AGILYSYS INC
Form DEF 14A
August 26, 2015

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
Filed by the Registrant þ
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))
þ Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to Section 240.14a-11c or Section 240.14a-12
AGILYSYS, INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):
þ No fee required.
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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:

NOTICE OF 2015 ANNUAL MEETING OF SHAREHOLDERS

To be held on September 23, 2015

Please join us for the Agilysys, Inc. 2015 Annual Meeting of Shareholders to be held on Wednesday, September 23, 2015, at 8:30 a.m., local time, at the company's offices at 6775 Edmond Street, Suite 100, Las Vegas, Nevada 89118. The purposes of the Annual Meeting are:

1. The election of the three director nominees named in the Proxy Statement to hold office for a two-year term expiring at the 2017 Annual Meeting of Shareholders;

2. To vote, on a non-binding advisory basis, to approve the compensation of our named executive officers set forth in the attached Proxy Statement;

3. To ratify the appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2016; and

4. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Shareholders of record at the close of business on August 12, 2015, are entitled to vote at the Annual Meeting. It is important to vote your shares at the Annual Meeting, regardless of whether you plan to attend. In addition to voting by mail, you may vote by telephone or Internet. Please refer to your enclosed proxy card and the Proxy Statement for information regarding how to vote by telephone or Internet. If you choose to vote by mail, please sign, date, and promptly return your proxy card in the enclosed envelope.

By Order of the Board of Directors,

Keith M. Kolerus
Chairman of the Board of Directors

August 26, 2015

Important Notice Regarding the Availability of Proxy Materials
for the Annual Meeting of Shareholders to be held on September 23, 2015.
The Proxy Statement and our Annual Report on Form 10-K for the
fiscal year ended March 31, 2015, are available at www.agilysys.com.

PROXY STATEMENT
2015 ANNUAL MEETING OF SHAREHOLDERS
September 23, 2015

ANNUAL MEETING INFORMATION

General Information

This Proxy Statement and the enclosed proxy card are being provided in connection with the solicitation by the board of directors of Agilysys, Inc., an Ohio Corporation ("Agilysys," the "Company," "we," "our," or "us"), to be used at the Annua Meeting of Shareholders to be held on September 23, 2015, and any adjournments or postponements of the Annual Meeting. The Annual Meeting will be held at 8:30 a.m., local time, at the Company's offices at 6775 Edmond Street, Suite 100, Las Vegas, Nevada 89118. Our principal executive office is located at 425 Walnut Street, Suite 1800, Cincinnati, Ohio 45202. The purposes of the Annual Meeting are stated in the accompanying Notice. This Proxy Statement, the enclosed proxy card, and our Annual Report on Form 10-K for the fiscal year ended March 31, 2015 ("2015 Annual Report"), are first being mailed to shareholders and made available electronically on our website at www.agilysys.com beginning on or about August 26, 2015.

Record Date, Voting Shares, and Quorum

Shareholders of record of our common shares at the close of business on August 12, 2015, the "Record Date," are entitled to notice of and to vote their shares at the Annual Meeting, or any adjournment or postponement of the Annual Meeting. On the Record Date, there were 22,937,906 common shares outstanding and entitled to vote at the Annual Meeting. Each share is entitled to one vote. The presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the common shares outstanding at the close of business on the Record Date will constitute a quorum for the transaction of business at the Annual Meeting. We will include abstentions and broker non-votes in the number of common shares present at the Annual Meeting for purposes of determining a quorum. A broker non-vote occurs when a nominee holding shares for a beneficial owner has not received instructions from the beneficial owner and does not have discretionary authority to vote the shares. Our common shares are listed on the NASDAQ Global Select Market under the symbol "AGYS." References within this Proxy Statement to our common shares or shares refer to our common shares, without par value, the only class of securities entitled to vote at the Annual Meeting.

How to Vote

If you are the record holder of common shares, you or your duly authorized agent may vote by completing and returning the enclosed proxy card in the envelope provided. This year, you may also vote by telephone or Internet. Telephone and Internet voting information is provided on your proxy card. A control number, located on the proxy card, is designed to verify your identity, allow you to vote your shares, and confirm that your voting instructions have been properly recorded. Please note the deadlines for voting by telephone, the Internet, and proxy card as set forth on the proxy card. If you vote by telephone or Internet, you need not return your proxy card. You may also attend the Annual Meeting and vote in person; however, we encourage you to vote your shares in advance of the Annual Meeting even if you plan on attending. If your common shares are held by a bank or broker, or any other nominee, you must follow the voting instructions provided to you by the bank, broker, or nominee. Although most banks and brokers offer voting by mail, telephone, and the Internet, availability and specific procedures will depend on their voting arrangements.

Unless revoked, common shares represented by a properly signed and returned proxy card (or other valid form of proxy), or as instructed via telephone or Internet, received in time for voting will be voted as instructed. If your proxy card is signed and returned with no instructions given, the persons designated as proxy holders on the proxy card will vote as follows:

- FOR the election of each director nominee named herein (proposal 1);
- FOR the approval, on a non-binding advisory basis, of the compensation of our named executive officers (proposal 2); and
- FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm (proposal 3).

The Company knows of no other matters scheduled to come before the Annual Meeting. If any other business is properly brought before the Annual Meeting, your proxy gives discretionary authority to the proxy holders with respect to such business, and the proxy holders intend to vote the proxy as recommended by our board of directors with regard to any such business, or, if no such recommendation is given, the proxy holders will vote in their own discretion.

Revocability of Proxies

You may revoke or change your vote at any time before the final vote on the matter is taken at the Annual Meeting by submitting to our Secretary a notice of revocation or by timely delivery of a valid, later-dated, duly executed proxy by mail, telephone, or Internet. You may also revoke or change your vote by attending the Annual Meeting and voting in person. If your shares are held by a bank, broker, or other nominee, you must contact the bank, broker, or nominee and follow their instructions for revoking or changing your vote.

Vote Required, Abstentions, and Broker Non-Votes

If a quorum is present at the Annual Meeting, for proposal 1 (election of directors), the nominees named herein for election as directors will be elected if they receive the greatest number of votes cast at the Annual Meeting present in person or represented by proxy and entitled to vote. Abstentions will have no effect on the election of directors. For proposal 2 (advisory vote on named executive officer compensation) and proposal 3 (ratification of independent registered public accounting firm), if a quorum is present, the affirmative vote of the holders of shares representing a majority of the common shares present in person or represented by proxy and entitled to vote will be required to approve each proposal. The effect of an abstention is the same as a vote against each proposal. If you hold your shares in street name and do not give your broker or nominee instruction as to how to vote your shares with respect to proposals 1 and 2, your broker or nominee will not have discretionary authority to vote your shares on proposals 1 and 2. These broker non-votes will have no effect on these proposals.

Cumulative Voting

Each shareholder has the right to vote cumulatively in the election of directors if the shareholder gives written notice not less than 48 hours before the Annual Meeting commences to our Chief Executive Officer or Secretary that he, she, or it wants its voting for the election of directors to be cumulative. In such event, the shareholder giving notice, or a representative of such shareholder, the Chairman, or the Secretary, will make an announcement about such notice at the start of the Annual Meeting. Cumulative voting means that the shareholder may cumulate his, her, or its voting power for the election of directors by distributing a number of votes, determined by multiplying the number of directors to be elected at the Annual Meeting times the number of such shareholder’s shares. The shareholder may distribute all of the votes to one individual director nominee or distribute the votes among two or more director nominees, as the shareholder chooses. In the event of cumulative voting, unless contrary instructions are received, the persons named in the enclosed proxy will vote the shares represented by valid proxies on a cumulative basis for the election of the nominees named herein, allocating the votes among the nominees in accordance with their discretion.

Proxy Solicitation

The cost of solicitation of proxies, including the cost of preparing, assembling, and mailing the Notice, Proxy Statement, and proxy card, will be borne by us. In addition to solicitation by mail, arrangements may be made with brokerage houses and other custodians, nominees, and fiduciaries to send proxy materials to their principals, and we may reimburse them for their expenses in so doing. Our officers, directors, and employees may, without additional compensation, personally or by other appropriate means request the return of proxies.

Attending the Annual Meeting

All holders of our common shares at the close of business on the Record Date, or their duly appointed proxies, are authorized to attend the Annual Meeting. Cameras, recording devices, and other electronic devices will not be permitted at the Annual Meeting. If you hold your common shares through a bank, broker, or other nominee, you will need to bring a copy of the brokerage statement reflecting your share ownership as of the Record Date, or a legal proxy from your bank or broker, to attend the meeting.

Voting Results

Preliminary voting results will be announced at the Annual Meeting. Within four business days following the Annual Meeting, final results, or preliminary results if final results are unknown, will be announced on a Form 8-K filed with the Securities and Exchange Commission ("SEC"). If preliminary results are announced, final results will be announced on a Form 8-K filed with the SEC within four business days after the final results are known.

Company Information

Our 2015 Annual Report is being mailed with this Proxy Statement. These documents also are available electronically on our website at www.agilysys.com, under Investor Relations. Our 2015 Annual Report is not incorporated into this Proxy Statement and is not to be considered proxy solicitation material. If you wish to have additional copies of our 2015 Annual Report, we will mail copies to you without charge. Requests may be sent to our corporate services office at: Agilysys, Inc., Attn: Investor Relations, 1000 Windward Concourse, Suite 250, Alpharetta, Georgia 30005, or you may request copies through our website, under Investor Relations. These documents have been filed with SEC and also may be accessed from the SEC's website at www.sec.gov. If you have any questions about the Annual Meeting or these proxy materials, please contact Investor Relations by telephone at 770-810-7948, or by email at investorrelations@agilysys.com, or through our website, under Investor Relations.

CORPORATE GOVERNANCE

Corporate Governance Guidelines

The Corporate Governance Guidelines (the "Guidelines") adopted by our board of directors are intended to provide a sound framework to assist the board of directors in fulfilling its responsibilities to shareholders. Under the Guidelines, the board of directors exercises its role in overseeing the Company by electing qualified and competent officers and by monitoring the performance of the Company. The Guidelines state that the board of directors and its committees exercise oversight of executive officer compensation and director compensation, succession planning, director nominations, corporate governance, financial accounting and reporting, internal controls, strategic and operational issues, and compliance with laws and regulations. The Guidelines also state the board of directors' policy regarding eligibility for the board of directors, including director independence and qualifications for director candidates, events that require resignation from the board of directors, service on other public company boards of directors, and stock ownership guidelines. The Nominating and Corporate Governance Committee annually reviews the Guidelines and makes recommendations for changes to the board of directors. The Guidelines are available on our website at www.agilysys.com, under Investor Relations.

