-based pay in 2015.
- ü **Use Double-Trigger Change-in-Control Provisions** the equity awards granted to our named executive officers contain a double trigger payment provision, that is, they require both a change-in-control of the Company and an involuntary termination of employment to receive accelerated vesting.
- ü **Equity Ownership Guidelines** all of our Section 16 executive officers are required to, by the later of November 14, 2018 or within five years from the date of his/her hire or promotion, own shares of our common stock having an aggregate value at least equal to: (i) three times his base salary for our CEO and (ii) one time the base salary for all other executive officers.
- ü **Annual Say-on-Pay Vote** we conduct our say-on-pay vote on an annual basis to allow our stockholders to provide us with their direct input on our compensation policies, practices, and program as disclosed in our proxy statement each year.
- ü **Offer Both Equity and Cash Incentives** the compensation packages offered to our executive officers consist of a combination of base salary, equity-based awards and annual cash incentive bonuses, which we believe incentivizes our executive officers to achieve performance results that deliver both short-term and long-term stockholder value.
- ü **Compensation Recovery (Clawback) Policy** the incentive-based cash compensation paid to our executive officers under our annual cash incentive bonus plan is subject to an executive compensation recovery, or clawback, policy which requires the reimbursement of excess compensation in the event that we are required to prepare an accounting restatement due to the fraud or misconduct of any of our executive officers.
- ü **Engage an Independent Compensation Consultant** our compensation committee has retained a compensation consultant to serve as its independent advisor. The compensation consultant reports directly to our compensation committee and provides the committee with competitive market data and additional information needed to make informed compensation decisions.
- ü **Avoid Undue Risk-taking** our compensation policies and practices are designed to discourage our executive officers from taking on or creating risks that are reasonably likely to have a material adverse effect on us.

What We Don't Do

- û **No Re-pricing Stock Options** we do not re-price our stock options and would not do so without stockholder approval.
- û **No Hedging or Pledging** we prohibit our executive officers from engaging in margin, hedging, pledging or other similar transactions in our securities.
- û **No Resetting of 2015 Performance Targets** we did not reset or amend any of the performance goals or targets used to set executive compensation programs in 2015.
- û **No Excise Tax Gross-Ups** we do not provide our executive officers with excise tax gross-ups.
- û **No Dividend Equivalents** we do not provide dividend equivalents on unvested equity awards.
- û **No Formal Employment Agreements** none of our executive officers are currently party to a written employment agreement that provides for automatic or pre-scheduled increases in their base salary.

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Table of Contents**2016 NOTICE OF MEETING AND PROXY STATEMENT****Proxy Statement Summary** (continued)**Summary of 2015 CEO Transition**

On September 2, 2015, the Company announced a management succession plan whereby Michael K. Simon resigned from his positions as Chief Executive Officer and Secretary of the Company effective as of the close of business on December 15, 2015. The Company's Board of Directors promoted William R. Wagner, who was then serving as the Company's President and Chief Operating Officer, to succeed Mr. Simon as the Company's President and Chief Executive Officer effective December 16, 2015.

In connection with this succession plan, Mr. Simon agreed to continue to serve as Chairman of the Company's Board of Directors and also agreed to serve as Special Advisor to the Chief Executive Officer for a period from December 16, 2015 through December 15, 2016 (the "Transition Period"). Mr. Simon entered into a formal transition agreement with the Company on September 30, 2015, pursuant to which it was agreed that, during the Transition Period, Mr. Simon would be expected to work at least five (5) days per month to assist with the transitioning of his duties and to perform special assignments as requested by Mr. Wagner. During the Transition Period, Mr. Simon will earn a base salary of \$100,000, or 25% of his fiscal 2015 base salary, and he will not be eligible to participate in the Company's 2016 cash incentive bonus plan. Mr. Simon's outstanding equity awards continue to vest during the Transition Period in accordance with their applicable equity award agreements. Should the Company terminate Mr. Simon's employment for any reason other than for cause, death or disability, any unvested equity awards that would have vested prior to the end of the Transition Period but for Mr. Simon's earlier termination, will immediately become fully vested on the date of termination. Upon a change in control, all of Mr. Simon's unvested equity awards that would have vested in the ordinary course prior to the end of the Transition Period will immediately vest in full on the effective date of such change in control. If equity awards are accelerated pursuant to the preceding two sentences, the performance period for any of Mr. Simon's performance-based RSU awards will be shortened to end on the date of termination or change in control, as applicable. During the Transition Period, Mr. Simon also continues to remain eligible to participate in the Company's employee benefit plans, programs and arrangements, including medical, dental, vision, life insurance, disability insurance and defined 401(k) plan.