Code of Business Conduct

The Code of Business Conduct adopted by our board of directors applies to all directors, officers, and employees of the Company and incorporates additional ethics standards applicable to our Chief Executive Officer, Chief Financial Officer, and other senior financial officers of the Company, and any person performing a similar function. The Code of Business Conduct is reviewed annually by the Audit Committee, and recommendations for change are submitted to the board of directors for approval. The Code of Business Conduct is available on our website at www.agilysys.com, under Investor Relations. The Company has in place a hotline available for use by all employees, as described in the Code of Business Conduct. Any employee can anonymously report potential violations of the Code of Business Conduct through the hotline, which is managed by an independent third party. Reported violations are promptly reported to and investigated by the Company. Reported violations are addressed by the Company and, if related to accounting, internal accounting controls, or auditing matters, the Audit Committee. In addition, we intend to post on our website all disclosures that are required by law or NASDAQ listing standards concerning any amendments to, or waivers from, any provision of the Code of Business Conduct.

Director Independence

NASDAQ listing standards provide that at least a majority of the members of the board of directors must be independent, meaning free of any material relationship with the Company, other than his relationship as a director. The Guidelines state that the board of directors should consist of a substantial majority of independent directors. A director is not independent if he fails to satisfy the standards for director independence under NASDAQ listing standards, the rules of the SEC, and any other applicable laws, rules, and regulations. During the board of directors' annual review of director independence, the board of directors considers transactions, relationships, and arrangements, if any, between each director or a director's immediate family members and the Company or its management. In June 2015, the board of directors performed its annual director independence review and as a result of such review determined that each of Max Carnecchia, Jerry Jones, Michael A. Kaufman, Keith M. Kolerus, John Mutch, and Peter Sinisgalli qualify as independent directors. Mr. Dennedy is not independent because of his service as President and CEO of the Company.

Director Attendance

The board of directors held six meetings during fiscal year 2015, and no director attended less than 75% of the aggregate of the total number of board of director meetings and meetings held by committees of the board of directors on which he served. Independent directors meet regularly in executive session at board of director and committee meetings, and executive sessions are chaired by the chairman of the board or by the appropriate committee chairman. It is the board of directors' policy that all of its members attend the Annual Meeting of Shareholders absent exceptional cause. All of the directors were in attendance at the 2014 Annual Meeting.

Shareholder Communication with Directors

Shareholders and others who wish to communicate with the board of directors as a whole, or with any individual director, may do so by sending a written communication to such director(s) in care of our Secretary at our Alpharetta, Georgia office address, and our Secretary will forward the communication to the specified director(s).

Committees of the Board

During fiscal year 2015, the board of directors had four standing committees: the Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, and Strategic Review Committee. At the end of the fiscal year and for all Committees other than the Strategic Review Committee, as of August 25, 2015, the members and chairman of each committee were as follows:

Director	Audit	Compensation	Nominating and Corporate Governance	Strategic Review
Max Carnecchia			X	
James H. Dennedy				
Jerry Jones	Chairman		X	X
Michael A. Kaufman		X	X	X
Keith M. Kolerus		X	Chairman	
John Mutch*	X	X		Chairman
Peter Sinisgalli*	X	Chairman		

*Qualifies as an Audit Committee Financial Expert.

Committee Charters. The board of directors has adopted a charter for each committee other than the Strategic Review Committee, and each committee with a charter is responsible for the annual review of its respective charter. Charters for each committee are available on our website at www.agilysys.com, under Investor Relations.

Audit Committee. The Audit Committee held eight meetings during fiscal year 2015. The Audit Committee reviews with our independent registered public accounting firm the proposed scope of our annual audits and audit results, as well as interim reviews of quarterly reports; reviews the adequacy of internal financial controls; reviews internal audit functions; is directly responsible for the appointment, determination of compensation, retention, and general oversight of our independent registered public accounting firm; reviews related person transactions; oversees the Company's implementation of its Code of Business Conduct; and reviews any concerns identified by either the internal or external auditors. The board of directors determined that all Audit Committee members are financially literate and independent under NASDAQ listing standards for audit committee members. The board of directors also determined that Messrs. Mutch and Sinisgalli each qualify as an "audit committee financial expert" under SEC rules.

Compensation Committee. The Compensation Committee held four meetings during fiscal year 2015. The purpose of the Compensation Committee is to enhance shareholder value by ensuring that pay available to the board of directors, Chief Executive Officer, and other executive officers enables us to attract and retain high-quality leadership and is consistent with our executive pay philosophy. As part of its responsibility, the Compensation Committee oversees our pay plans and policies; annually reviews and determines all pay, including base salary, annual cash incentive, long-term equity incentive, and retirement and perquisite plans; administers our incentive programs, including establishing performance goals, determining the extent to which performance goals are achieved, and determining awards; administers our equity pay plans, including making grants to our executive officers; and regularly evaluates the effectiveness of the overall executive pay program and evaluates our incentive plans to determine if the plans' measures or goals encourage inappropriate risk-taking by our employees. A more complete description of the Compensation Committee's functions is found in the Compensation Committee Charter. The board of directors determined that all Compensation Committee members are independent under NASDAQ listing standards for compensation committee members.

Our Legal and Human Resources Departments support the Compensation Committee in its work and, in some cases, as a result of delegation of authority by the Compensation Committee, fulfill various functions in administering our pay programs. In addition, the Compensation Committee has the authority to engage the services of outside consultants and advisers to assist it. The Committee engages compensation consultants to perform current market assessments when it believes that such an assessment would inform its decision making with respect executive compensation. The Compensation Committee did not engage a compensation consult to advise it in connection with setting compensation for the Named Executive Officers in fiscal year 2015. The Committee has engaged Pearl Meyer & Partners as its compensation consultant.

While the Compensation Committee directly retained Pearl Meyer & Partners, in carrying out its assignments, Pearl Meyer & Partners also interacted with our executive officers when necessary and appropriate, including our Chief Executive Officer, Chief Financial Officer, and our General Counsel, who provided data and insight on our compensation programs and business strategies. These executive officers attend Compensation Committee meetings when executive compensation, Company performance, and individual performance are discussed and evaluated by Compensation Committee members, and they provide their thoughts and recommendations on executive pay issues during these meetings and provide updates on financial performance, industry status, and other factors that may impact executive compensation. Decisions regarding the Chief Executive Officer's compensation were based solely on the Compensation Committee's deliberations, while compensation decisions regarding other executive officers took into consideration recommendations from the Chief Executive Officer. Only Compensation Committee members make decisions on executive officer compensation and approve all outcomes.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee ("Nominating Committee") held four meetings during fiscal year 2015. The Nominating Committee assists the board of directors in finding and nominating qualified people for election to the board; reviewing shareholder-recommended nominees; assessing and evaluating the board of directors' effectiveness; and establishing, implementing, and overseeing our governance programs and policies. The Nominating Committee is responsible for reviewing the qualifications of, and recommending to the board of directors, individuals to be nominated for membership on the board of directors. The board of directors has adopted Guidelines for Qualifications and Nomination of Director Candidates ("Nominating Guidelines"), and the Nominating Committee considers nominees using the criteria set forth in the Nominating Guidelines. At a minimum, a director nominee must:

- Be of proven integrity with a record of substantial achievement;
- Have demonstrated ability and sound business judgment based on broad experience;
- Be able and willing to devote the required amount of time to the Company's affairs, including attendance at board of director and committee meetings;
- Be analytical and constructive in the objective appraisal of management's plans and programs;
- Be committed to maximizing shareholder value and building a sound company, long-term;
- Be able to develop a professional working relationship with other directors and contribute to the board or directors' working relationship with senior management of the Company;
- Be able to exercise independent and objective judgment and be free of any conflicts of interest with the Company; and
- Be able to maintain the highest level of confidentiality.

The Nominating Committee considers the foregoing factors, among others, in identifying nominees; however, there is no policy requiring the Nominating Committee to consider the impact of any one factor by itself. The Nominating Committee also will consider the board of directors' current and anticipated needs in terms of number, diversity, specific qualities, expertise, skills, experience, and background. In addition, the Corporate Governance Guidelines state that the board of directors should have a balanced membership, with diverse representation of relevant areas of experience, expertise, and backgrounds. The Nominating Committee seeks nominees that collectively will build a capable, responsive, and effective board of directors, prepared to address strategic, oversight, and governance challenges. The Nominating Committee believes that the backgrounds and qualifications of the directors as a group should provide a significant mix of experience, knowledge, and abilities that will enable the board of directors to fulfill its responsibilities.

The Nominating Committee will consider shareholder-recommended nominees for membership on the board of directors. For a shareholder to properly nominate a candidate for election as a director at a meeting of the shareholders, the shareholder must be a shareholder of record at the time the notice of the nomination is given and at the time of the meeting, be entitled to vote at the meeting in the election of directors, and have given timely written notice of the nomination to the Secretary. To be timely, notice must be received by the Secretary, in the case of an annual meeting, not less than 90 days nor more than 120 days prior to the anniversary of the previous year’s annual meeting; provided, however, that if the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 30 days after the anniversary of the preceding year’s annual meeting, notice must be delivered not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th calendar day following the day on which public disclosure of the date of such annual meeting is first made. In the case of a special meeting, timely notice must be received by the Secretary not later than the close of business on the 10th day after the date of such meeting is first publicly disclosed. A shareholder’s notice must set forth, as to each candidate:

- Name, age, business address, and residence address of the candidate;
- Principal occupation or employment of the candidate;
- Class and number of shares that are owned of record or beneficially by the candidate;

- Information about the candidate required to be disclosed in a proxy statement complying with the rules and regulations of the SEC;
- Written consent of the candidate to serve as a director if elected and a representation that the candidate does not and will not have any undisclosed voting arrangements with respect to his actions as a director, will comply with the Company's Regulations and all other publicly disclosed corporate governance, conflict of interest, confidentiality, and share ownership and trading policies and Company guidelines;
- Name and address of the shareholder making such nomination and of the beneficial owner, if any, on whose behalf the nomination is made;
- Class and number of shares that are owned of record or beneficially by the shareholder and by any such beneficial owner as of the date of the notice;
- Representation that the shareholder or any such beneficial owner is a holder of record or beneficially of the shares entitled to vote at the meeting and intends to remain so through the date of the meeting;
- Description of any agreement, arrangement, or understanding between or among the shareholder and any such beneficial owner and any other persons (including their names) with respect to such nomination;
- Description of any agreement, arrangement, or understanding in effect as of the date of the shareholder's notice pursuant to which the shareholder, any such beneficial owner, or any other person directly or indirectly has other economic interests in the shares of the Company;
- Representation that the shareholder intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; and
- Representation whether the shareholder intends to deliver a proxy statement and/or form of proxy to holders of outstanding common shares and/or otherwise to solicit proxies in support of the nomination.

The Nominating Committee may request additional information from such nominee to assist in its evaluation. The Nominating Committee will evaluate any shareholder-recommended nominees in the same way it evaluates nominees recommended by other sources, as described above.

Strategic Review Committee. The Strategic Review Committee held ten meetings during fiscal year 2015. The purpose of the Strategic Review Committee was to review and evaluate any and all strategic alternatives to the Company's current strategy and to recommend to the board of directors what action, if any, should be taken by the Company. The Strategic Committee made no strategic recommendations to the Board and was dissolved prior to the end of the fiscal year.

Board Leadership

The board of directors determined that having an independent director serve as Chairman of the Board is in the best interest of shareholders at this time. The structure ensures a greater role for our independent directors in the oversight of the Company and the active participation in setting agendas and establishing priorities and procedures for the board of directors. Pursuant to the board of directors' Corporate Governance Guidelines, it is our policy that the positions of Chairman of the Board and Chief Executive Officer be held by different individuals, except as otherwise determined by the board of directors. Mr. Kolerus has served as Chairman of the Board since 2008.

Risk Oversight

Management is responsible for the day-to-day management of risks facing the Company, while the board of directors, as a whole and through its committees, is actively involved in the oversight of such risks. The board of directors' role in risk oversight includes regular reports at board of director and Audit Committee meetings from members of senior management on areas of material risk to the Company, including strategic, financial, operational, and legal and regulatory compliance risks. Management regularly identifies and updates, among other items, the population of possible risks for the Company, assigns risk ratings, prioritizes the risks, assesses likelihood of risk occurrence, develops risk mitigation plans for prioritized risks, and assigns roles and responsibilities to implement mitigation plans. Risks are ranked by evaluating each risk's likelihood of occurrence and magnitude. The board of directors' Compensation Committee, in consultation with management, evaluates our incentive plans to determine if the plans' measures or goals encourage inappropriate risk-taking by our employees. As part of its evaluation, the Compensation Committee determined that the performance measures and goals were tied to our business, financial, and strategic objectives. As such, the incentive plans are believed not to encourage risk-taking outside of the range of risks contemplated by the Company's business plan.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee during fiscal year 2015 (Messrs. Kaufman, Kolerus, Mutch and Sinisgalli) is or has been an officer or employee of the Company, has had any relationship with the Company required to be disclosed as a related person transactions and none of our executive officers served on the compensation committee (or other committee serving an equivalent function) or board of any company that employed any member of our Compensation Committee or our directors during fiscal year 2015.

DIRECTOR COMPENSATION

During fiscal year 2015, compensation for non-employee directors consisted of the following:

- $25,000 annual cash retainer for each non-employee director;
- $35,000 additional cash retainer for the chairman of the board;
- $25,000 additional cash retainer for the chairman of the Strategic Review Committee;
- $10,000 additional cash retainer for the chairman of the Audit Committee;
- $7,500 additional cash retainer for the chairmen of each of the Compensation and Nominating & Corporate Governance Committees;
- $10,000 additional cash retainer for each member of the Audit, Nominating & Corporate Governance, Compensation Committees and Strategic Review Committees, including each chairman (other than the chairman of the Strategic Review Committee);
- $1,000 meeting fee for each member of the Strategic Review Committee, including the chairman, for each meeting attended; and
- An award of restricted shares to each non-employee director valued at $70,000 on the grant date.

We also reimburse our directors for reasonable out-of-pocket expenses in connection with attendance at board of directors and committee meetings.

The fiscal year 2015 equity award for each director consisted of 4,837 restricted shares, based on a $14.47 grant date price, and was granted under the 2011 Stock Incentive Plan. The restricted shares vested on March 31, 2015, and provided for pro-rata vesting upon retirement prior to March 31, 2015. The grant was made in June 2014 to the then current non-employee directors; however, Mr. Kaufman declined the award given the significant ownership in the Company by his firm, MAK Capital.

Our directors are subject to share ownership guidelines that require ownership of either (i) three times the director's respective annual cash retainer within two years of service and six times the director's respective annual cash retainer within four years of service; or (ii) 15,000 shares within the first two years following the director's election to the board of directors and 45,000 shares within four years of election. We pay no additional fees for board of director or committee meeting attendance.

Director Compensation for Fiscal Year 2015

Director	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)	Total ($)
Max Carnecchia	35,000	69,991	104,991
Jerry Jones	75,000	69,991	144,991
Michael A. Kaufman	65,000	—	65,000
Keith M. Kolerus	87,500	69,991	157,491
John Mutch	80,000	69,991	149,991
Pete Sinisgalli	52,500	69,991	122,491

(1) Fees are paid quarterly.

(2) Amounts in this column represent the grant date fair value of the restricted shares computed in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718. As of March 31, 2015, the aggregate number of unexercised stock options held by each non-employee director was as follows: Mr. Kolerus, 15,000.

PROPOSAL 1
ELECTION OF DIRECTORS

At the Annual Meeting, shareholders will elect three Class A Directors for a term expiring at the 2017 Annual Meeting. The board of directors' nominees for election are Donald A. Colvin, Melvin L. Keating and Keith M. Kolerus. Messrs. Colvin and Keating are first-time nominees to the board. On June 2, 2015, each of current Class A Directors Peter F. Sinisgalli and Max Carnecchia notified the Company of his intention to retire from the board effective as of the 2015 Annual Meeting.

Each nominee has indicated his willingness to serve as a director, if elected. A biography for each director nominee and our continuing directors follows and, if applicable, arrangements under which a director was appointed to the board of directors or information regarding any involvement in certain legal or administrative proceedings is provided. Additional information about the experiences, qualifications, attributes, or skills of each director and director nominee in support of his service on the board of directors is also provided.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE ELECTION OF MESSRS. COLVIN, KEATING AND KOLERUS. PROXY CARDS RECEIVED BY THE COMPANY WILL BE VOTED "FOR" THE ELECTION OF MESSRS. COLVIN, KEATING AND KOLERUS UNLESS THE SHAREHOLDER SPECIFIES OTHERWISE ON THE PROXY CARD.

DIRECTOR NOMINEES
(Class A – Term to Expire in 2017)

Donald A. Colvin	Age 62	Director nominee

Chief Financial Officer of Caesars Entertainment Corporation from November 2012 to January 2015 and before that Executive Vice President and CFO of ON Semiconductor Corp. from April 2003 to October 2012. Prior to joining ON Semiconductor, Mr. Colvin held a number of financial leadership positions, including Vice President of Finance and CFO of Atmel Corporation, CFO of European Silicon Structures as well as several financial roles at Motorola Inc. Mr. Colvin is a Director and Chairman of the Audit Committee of Isola Group and a Member of the Advisory Board for Conexant. Mr. Colvin holds a B.A. in economics and an M.B.A. from the University of Strathclyde in Scotland. Mr. Colvin qualifications and extensive experience includes financial management, capital structure, financial strategy, significant public company leadership and board experience, and recent experience in the hospitality industry which the Company serves.

Melvin L. Keating	Age 68	Director nominee

Director of Red Lions Hotels Corporation since July 2010 and Chairman of the Board since May 2013. Since November 2008, Mr. Keating has been a consultant to several private equity firms, an industry where he previously worked. Prior to that, he was President and CEO of Alliance Semiconductor from 2005 to 2008. Mr. Keating also serves as a director of API Technologies Corp., where he is Chair of the Audit Committee, and Modern Systems, Inc. Mr. Keating holds a B.A. from Rutgers University as well as an M.S. in Accounting and an M.B.A. in Finance from The Wharton School of the University of Pennsylvania. Mr. Keating has substantial experience leading public companies in the technology and hospitality industries and is qualified in global operations, financial management and strategy and capital markets.

Keith M. Kolerus	Age 69	Director since 1998

Chairman of the Board of Directors of the Company since October 2008. Retired Vice President, American Division, National Semiconductor, a producer of semiconductors and a leader in analog power management technology, from 1996 to February 1998. Mr. Kolerus served as Chairman of the Board of Directors of National Semiconductor Japan Ltd., from 1995 to 1998, and Chairman of the Board of Directors of ACI Electronics, LLC, from 2004 to 2008. Mr. Kolerus has extensive experience in engineering, global operations, private and public companies, software and hardware technology companies, government contracting, capital markets, financial management, and the technology industry. Mr. Kolerus' prior experiences as a board chairman uniquely qualify him to lead the board of directors as its Chairman.

CONTINUING DIRECTORS
(Class B – Term to Expire in 2016)

James H. Dennedy	Age 49	Director since 2009

President and Chief Executive Officer of the Company since October 2011. Interim President and Chief Executive Officer since May 2011. Principal and Chief Investment Officer with Arcadia Capital Advisors, LLC, an investment management company making active investments in public companies, from April 2008 to May 2011. President and Chief Executive Officer of Engyro Corporation, an enterprise software company offering solutions in systems management, from January 2005 to August 2007. Previously a director of Entrust, Inc., I-many, Inc., and NaviSite, Inc. As a former President of a division of a publicly-held software company and as a Chief Executive Officer of a private software company, Mr. Dennedy has experience in the technology industry. In addition, Mr. Dennedy has extensive experience in investment strategy, capital structure, financial strategy, mergers and acquisitions, and significant public company leadership and board experience.