The compensation committee determined not to make any immediate changes to Mr. Wagner's compensation in connection with the announcement of this succession plan and his promotion to CEO, but did increase his base salary and cash incentive bonus opportunity for fiscal 2016 in connection with the compensation committee's annual compensation review.

Summary of Fiscal 2015 Chief Executive Officer Compensation

Name:	William R. Wagner
Age:	49
Current Title(s):	President and Chief Executive Officer and member of our Board of Directors
Tenure as CEO:	5 months, beginning as of December 16, 2015

Name:	Michael K. Simon
Age:	51
Current Title(s):	Co-founder, Chairman of our Board of Directors and Special Advisor to the Chief Executive Officer
Tenure as CEO:	14 years, from the Company's inception in 2003 through December 15, 2015

Neither Mr. Wagner nor Mr. Simon receive any compensation for their service as members of our Board of Directors. Below is a summary of the compensation that Messrs. Wagner and Simon received during fiscal 2015 for their service as employees:

Name and Current Title	Year	Salary (\$)	Stock Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$) ⁽³⁾	All Other Compensation (\$) ⁽⁴⁾	Total (\$)
William R. Wagner President & Chief Executive Officer	2015	\$ 410,000	\$ 4,123,750	\$ 330,413	\$ 104,102 ⁽⁵⁾	\$ 4,968,265
Michael K. Simon Chairman & Special Advisor to the Chief Executive Officer	2015	\$ 387,500 ⁽¹⁾	\$ 3,775,625	\$ 426,340	\$ 13,597	\$ 4,603,062

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- (1) Represents the actual base salary paid to Mr. Simon in fiscal 2015. Mr. Simon began fiscal 2015 with a base salary of \$400,000, but resigned from his position as CEO effective December 15, 2015.
- (2) The amounts reported in this column represent the grant date fair value of the equity awards granted to Messrs. Wagner and Simon in fiscal 2015, which were comprised of 50% performance-based restricted stock units that vest based on LogMeIn's achievement of a specified total stockholder return goal and 50% time-based restricted stock units, calculated in accordance with applicable accounting guidance for equity awards, but excluding the effect of any estimated forfeitures. The amounts shown in this column do not represent the actual amounts paid to or realized by Mr. Wagner or Mr. Simon during fiscal 2015. The assumptions used by us with respect to the valuation of equity grants are set forth in Note 10 to our financial statements included in our Annual Report on Form 10-K, filed with the SEC on February 19, 2016.
- (3) The amounts reported in this column consist of the performance-based cash bonuses awarded to Messrs. Wagner and Simon under our annual cash incentive bonus program for fiscal 2015 based on the Company's achievement of certain performance goals established by the compensation committee.
- (4) The amounts reported in this column consist of medical insurance, life insurance and disability insurance premiums paid by us on behalf of the Messrs. Wagner and Simon for fiscal 2015.
- (5) Mr. Wagner's other compensation for fiscal 2015 also includes moving and relocation-related expenses of \$89,885.

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2016 NOTICE OF MEETING AND PROXY STATEMENT

Proxy Statement Summary (continued)

2015 CEO Total Direct Compensation Pay Mix

The compensation committee bases its executive compensation decisions on each named executive officer's total direct compensation opportunity. The total direct compensation opportunities of our named executive officers are generally comprised of a mix of cash compensation, in the form of base salaries and annual cash incentive bonuses, and equity compensation. In recent years, this total direct compensation mix has been designed so that the elements of variable pay, such as our annual cash incentive bonus awards and equity incentive awards, represent a substantial portion of each named executive officer's total direct compensation opportunity. By dedicating a large percentage of their total direct compensation opportunity to variable pay elements, such as long-term equity incentive awards, rather than fixed pay elements, like base salary, the compensation committee believes that we are able to better link executive incentives with the Company's performance.

In fiscal 2015, the equity incentive awards granted to Messrs. Wagner and Simon were comprised of 50% performance-based RSU, or PRSU, awards and 50% time-based RSU awards, with the PRSU awards tied to the Company's achievement of a specified total stockholder return goal, as further described below in the Executive Compensation Discussion and Analysis section entitled *Equity Incentive Awards Fiscal 2015 Performance Based Restricted Stock Unit Awards*. The compensation committee believes that including PRSU awards in the target total direct compensation opportunities of those executives whose individual performances and decisions have a direct impact on our Company's performance helps to strengthen our overall pay-for-performance alignment by ensuring that a substantial portion of their compensation is aligned with the creation of value for our stockholders.