Jerry Jones	Age 59	Director since 2012

Chief Ethics and Legal Officer, Executive Vice-President of Acxiom Corporation, a marketing technology and services company, since 1999. Prior to joining Acxiom, Mr. Jones was a partner with the Rose Law Firm in Little Rock, Arkansas, where he specialized in problem solving and business litigation for 19 years, representing a broad range of business interests. Previously he was a director of Entrust, Inc. He is a 1980 graduate of the University of Arkansas School of Law and holds a bachelor's degree in public administration from the University of Arkansas. As the Chief Legal Officer of a technology company, Mr. Jones has extensive experience with legal, privacy, and security matters. He has also led the strategy and execution of mergers and alliances and international expansion efforts.

Michael A. Kaufman	Age 43	Director since 2014

Mr. Kaufman is the President of MAK Capital, a financial investment advisory firm based in New York, NY, which he founded in 2002. Mr. Kaufman holds a B.A. degree in Economics from the University of Chicago, where he also received his M.B.A. He also earned a law degree from Yale University. As President of MAK Capital, the Company's largest shareholder, Mr. Kaufman is uniquely qualified to represent the interests of the Company's shareholders. Additionally, Mr. Kaufman's qualifications and experience include capital markets, investment strategy and financial management.

John Mutch	Age 59	Director since 2009

Founder and managing partner of MV Advisors LLC. Mr. Mutch founded MV Advisors in January of 2006 as a strategic block investment firm which provides focused investment and operational guidance to both private and public companies. MV Advisors current portfolio includes companies in the technology, active lifestyle and sports segments valued in excess of $100M. Mr. Mutch's career as an operating executive in the technology includes serving as Chairman and Chief Executive Officer of BeyondTrust software from 2008 to 2013, as a Director and Chief Executive Officer of Peregrine Systems (Nasdaq: PRGS) from 2003 to 2005, and as a Director and Chief Executive Officer on HNC Software (Nasdaq: HNCS) from 1999 to 2002. Previously he spent eight years in a variety of executive sales and marketing positions at Microsoft Corporation. Mr. Mutch current serves on the board of directors of Steel Excel (Nasdaq: SXCL). Mr. Mutch holds a B.S. In Economics from Cornell University and an M.B.A. from the University of Chicago.

EXECUTIVE OFFICERS

The following are biographies for each of our current, non-director executive officers. The biography for Mr. Dennedy, our President and Chief Executive Officer, and a director, is provided above.

Name	Age	Current Position	Previous Positions
Janine K. Seebeck	39	Senior Vice President, Chief Financial Officer and Treasurer since August 2013.	Vice President and Controller November 2011 to August 2013. Vice President of Finance, Asia Pacific, at PGi; from 2008 to April 2011. Vice President, Corporate Controller at Premiere Global Services, Inc. from 2002 to 2008.
Kyle C. Badger	47	Senior Vice President, General Counsel and Secretary since October 2011.	Executive Vice President, General Counsel and Secretary at Richardson Electronics, Ltd. from 2007 to October 2011. Senior Counsel at Ice Miller LLP from 2006 to 2007. Partner at McDermott, Will & Emery LLP from 2003 to 2006.
Rehan Jaddi	43	Senior Vice President, Customer Support & Service Solutions, since December 2014.	Vice President of Product Engineering, from June 2012 to December 2014. Principal Group Program Manager at Microsoft from 2004 to 2012.
Larry Steinberg	47	Senior Vice President and Chief Technology Officer since June 2012.	Principal Development Manager, Microsoft Corporation from August 2009 to May 2012, and Principal Architect from June 2007 to July 2009; Founder and Chief Technology Officer of Engyro Corporation from March 1995 to May 2007.

BENEFICIAL OWNERSHIP OF COMMON SHARES

The following table shows the number of common shares beneficially owned as of July 15, 2015 by (i) each current director; (ii) our Named Executive Officers; (iii) all directors and executive officers as a group; and (iv) each person who is known by us to beneficially own more than 5% of our common shares.

Name	Common Shares	Shares Subject to Exercisable Options	Restricted Shares (1)	Total Shares Beneficially Owned (1)	Percent of Class (2)
Directors and Nominees					
Max Carnecchia	9,270	—	7,675	16,945	*
Jerry Jones	20,543	—	7,675	28,218	*
Michael A. Kaufman (3)	7,056,934	—	—	7,056,934	30.8
Keith M. Kolerus	133,820	15,000	7,675	156,495	*
John Mutch	36,117	—	7,675	28,218	*
Peter F. Sinisgalli	47,893	—	7,675	55,568	*
Named Executive Officers					
Kyle C. Badger	34,545	25,215	44,345	104,105	*
James H. Dennedy	172,857	130,829	124,979	428,665	1.9
Rehan Jaddi	26,485	8,560	26,890	61,935	*
Janine Seebeck	16,524	15,586	49,375	81,485	*
Larry Steinberg	91,019	37,937	68,676	197,632	*
All directors and executive officers	7,559,223	233,127	352,640	8,231,774	35.6
Other Beneficial Owners					
MAK Capital One, LLC et al 590 Madison Avenue, 9th Floor New York, New York 10022	7,056,934 (4)				30.9
Discovery Group I, LLC 191 North Wacker Drive, Suite 1685 Chicago, Illinois 60606	2,231,855 (5)				9.7
RGM Capital, LLC 9010 Strada Stell Court, Suite 105 Naples, FL 34109	2,034,215 (6)				8.8
Dimensional Fund Advisors LP 6300 Bee Cave Road Building ne Austin, Texas, 78746	1,919,236 (7)				8.4
BlackRock, Inc. 55 East 52nd Street New York, New York 10055	1,458,591 (8)				6.4

(1) Beneficial ownership of the shares comprises both sole voting and dispositive power, or voting and dispositive power that is shared with a spouse, except for restricted shares for which individual has sole voting power but no dispositive power until such shares vest.

(2) * indicates beneficial ownership of less than 1% on July 15, 2015.

(3) Comprised entirely of shares beneficially owned by MAK Capital One L.L.C. Mr. Kaufman is the managing member of MAK Capital One L.L.C. and shares voting and dispositive power with respect to all of the shares.

(4) As reported on a Schedule 13D/A dated May 12, 2015. MAK Capital One LLC has shared voting and dispositive power with respect to all of the shares. MAK Capital One LLC serves as the investment manager of MAK Capital Fund LP (“MAK Fund”) and MAK-ro Capital Master Fund LP (“MAK-ro Fund”). MAK GP LLC is the general partner of MAK Fund and MAK-ro Fund. Michael A. Kaufman, managing member and

controlling person of MAK GP LLC and MAK Capital One L.L.C., has shared voting and dispositive power with respect to all of the shares. MAK Fund has shared voting and dispositive power with respect to 3,424,973 shares. MAK-ro Fund has shared voting and dispositive power with respect to 1,859,675 shares. Paloma International L.P. ("Paloma"), through its subsidiary Sunrise Partners Limited Partnership, and S. Donald Sussman, controlling person of Paloma, have shared voting and dispositive power with respect to 1,772,286 shares. The principal business address of MAK Capital One LLC, MAK GP LLC and Mr. Kaufman is 590 Madison Avenue, 9th Floor, New York, New York 10022. The principal address of MAK Fund is c/o Dundee Leeds Management Services Ltd., 129 Front Street, Hamilton, HM 12, Bermuda. The principal business address of MAK-ro Fund is c/o Dundee Leeds Management Services Ltd., Waterfront Centre, 2nd Floor, 28 N. Church Street, P.O. Box 2506, Grand Cayman KY1-1104, Cayman Islands. The principal address of Paloma and Sunrise Partners Limited Partnership is Two America Lane, Greenwich, Connecticut 06836-2571. The principal business address for Mr. Sussman is 217 Commercial Street, Portland, Maine 04101.

On May 31, 2011, MAK Fund, Paloma and Computershare Trust Company, N.A. (the "Trustee") entered into an Amended and Restated Voting Trust Agreement (the "Revised Voting Trust Agreement") to clarify the effect on the voting trust created by the Voting Trust Agreement dated as of December 31, 2009, were the reporting persons (named above) to beneficially own one-third or more of the Company's outstanding voting securities as a result of a decrease in the total number of voting securities outstanding. In such event, regardless of the reporting persons' economic interest in the Company, its voting power will be effectively limited to no more than 23% or 27% of the voting securities in the event of a shareholder vote on (i) a merger, consolidation, conversion, sale or disposition of stock or assets or other business combination which requires approval of two-thirds of the Company's voting power (a "Strategic Transaction") or (ii) a transaction other than a Strategic Transaction which requires approval of two-thirds of the Company's voting power (an "Other Transaction"), respectively. In connection with a Strategic Transaction or Other Transaction, the reporting persons would continue to possess the total voting power only over a number of voting securities that would equal the total voting power it would possess were it to hold only one-third of the voting securities. The Revised Voting Trust Agreement will become effective if and when the number of shares owned by the reporting persons equals or exceeds one-third of the voting securities then outstanding as a result of a decrease in the total number of voting securities outstanding. Until such time, the Voting Trust Agreement will remain in full force and effect.

The Voting Trust Agreement provides that, for transactions requiring at least two-thirds of the voting power to approve, Trustee will vote shares as follows: (i) for a Strategic Transaction, vote shares that exceed 20% of the outstanding shares in favor of, against, or abstaining from voting in the same proportion as all other shares voted by shareholders (including reporting persons' shares that do not exceed the 20% threshold); and (ii) for Other Transactions, vote shares that exceed 25% of the outstanding shares in favor of, against, or abstaining from voting in the same proportion as all other shares voted by shareholders (including reporting persons' shares that do not exceed the 25% threshold). The Voting Trust Agreement terminates (i) if the vote necessary to approve all forms of transactions is lowered to the affirmative vote of holders of shares entitling them to exercise at least a majority of the voting power on the proposal to approve such transactions (from two-thirds); (ii) if MAK Fund and Paloma are no longer members of a "group" for purposes of Section 13(d) of the Securities Exchange Act, then the Voting Trust Agreement terminates with respect to any of MAK Fund and Paloma that beneficially owns not more than 20% of the outstanding shares; (iii) on February 18, 2020, or February 18, 2025 if MAK Fund continues to hold 20% of the outstanding shares; or (v) if another person or entity holds greater than 20% of the outstanding shares that are not subject to a similar voting agreement.

(5) As reported on a Schedule 13D/A dated May 6, 2015. Discovery Group has shared voting and dispositive power with respect to all the shares. Discovery Equity Partners, L.P. and Daniel J. Donoghue and Michael R. Murphy, managing members of Discovery Group, share voting and dispositive power with respect to all the shares. The business address of each of Discovery Equity Partners and Messrs. Donoghue and Murphy is 191 North Wacker Drive, Suite 1685, Chicago, Illinois 60606.

(6) As reported on a Schedule 13G/A dated February 12, 2015. RGM Capital, LLC has shared voting and dispositive power with respect to all of the shares. Robert G. Moses is the managing member of RGM Capital, LLC, and shares voting and dispositive power with respect to all of the shares.

(7) As reported on a Schedule 13G/A dated February 5, 2015. Dimensional Fund Advisors LP has sole voting power with respect to 1,868,670 shares and sole dispositive power with respect to all of the shares.

(8) As reported on a Schedule 13G/A dated January 12, 2015. BlackRock, Inc. has sole voting power with respect to 1,430,798 shares and sole dispositive power with respect to all of the shares.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act requires the Company's directors and certain of its executive officers and persons who beneficially own more than 10% of the Company's common shares to file reports of and changes in ownership with the SEC. Based solely on the Company's review of copies of SEC filings it has received or filed, the Company believes that each of its directors, executive officers, and beneficial owners of more than 10% of the shares satisfied the Section 16(a) filing requirements during fiscal year 2015, with two exceptions: (1) on February 6, 2015, director Jerry Jones purchased 1,000 shares of common stock in a market transaction, but the Form 4 to report such purchase was filed on March 12, 2015, due to an error in the Company's filing process; (2) the Form 3 filed on December 3, 2014 upon Rehan Jaddi becoming a reporting person under Section 16(a) inadvertently failed to include 6,500 shares of stock then owned by Mr. Jaddi.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This Compensation Discussion and Analysis (the "CD&A") describes our executive compensation philosophy and programs for our Named Executive Officers during fiscal year 2015. Compensation arrangements with our Named Executive Officers are governed by the Compensation Committee of our board of directors.

Our Named Executive Officers consist of our Chief Executive Officer ("CEO"), our Chief Financial Officer ("CFO"), and our three other most highly compensated officers during fiscal year 2015, as listed below:

- James Dennedy, President and Chief Executive Officer
- Janine Seebeck, Senior Vice President, Chief Financial Officer and Treasurer
- Kyle Badger, Senior Vice President, General Counsel and Secretary
- Rehan Jaddi, Senior Vice President, Customer Support & Service Solutions
- Larry Steinberg, Senior Vice President, Chief Technology Officer

Messrs. Dennedy, Badger and Steinberg and Ms. Seebeck are continuing Named Executive Officers from fiscal year 2014. Mr. Jaddi became an executive officer upon his appointment to Senior Vice President during fiscal year 2015 in November 2014.

Compensation Highlights

Compensation Focus for Fiscal Year 2015. After considering the results of our 2014 vote on Named Executive Officer compensation, which confirmed the Company's philosophy and objectives relative to our executive compensation program, the Compensation Committee continued efforts to maintain market median compensation expense and link executive pay to performance by:

- Establishing minimal base salary increases;
- Focusing annual incentives on improvements over fiscal year 2014 results; and
- Increasing long-term incentives to reward increases in shareholder value.

Performance Linked Compensation. Our Compensation Committee set fiscal year 2015 compensation, including financial targets for performance-based compensation, for our Named Executive Officers to continue to emphasize pay for performance by setting annual cash incentives based on goals focused on improvements over fiscal year 2014 results for revenue and in accordance with the company's strategic goals for adjusted operating income.

Mr. Dennedy's targeted pay was approximately 74% performance-based, and between 50% and 66% for each of our other Named Executive Officers' targeted pay was performance-based, tied directly to annual goals or long-term equity awards, the value of which is tied directly to an increase in share price.

Our operating results for fiscal year 2015 underperformed our plan. Total net revenue increased by 2%, and adjusted operating income decreased $6.4 million year over year to an adjusted operating loss of $2.3 million. As a result, our Named Executive Officers did not earn any annual incentive payouts related to financial targets for fiscal year 2015. Accordingly, Mr. Dennedy's total cash compensation for fiscal year 2015 decreased by almost 52% compared to fiscal year 2014, and the total cash compensation of our other Named Executive Officers, other than Mr. Jaddi, decreased by between 32% and 37%. Mr. Jaddi received an increase in base salary upon his promotion during the fiscal year and earned a partial annual incentive payout for the fiscal year based on business targets achieved prior to his promotion, which limited the decrease in his total cash compensation from fiscal year 2014 to 1.4%.

To further link pay to performance and emphasize long-term shareholder value creation, the Compensation Committee granted long-term equity incentive awards at the beginning of fiscal year 2015 that were higher as a percentage of base salary over the prior year, including an increase of 3% for Mr. Dennedy and increases between 13.8% and 21.4% for the other Named Executive Officers, other than Mr. Jaddi. During the fiscal year, as discussed below, the Compensation Committee made substantial additional grants of long-term equity incentive awards to key employees including the Named Executive Officers to improve retention.

Chief Executive Officer Compensation. Mr. Dennedy's compensation package for fiscal year 2015 continued to reflect the Compensation Committee's ongoing commitment to link pay to performance and to maintain market median compensation costs, as evidence by the following for Mr. Dennedy:

- A 3% cost of living increase in base salary and annual cash incentive target from the prior year;
- 50% of long-term incentive award, granted as stock-settled appreciation rights, is based entirely on share price improvement, and the balance, granted as restricted stock, is tied to share price;
- 74% of targeted compensation was variable pay, tied either to performance or share price improvement; and
- No annual incentive payout due to the Company's failure to achieve financial goals.

Chief Financial Officer Compensation. Ms. Seebeck's compensation package for fiscal year 2015 also continued to reflect the Compensation Committee's ongoing commitment to link pay to performance as evidence by the following for Ms. Seebeck:

- 50% of long-term incentive award, granted as stock-settled appreciation rights, is based entirely on share price improvement, and the balance, granted as restricted stock, is tied to share price;
- 50% of targeted compensation was variable pay, tied either to performance or share price improvement; and
- No annual incentive payout due to the Company's failure to achieve financial goals.

Compensation Philosophy, Objectives, and Structure

Our Compensation Committee adopted its pay philosophy, objectives, and structure for Named Executive Officers to achieve financial and business goals and create long-term shareholder value. Our Compensation Committee reaffirmed the pay philosophy, objectives, and structure for fiscal year 2015.

Compensation Philosophy and Objectives. Our Compensation Committee's pay philosophy is to pay total compensation at the market median of comparative peer group compensation, with emphasis placed on performance-based compensation, tied directly to annual goals or long-term equity awards, and to link compensation to our business strategy. The Compensation Committee's objective is to establish an overall compensation package to:

- Reward the achievement of business objectives approved by our board of directors;
- Tie a significant portion of compensation to the long-term performance of our common shares;
- Provide a rational, consistent, and competitive executive compensation program that is well understood by those to whom it applies; and
- Attract, retain, and motivate executives who can significantly contribute to our success.

Compensation Structure. Our compensation structure is comprised of:

Base Salary — Base salary provides fixed pay levels aimed to attract and retain executive talent. Variations in salary levels among Named Executive Officers are based on each executive's roles and responsibilities, experience, functional expertise, relation to peer pay levels, competitive assessments, individual performance, and changes in salaries in the overall general market and for all employees of the Company. Salaries are reviewed annually by our Compensation Committee, and changes in salary are based on these factors and input from our CEO, other than for himself. None of the factors are weighted according to any specific formula. New salaries generally are based on the Compensation Committee's discretion and judgment but may be based on any of the above-mentioned relevant factors.

Annual Incentives — Annual incentives provide cash variable pay for achievement of the Company’s financial, strategic, and operational goals and individual goals, with target incentives set as a percentage of salary, designed to reward achievement of goals with an annual cash payment. Variations in target incentive amounts among Named Executive Officers are determined by our Compensation Committee and based on market data, length of time in current role or similar role at another company, and recommendations from our CEO, other than for himself.

Long-Term Incentives — Long-term incentives are variable, equity incentives designed to drive improvements in performance that build wealth and create long-term shareholder value by tying the value of earned incentives to the long-term performance of our common shares. Target incentives are set as a percentage of salary. Variations in awards among Named Executive Officers are determined by our Compensation Committee after a review of various factors, including recommendations based on market data, individual ability to influence results, length of time in current role or similar role at another company, and recommendations from our CEO, other than for himself.

Compensation Key Considerations

Annual Goal Setting. Annual goals for our Named Executive Officers are tied to our financial, strategic, and operational goals and include business specific financial targets relating to our goals. For fiscal year 2015, the Compensation Committee linked all of the Named Executive Officer's annual incentive goals, other than Mr. Jaddi's, to the same financial goals for revenue and adjusted operating income. At fiscal year-end, the Compensation Committee evaluates the performance of each Named Executive Officer and determines an appropriate award based on established goals.

Variable Pay at Risk. Our philosophy drives the provision of greater at-risk pay to our Named Executive Officers, and variable pay at risk comprised approximately 74% of target annual compensation for our CEO and between 50% and 66% for other Named Executive Officers. Our Named Executive Officers have significant opportunities for long-term, equity-based incentive compensation, higher than for annual cash incentive compensation for each Named Executive Officer other than Mr. Jaddi (whose equity-based incentive compensation was the same as his target annual cash incentive compensation for fiscal year 2015), as our philosophy is to tie a significant portion of compensation to the long-term performance of our common shares. As a result, significant emphasis is placed on long-term shareholder value creation, thereby minimizing excessive risk taking by our executives.