The following charts illustrate the breakdown of the total direct compensation pay mix awarded to Messrs. Wagner and Simon, for fiscal 2015:

Please see the Executive Compensation Discussion and Analysis section beginning on page 38 of this Proxy Statement for a more detailed description of the compensation paid to our CEO and other named executive officers during fiscal 2015.

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2016 NOTICE OF MEETING AND PROXY STATEMENT

Information about the Annual Meeting and Voting

Q. What is the purpose of the Annual Meeting?

A. At the 2016 Annual Meeting of Stockholders, stockholders will consider and vote on the following matters:

To elect the two nominees identified in this proxy statement as members of our board of directors who will serve as class I directors for a term of three years;

To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016;

To approve an amendment and restatement of our 2009 Stock Incentive Plan that will increase the number of shares of common stock that may be issued under the plan by an additional 1,600,000 shares;

To approve our Cash Incentive Bonus Plan so that we may qualify performance-based cash incentives paid as performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder;

To approve, on an advisory basis, the compensation of our named executive officers; and

To transact other business, if any, that may properly come before the 2016 Annual Meeting of Stockholders or during any adjournment of the meeting.

Q. Who is entitled to vote?

A. To be able to vote on the above matters, you must have been a stockholder of record at the close of business on Friday, April 1, 2016, the record date for the 2016 Annual Meeting of Stockholders. The aggregate number of shares entitled to vote at this meeting is 25,121,631 shares of our common stock, which is the number of shares that were outstanding as of the record date.

Q. How many votes do I have?

A.

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Each share of our common stock that you owned as of the close of business on the record date entitles you to one vote on each matter that is voted on at the 2016 Annual Meeting of Stockholders.

Q. Is my vote really that important?

A. Your vote is important regardless of how many shares you own or whether you plan to attend the Annual Meeting in person. Please take the time to read the instructions below and vote. Choose the method of voting that is easiest and most convenient for you and, if you vote by mail, please cast your vote as soon as possible.

Q. How do I vote?

A. *Stockholder of record: Shares registered in your name.* If you are a stockholder of record (that is, your shares are registered in your own name, not in street name by a bank, brokerage firm or other intermediary), the Notice instructs you as to how (i) you may access and review all of the proxy materials on the Internet, (ii) you may submit your proxy, and (iii) to receive paper copies of the proxy materials if you wish. No printed materials will be available unless you specifically request them by following the instructions in the Notice Regarding the Availability of Proxy Materials.

1. *You may vote via the Internet.* To vote via the Internet, log on to the website listed on the Notice or your proxy card and follow the on-screen instructions, using the Company Number and Account Number shown on your proxy card when prompted. We permit Internet proxy voting to allow you to vote your shares on-line, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. You must submit your Internet proxy before 11:59 p.m., Eastern Time, on May 25, 2016, the day before the 2016 Annual Meeting of Stockholders, for your proxy and your vote to be counted. Please be aware that you must bear any costs associated with your Internet access, such as usage charges from Internet access providers and telephone companies.
2. *You may vote by mail.* If you received our proxy materials by mail, you may complete, date and sign the proxy card that accompanies our proxy statement and promptly mail it to American Stock Transfer & Trust Company, or AST, in the enclosed postage pre-paid envelope so that it is received prior to the 2016 Annual Meeting of Stockholders. You do not need to put a stamp on the enclosed envelope if you mail it from within the United States. The persons named in the proxy card will vote the shares you own in accordance with your instructions on the proxy card you mail. If you return the proxy card, but do not give any instructions on a particular matter to be voted on at the Annual Meeting, the persons named in the proxy card will vote the shares you own in accordance with the recommendations of our board of directors. Our board of directors recommends that you vote FOR the election of each of the director nominees set forth in Proposal 1 and FOR Proposals 2, 3, 4 and 5. AST must receive your proxy card no later than May 25, 2016, the day before the Annual Meeting, for your proxy and your vote to be counted.
3. *You may vote in person.* To vote in person, attend the Annual Meeting and vote by delivering your completed proxy card in person or by completing and submitting a ballot, which will be provided at the meeting. If you wish to attend the 2016 Annual Meeting of Stockholders to personally vote your shares held in

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