Competitive Market Assessments. The Committee engaged Pearl Meyer & Partners as its compensation consultant during fiscal year 2014 and received from them a competitive market assessment that evaluated compensation levels for the Company's top four executive positions, including Messrs. Dennedy, Badger and Steinberg and Ms. Seebeck. The assessments compared current compensation levels for these executives to published compensation data for comparable executives at a peer group determined by the Compensation Committee from a group recommended by Pearl Meyer & Partners. The peer group consisted of the following software and technology companies:

Company	Ticker	GICS - Sub Industry	Revenue $ in millions	Market Cap July 2013 $ in millions
SPS Commerce Inc	SPSC	Internet Software & Services	$77	$977
E2open Inc	EOPN	Internet Software & Services	$75	$512
Support.com Inc	SPRT	Internet Software & Services	$72	$254
Sourcefire Inc	FIRE	Systems Software	$223	$2,377
Gigamon Inc	GIMO	Systems Software	$97	$1,054
Cyan Inc	CYNI	Systems Software	$96	$462
Qualys Inc	QLYS	Systems Software	$91	$507
XRS Corp	XRSC	Systems Software	$63	$30
Rally Software Development Corp	RALY	Systems Software	$57	$684
Synchronoss Technologies Inc	SNCR	Application Software	$274	$1,384
QAD Inc	QADA	Application Software	$252	$193
Bottomline Technologies Inc	EPAY	Application Software	$224	$1,100
Actuate Corp	BIRT	Application Software	$139	$352
PROS Holdings Inc	PRO	Application Software	$118	$916
Jive Software Inc	JIVE	Application Software	$114	$894
Ellie Mae Inc	ELLI	Application Software	$102	$620
BSQUARE Corp	BSQR	Application Software	$101	$31
American Software Inc	AMSWA	Application Software	$100	$224
Callidus Software Inc	CALD	Application Software	$95	$251
Model N Inc	MODN	Application Software	$84	$538
inContact Inc	SAAS	Alternative Carriers	$110	$453
		75th Percentile	$118	$916
		Median	$100	$512
		25th Percentile	$84	$254
Agilysys, Inc. (pro forma FY14)	AGYS	Application Software	$106	$257
percentile			55	23

Peer companies were selected based on industry relevance and comparability to the Company’s revenue at the time of selection. As detailed below, Pearl Meyer & Partners’ assessment showed that the compensation in fiscal year 2014 for Mr. Dennedy was generally aligned with the market median and for the three other Named Executive Officers whose compensation was evaluated was slightly lower than the market median. The Compensation Committee considered this assessment in setting Named Executive Officer Compensation in fiscal year 2015.

Tally Sheets. Our Compensation Committee analyzes tally sheets at the beginning of the fiscal year to review overall compensation and pay mix for each Named Executive Officer. Tally sheets include a three-year look-back of total compensation, including annual cash compensation, long-term incentive awards granted and earned, and benefits and perquisites. Tally sheets also include a cumulative inventory of equity grants by fiscal year, including the value of outstanding equity at the Company’s current stock price and the value received for prior vesting and exercises of equity. The tally sheets bring together, in one place, all elements of Named Executive Officers’ actual compensation and information about wealth accumulation so that our Compensation Committee can analyze the individual elements and mix of compensation and the aggregate total amount of annual and accumulated compensation. Tally sheets are also used by the Compensation Committee to evaluate internal pay equity among the Named Executive Officers and to determine the impact of employment termination or change of control events. In support of the philosophy of rewarding future performance, the Compensation Committee does not consider prior pay outcomes in setting future pay levels. Rather, tally sheets are used by the Compensation Committee to review compensation as compared to expectations, and our Compensation Committee determined that annual compensation set for our Named Executive Officers for fiscal year 2015 was consistent with expectations and with the established compensation philosophy and pay mix guidelines driven by that philosophy.

Fiscal Year 2015 Compensation

Base Salary. For fiscal year 2015, salary comprised 26% of total target compensation for our CEO and between 35% and 56% for our other Named Executive Officers. The competitive market assessment provided by Pearl Meyers & Partners during fiscal year 2014 indicated that the Company's fiscal year 2014 total target cash compensation (salary and annual incentive) ranked approximately at the market median, with Mr. Dennedy and Mr. Badger positioned between the 50th and 75th percentile and Ms. Seebeck and Mr. Steinberg positioned between the 25th and 50th percentile. Accordingly, Mr. Dennedy received only a cost of living increase of 3% over his salary in fiscal year 2014, and Mr. Badger did not receive any increase in salary. Ms. Seebeck's and Mr. Steinberg's salary were increased by 6.3% and 5.0%, respectively, over their salary in fiscal year 2014 as part of an overall increase to better align their compensation with the market median.

Annual Incentives. For fiscal year 2015, annual goals were set at the beginning of the fiscal year. The discussion below provides details regarding fiscal year 2015 annual incentive performance metrics, levels, and payouts for the Named Executive Officers.

Performance Metrics. The Compensation Committee set financial performance metrics for fiscal year 2015 annual incentives to require target level improvements over fiscal year 2014 results for revenue and consistent with Company's operating plan for adjusted operating income. The target level for revenue was set at a $7.2 million, or 6.7%, improvement over fiscal 2014 results; and the target level for adjusted operating income was set $2.1 million lower than the $4.1 million fiscal 2014 results, reflecting the amount that the Compensation Committee believed could be reasonably achieved given the Company's operating plan and the costs associated with the Company's on-going investment in its next generation products and the Company's strategy of increasing revenue from its subscription services products. Adjusted operating income is calculated as operating income excluding amortization of intangibles, stock based compensation expense and non-recurring charges. The Company believes adjusted operating income is a profitability measure and a key driver of value, focusing on sales, product mix, margins, and expense management. Adjusted operating income was selected as an annual goal component given the desire to balance sales and margins, as both are manageable by our Named Executive Officers.

Performance percentages for payouts (with proportionate payouts between the target and maximum achievement levels) were based on varying levels of achievement of fiscal year 2015 budgeted results, as set forth below. Additional detail about threshold and maximum incentives are disclosed in the Grants of Plan-Based Awards for Fiscal Year 2015 table.

	Threshold		Maximum	
Component	Payout (% of target incentive)	Required Achievement of Performance Measures (%)	Payout (% of target incentive)	Required Achievement of Performance Measures (%)
Revenue	50	98	150	102
Adjusted Operating Income	50	35	100	100

The Compensation Committee believed that the plan involved moderate difficulty at the threshold level, a high degree of difficulty at the 100% target level, given continuing transformation of the business and competition and pricing pressure in the market, and significant difficulty at the maximum level, requiring significant improvement over fiscal year 2014 results for revenue, in each case relative to future expectations at the time the levels were set. Threshold levels were considered as the achievement necessary to successfully execute a minimum level of the operating plan.

MBO’s. In prior years, the Compensation Committee employed management by objective goals (“MBOs”) in addition to objective performance metrics. The Compensation Committee did not set any MBOs for the Named Executive Officers for fiscal year 2015, instead linking all annual incentives to Company financial goals. The Compensation Committee believed that having only financial goals focused the management team on financial results and better aligned the Named Executive Officers with the interests of shareholders.

Annual Incentive Levels. For all Named Executive Officers, fiscal year 2015 target annual incentives were set as a percentage of salary. Target annual incentives were set at 87% of salary for Mr. Dennedy, 60% of salary for Mr. Steinberg and 50 of salary for the other Named Executive Officers, substantially the same as the prior fiscal year. Annual incentives comprised 23% of total target compensation for Mr. Dennedy, and between 21% and 27% for our other Named Executive Officers.

Fiscal Year 2015 Payouts. As previously discussed, the Company failed to achieve the threshold revenue and adjusted operating income targets for fiscal year 2015, and none of the Named Executive Officers, other than Mr. Jaddi, earned any of their annual incentives. Prior to his promotion during the fiscal year, Mr. Jaddi had MBOs set by Mr. Steinberg, his then supervisor, consisting of individual performance-based goals, with both quantitative and qualitative measures, related to the development of the Company's rGuest Stay property management system. The attainment of these MBOs resulted in a payout of $37,775 to Mr. Jaddi for fiscal year 2015.

Long-Term Incentives. As with the annual incentives, the Compensation Committee approved fiscal year 2015 long-term incentive ("LTI") awards at the beginning of year when the outcome for the fiscal year was substantially uncertain. LTI awards to Named Executive Officers consisted of stock-settled appreciation rights ("SSARs") and restricted shares, both with three-year vesting schedules, pursuant to the Company's shareholder-approved 2011 Stock Incentive Plan. The Compensation Committee considered various LTI award alternatives. While annual incentives targeted specific performance goals, the focus on LTI awards was to link compensation directly to shareholder gains. SSARs provided the direct link between compensation and shareholder gains in a less dilutive manner than with stock options, and the three-year vesting schedule also enhances retention. Restricted shares also tie compensation to shareholder gains and highly bolster retention over the vesting period.

LTI awards comprised 52% of total target compensation for Mr. Dennedy to directly link a significant portion of his pay, when combined with his annual incentive, to performance and comprised between 25% and 45% for our other Named Executive Officers. In setting LTI awards for the Named Executive Officers other than the CEO, the Compensation Committee received input and recommendations from our CEO regarding each Named Executive Officer's relative ability to influence results. The competitive market assessment provided by Pearl Meyers & Partners indicated that fiscal year 2104 LTI values were below the market median, ranging from 1% lower than the market median for Mr. Dennedy and between 24% and 33% below the market median for Messrs. Badger and Steinberg and Ms. Seebeck. As a result target levels were increased over the prior year for all the Named Executive Officers in order to better align their LTI values with the market median and to further link pay to performance and emphasize long-term shareholder value creation, as described above.

The Compensation Committee set the annual 2015 LTI awards for each Named Executive Officer as follows:

Name	Percent of Salary (%)	Total LTI Value ($)	SSARs Granted (#)	Restricted Shares Granted (#)
James H. Dennedy	200	824,000	57,063	28,551
Janine K. Seebeck	80	204,000	14,127	7,068
Kyle C. Badger	80	204,000	14,404	7,207
Larry Steinberg	120	341,250	23,632	11,824

All SSARs and restricted shares vest in one-third increments on March 31, 2015, 2016 and 2017. Mr. Jaddi was not an executive officer at the beginning of the fiscal year. Upon his promotion, he received a total LTI award of $11,750, half in SSARs and half in restricted shares to supplement a grant of $72,000 of restricted stock (4,990 shares) made at the beginning of the fiscal year related to his prior role. Other than SSARs granted to Mr. Jaddi, the SSARs were granted at an exercise price of $14.43 (the closing price of the common shares on the grant date), have a seven-year term, and are settled in common shares upon exercise. Mr. Jaddi's SSARs awarded upon his promotion have an exercise price of $11.86 and are otherwise on the same terms as the SSARs granted to the other Named Executive Officers.

In addition to the grants of annual LTI awards granted to the Named Executive Officers at the beginning of the fiscal year, on July 18, 2014, the Compensation Committee awarded special grants of restricted shares to all of the Named Executive Officers as part of a program to improve retention of key management during the Company's time of transition as follows.

Name	Restricted Shares
James Dennedy	50,000

Larry Steinberg	35,000
Janine Seebeck	30,000
Kyle Badger	25,000
Rehan Jaddi	15,000

Consistent with the retention nature of the grants, 5% of these restricted shares vest on July 31, 2015, 5% on July 31, 2016, and 90% on July 31, 2017.

Additional Compensation – Executive Benefits. We provide executive benefits to our Named Executive Officers including additional life and long-term disability insurance plans. From time to time, Named Executive Officers also may participate in supplier sponsored events. Executive benefits are further described in the Summary Compensation Table. We believe these benefits enhance the competitiveness of our overall executive compensation package. We have, however, limited executive benefits offered to reduce compensation costs. Additionally, welfare benefits offered to our Named Executive Officers are the same level of benefits offered to all Company employees, except that we pay for the cost of physicals to promote the health and well-being of our executives.

Employment Agreements and Change of Control

The material termination and change of control provisions of various agreements are summarized below for each Named Executive Officer and are covered in more detail in the Termination and Change of Control table and accompanying discussion.

Employment Agreements. In fiscal year 2015, all of the Named Executive Officers entered into employment agreements with the Company with substantially the same terms. All of the employment agreements have terms expiring July 21, 2017. Under the employment agreements, upon termination without cause, we must pay severance equal to one year's salary and target annual incentive and a lump sum amount equal to the executive’s total premium for one year of COBRA continuation coverage under the Company’s health benefit. If the executive's position is changed such that his or her responsibilities are substantially lessened (a “change in position”), the executive may terminate his or her employment if the Company fails to materially cure such condition within 30 days following notice of such condition by the executive, and the termination will be deemed to be a termination without cause and the executive is entitled to his or her severance benefits. None of the Named Executive Officers with employment agreements is entitled to excise tax gross-up payments. In consideration of the severance benefits, each employment agreement contains a 12-month post-termination non-solicitation provision, an indefinite confidentiality provision, and a 12-month post-termination non-compete provision. In the event that any of these Named Executive Officers are terminated without cause or for a change of position in the 24 months following a change of control of the Company, the Named Executive Officer is entitled to severance pay equal to two year’s salary and target annual incentive and a lump sum amount equal to the executive’s total premium for one year of COBRA continuation coverage under the Company’s health benefit.

Our Compensation Committee believes that the terms of these employment agreements enhance our ability to retain our executives and contain severance costs by providing reasonable severance benefits competitive with market practice. Severance costs are contained by limiting pay to one year in the absence of a change of control, limiting personal benefits, not providing accelerated vesting for awards under the agreements, and narrowly defining a voluntary termination that triggers severance benefits. Severance payments in the event of a change of control are subject to a double trigger such that severance benefits are provided only upon a combination of a change of control and a qualified termination. Additionally, the Company benefits greatly from the non-competition, non-disclosure, and non-solicitation clauses contained in the employment agreements.

Accelerated Vesting. None of the employment agreements discussed above provide for accelerated vesting of equity. Under our 2011 Stock Incentive Plan, the only plan for which any of the Named Executive Officers have unvested equity, vesting is accelerated upon the actual occurrence of a change of control for all SSARs and restricted shares (including performance shares). The Compensation Committee believes that during a change of control situation, a stable business environment is in the shareholders’ best interests, and accelerated vesting provisions provide stability. The accelerated vesting provisions are applicable to all employees who receive equity awards, not just executive management.

Additional Compensation Policies

Clawback – Recoupment of Bonuses, Incentives, and Gains. Under the Company's "clawback" policy, if the board of directors determines that our financial statements are restated due directly or indirectly to fraud, ethical misconduct, intentional misconduct, or a breach of fiduciary duty by one or more executive officers or vice presidents, then the board of directors will have the sole discretion to cancel any stock-based awards granted and to take such action, as permitted by law, as it deems necessary to recover all or a portion of any bonus or incentive compensation paid and recoup any gains realized in respect of equity-based awards, provided recoveries cannot extend back more than three years. Additionally, under Section 304 of the Sarbanes-Oxley Act, if we are required to restate our financial statements due to material noncompliance with any financial reporting requirements as a result of misconduct, our CEO and CFO must reimburse us for any bonus or other incentive-based or equity-based compensation received during the 12 months following the first public issuance of the non-complying document, and any profits realized from the sale of our securities during those 12 months.

Stock Ownership Guidelines. To underscore the importance of strong alignment between the interests of management and shareholders, the board of directors approved stock ownership guidelines for directors and executives, with our CEO having the highest ownership requirement. Director and executive compensation is designed to provide a significant opportunity to tie individual rewards to long-term Company performance. The objective of our stock ownership guidelines is to support this overall philosophy of alignment and to send a positive message to our shareholders, customers, suppliers, and employees of our commitment to shareholder value. Each director and executive officer is expected to maintain minimum share ownership of either: (i) a multiple of base salary or director annual retainer listed below, or (ii) the number of shares listed below:

Title	Multiple of Director Annual Retainer and Executive Base Salary		Number of Shares	
	2 Years	4 Years	2 Years	4 Years
Director	3x	6x	15,000	45,000
CEO	2.5x	5x	125,000	250,000
Senior Vice President	0.5x	2x	15,000	75,000
LTIP Participants	—	0.5x	2,500	15,000

Stock ownership that is included toward attainment of the guidelines includes (i) shares held of record or beneficially owned, either directly or indirectly; (ii) shares acquired upon exercise of stock options or SSARs; (iii) vested restricted or deferred shares; (iv) phantom or deferred share units held in a deferred compensation plan; and (v) shares or deferred shares acquired by dividend reinvestment. Directors and executives are expected to attain the specified target ownership levels within both two and four years from the later of the effective date of this policy or becoming a director or an executive, and remain at or above that level until retirement. Annually, the board of directors reviews progress toward achieving these ownership levels. Director and executives who have not attained the specified ownership guidelines will be required to hold 75% of shares acquired upon exercise of stock options and SSARs or vesting of performance or restricted shares until they meet their target ownership level. If ownership guidelines are not met within two and four years, our Compensation Committee has the right to pay an executive’s annual incentives in shares until ownership guidelines are achieved.

Impact of Tax and Accounting Considerations. In general, the Compensation Committee considers the various tax and accounting implications of the pay mechanisms used to provide pay to our Named Executive Officers, including the accounting cost associated with long-term incentive grants, when determining compensation. Section 162(m) of the Internal Revenue Code generally prohibits any publicly held corporation from taking a federal income tax deduction for pay to the chief executive officer and the three other highest compensated executive officers (other than the chief financial officer) in excess of $1 million in any taxable year. Exceptions are made for certain qualified performance-based pay. It is the Compensation Committee’s objective to maximize the effectiveness of our executive pay plans in this regard. The pay instruments used, including salaries, annual incentives, and equity, are tax deductible to the extent that they are performance-based or less than $1 million for such Named Executive Officer in a given year. However, the Compensation Committee retains discretion to pay compensation that is not tax deductible in situations where it believes such compensation is appropriate.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with the Company’s management. Based on that review and discussion, the Compensation Committee recommended to the board of directors that the Compensation Discussion and Analysis be included the Company’s 2015 Annual Report on Form 10-K for the fiscal year ended March 31, 2015 and the Proxy Statement for its 2015 Annual Meeting of Shareholders.

The Compensation Committee of the Board of Directors
Pete Sinisgalli, Chairman
Michael A. Kaufman
Keith M. Kolerus
John Mutch

RELATIONSHIP WITH COMPENSATION COMMITTEE CONSULTANT

During fiscal year 2015, the Compensation Committee retained Pearl Meyer & Partners as compensation consultant for certain executive compensation matters. All fees paid to Pearl Meyer & Partners in fiscal year 2015 were for executive compensation consultation.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table and related notes provide information regarding fiscal year 2015 compensation for our Named Executive Officers, including our CEO and CFO and the other three most highly compensated executive officers whose total compensation exceeded $100,000 for fiscal year 2015.

Summary Compensation Table for Fiscal Year 2015

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)(2)	Stock Awards ($)(3)	Option Awards ($)(3)	Non-Equity Incentive Plan Compen-sation ($)(4)	Non-qualified Deferred Compen-sation Earnings ($)	All Other Compen-sation ($)(5)	Total ($)
James H. Dennedy	FY15	410,154	—	1,087,491	411,995	—	—	33,919	1,943,559
President and Chief	FY14	400,000	—	399,998	400,129	447,278	—	32,760	1,680,038
Executive Officer	FY13	415,385	—	379,997	380,309	509,784	—	20,481	1,705,956
Janine K. Seebeck	FY15	252,692	—	507,291	101,997	—	—	11,533	873,513
Senior Vice President, Chief Financial Officer and Treasurer	FY14	218,490	25,000	59,995	60,015	153,352	—	11,505	528,347
Kyle C. Badger	FY15	260,000	—	441,747	103,997	—	—	12,497	818,241
Senior Vice President,	FY14	258,462	25,000	90,003	90,027	148,066	—	12,091	623,619
General Counsel and Secretary	FY13	259,615	—	62,500	62,548	153,921	—	37,796	576,380
Rehan Jaddi Senior Vice President, Customer Support & Service Solutions	FY14	222,154	—	280,538	8,733	37,775	—	8,476	557,676
Larry Steinberg	FY15	260,577	—	643,470	170,623	—	—	14,250	1,088,920
Senior Vice President,	FY14	246,154	—	149,996	105,052	169,345	—	10,969	726,468
Chief Technology Officer	FY13	205,962	39,550	574,750	95,660	148,972	—	7,646	1,072,540

(1)For Mr. Steinberg, 2013 salary is from start date through March 31, 2013.
(2)For Ms. Seebeck and Mr. Badger, amount consists of discretionary bonus related to the RSG transaction. For Mr. Steinberg, amount consists of hiring bonus.
(3)Stock Awards include grants of restricted shares and performance shares. Option Awards include SSAR grants. Amounts disclosed do not represent the economic value received by the Named Executive Officers. The value, if any,

recognized upon the exercise of a SSAR will depend upon the market price of the shares on the date the SSAR is exercised. The value, if any, recognized for restricted and performance shares will depend upon the market price of the shares upon vesting. In accordance with SEC rules, the values for restricted and performance shares and SSARs are equal to the aggregate grant date fair value for each award computed in accordance with FASB ASC Topic 718. The values for restricted and performance shares are based on the closing price on the grant date. The values for SSARs are based on the Black-Scholes option pricing model. A discussion of the assumptions used in determining these valuations is set forth in Note 14 of the Notes to Consolidated Financial Statements of the Company’s 2015 Annual Report. For Stock Awards, the amounts shown represent grants of restricted shares to each Named Executive Officer as part of the executive's annual long-term equity grant, and for 2015 includes grants of restricted shares to improve retention of key management, including the Named Executive Officers, and for Mr. Steinberg in 2013 includes grants of restricted shares as a long-term inducement award upon his hire.

(4)Amounts represent annual incentive payments received for 2015, 2014 and 2013 based on pre-set incentive goals established at the beginning of each fiscal year and tied to the Company’s financial, strategic, and operational goals.

(5)All other compensation includes the following compensation, calculated based on the aggregate incremental cost to the Company of the benefits noted:

All Other Compensation for Fiscal Year 2015

Name	401(k) Company Match ($)	Executive Life Insurance ($)	Relocation ($)(a)	Severance ($)	Gross-ups ($)	All Other ($)(b)	Total ($)
J. Dennedy	12,647	1,893	17,446	—	—	1,933	33,919
J. Seebeck	10,706	432	—	—	—	393	11,533
K. Badger	10,595	1,055	—	—	—	847	12,497
R. Jaddi	7,439	546	—	—	—	491	8,476
L. Steinberg	12,250	1,118	—	—	—	882	14,250

(a) Mr. Dennedy is reimbursed for temporary housing near the Company's corporate offices.
(b) Consists of executive long-term disability coverage.

Grants of Plan-Based Awards

The following table and related notes summarize grants of equity and non-equity incentive compensation awards to our Named Executive Officers for fiscal year 2015. All equity awards were made under the Company's 2011 Stock Incentive Plan.

Grants of Plan-Based Awards for Fiscal Year 2015

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ($)(1)			Estimated Future Payouts Under Equity Incentive Plan Awards ($)			All Other Stock Awards: Number of Shares of Stock (#)(2)	All Other Option Awards: Number of Securities Underlying Options (#)(3)	Exercise or Base Price of Option Awards ($/share)	Grant Date Fair Value of Stock and Option Awards ($)(4)
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
James H. Dennedy	7/18/2014							50,000			13.51
	6/3/2014	180,000	360,000	468,000							
	6/3/2014							28,551			14.43
	6/3/2014								57,063	14.43	7.22
Janine K. Seebeck	7/18/2014							30,000			13.51
	6/3/2014	63,750	127,500	165,750							
	6/3/2014							7,068			14.43
	6/3/2014								14,127	14.43	7.22
Kyle C. Badger	7/18/2014							25,000			13.51
	6/3/2014	65,000	130,000	169,000							
	6/3/2014							7,207			14.43
	6/3/2014								14,404	14.43	7.22
Rehan Jaddi	12/1/2014	18,888	75,550	86,882							
	12/1/2014							496			11.86
	12/1/2014								1,120	11.86	5.25

	7/18/2014				15,000			13.51
	6/3/2014				4,990			14.43
	7/18/2014				35,000			13.51
Larry	6/3/2014	78,750	157,500	204,750				
Steinberg	6/3/2014				11,824			14.43
	6/3/2014					23,632	14.43	7.22

(1)Amounts shown in the columns under Estimated Future Payouts Under Non-Equity Incentive Plan Awards represent fiscal year 2015 annual threshold, target, and maximum cash-based annual incentives granted under the annual incentive plan. Total threshold, target, and maximum payouts were conditioned on achievement of weighted goals based on revenue and adjusted operating income and achievement of individual

MBOs as applicable for each Named Executive Officer. Fiscal year 2015 payouts for each Named Executive Officer pursuant to these awards are shown in the Summary Compensation Table above in the column titled Non-Equity Incentive Plan Compensation. Further explanation of potential and actual payouts by component is set forth in the Compensation Discussion and Analysis – Annual Incentives.

(2)The share amounts shown represent grants of restricted shares to each Named Executive Officer as part of the executive's annual long-term equity grant and a special grant restricted shares to improve retention of key management, including the Named Executive Officers, and for Mr. Steinberg includes grants of restricted shares as a long-term inducement award upon his hire.

(3)The share amounts represent SSARs granted at the fair market value of the shares on the grant date as fiscal year 2015 long-term incentive awards. The SSARs are exercisable in thirds beginning on March 31, 2015. All SSARs have a seven-year term.

(4)The dollar amount shown for each equity grant represents the grant date fair value of the SSARs and restricted shares, calculated in accordance with FASB ASC Topic 718. The actual value, if any, recognized upon the exercise of a SSAR or vesting of restricted shares will depend upon the market price of the shares on the date the SSAR is exercised or restricted shares vest.

Outstanding Equity Awards

The following table and related notes summarize the outstanding equity awards held by the Named Executive Officers as of March 31, 2015.

Outstanding Equity Awards at 2015 Fiscal Year-End

Name	Grant Date	Option Awards Number of Securities Underlying Unexercised Options (#) Exercisable	Unexercisable (1)	Option Exercise Price ($)	Option Date Expiration	Stock Awards Number of Shares of Stock That Have Not Vested (#)(2)	Market Value of Shares of Stock That Have Not Vested ($)(3)
James H. Dennedy	6/12/2012	78,305		7.46	6/12/2019		
	6/4/2013	33,458	16,730 (a)	12.38	6/4/2020	10,770 (a)	105,977
	6/3/2014	19,021	38,042 (a)	14.43	6/3/2021	19,034 (a)	187,295
	7/18/2014					50,000 (a)	492,000
Janine K. Seebeck	11/7/2011	5,152		8.31	11/7/2018		
	6/12/2012	5,721		7.49	6/12/2019		
	6/4/2013	3,346	1,673 (b)	12.38	6/4/2020	1,077 (b)	10,598
	8/7/2013	1,810	905 (b)	11.40	8/7/2020	585 (b)	5,756
	6/3/2014	4,709	9,418 (b)	14.43	6/3/2021	4,712 (b)	46,366
	7/18/2014					30,000 (b)	295,200
Kyle C. Badger	10/31/2011	11,194		8.49	10/31/2018		
	6/12/2012	12,886		7.46	6/12/2019		
	6/4/2013	7,528	3,764 (c)	12.38	6/4/2020	2,424 (c)	23,852
	6/3/2014	4,801	9,603 (c)	14.43	6/3/2021	4,805 (c)	47,281
	7/18/2014					25,000 (c)	246,000
Rehan Jaddi	6/1/2012	8,187		7.25	6/1/2019		
	6/4/2013					1,791 (d)	17,623
	6/3/2014					3,327 (d)	32,738

	7/18/2014					15,000 (d)	147,600
	12/1/2014	373	747 (d)	11.86	12/1/2021	331 (d)	3,257
Larry Steinberg	5/9/2012	17,513		8.64	5/9/2019	887 (e)	8,728
	6/4/2013	12,547	6,274 (e)	12.38	6/4/2020	4,039 (e)	39,744
	6/3/2014	7,877	15,755 (e)	14.43	6/3/2021	7,883 (e)	77,569
	7/18/2014					35,000 (e)	344,400

(1) As of March 31, 2015, the vesting schedule for the time-vested SSARs was as follows:

(a) 35,751on March 31, 2016 and 19,021 on March 31, 2017
(b) 7,287 on March 31, 2016 and 4,709 on March 31, 2017
(c) 8,565 on March 31, 2016 and 4,802 on March 31, 2017
(d) 373 on March 31, 2016 and 374 on March 31, 2017
(e)14,151 on March 31, 2016 and 7,878 on March 31, 2017
(f)As of March 31, 2015, the vesting schedule for the time-vested stock awards was as follows:
(a)2500 on July 31, 2015; 20,287 on March 31, 2016; 2500 on July 31, 2016; 9,517 on March 31, 2017; and 45,000 on July 31, 2017
(b)1500 on July 31, 2015; 4,018 on March 31, 2016; 1500 on July 31, 2016; 2,356 on March 31, 2017; and 27,000 on July 31, 2017
(c)1250 on July 31, 2015; 4,826 on March 31, 2016; 1250 on July 31, 2016; 2,403 on March 31, 2017 and 22,500 on July 31, 2017
(d)750 on July 31, 2015; 3,619 on March 31, 2016; 750 on July 31, 2016; 1,830 on March 31, 2017; and 13,500 on July 31, 2017
(e)887 on May 9, 2015; 1750 on July 31, 2015; 7,980 on March 31, 2016; 1750 on July 31, 2016; 3,942 on March 31, 2017; and 31,500 on July 31, 2017
(3) Calculated based on the closing price of the shares on March 31, 2015 of $9.84 per share.

Option Exercises and Stock Vested

The following table and related notes summarize the exercise of stock options and/or SSARs and the vesting of other stock awards by the Named Executive Officers during fiscal year 2015.

Option Exercises and Stock Vested for Fiscal Year 2015

Name	Option Awards Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Stock Awards Number of Shares Acquired on Vesting (#)(1)	Value Realized on Vesting ($)(2)
James H. Dennedy	—	—	37,267	366,707
Janine K. Seebeck	—	—	5,258	51,739
Kyle C. Badger	—	—	7,618	74,961
Rehan Jaddi	—	—	7,010	68,978
Larry Steinberg	—	—	52,904	568,569

(1)Includes partial vesting of time-vested restricted shares granted in 2013 and 2014 and, for Mr. Steinberg, vesting of 17,728 upon the successful development of our next generation property management system, rGuest Stay.
(2)The value realized on vesting of stock awards is determined by multiplying the number of shares underlying the stock awards by the closing price of the shares on the vesting date of the awards.

Termination and Change of Control

The following table and discussion summarize certain information related to the total potential payments which would have been made to the Named Executive Officers in the event of termination of their employment with the Company, including in the event of a change of control, effective March 31, 2015, the last business day of fiscal year 2015.

Employment Agreements. The Named Executive Officers are each a party to an employment agreement with the Company. Under the employment agreements, if we terminate any of the Named Executive Officers' employment without cause, he or she will receive severance equal to one year's salary and target annual incentive, and a lump sum amount equal to the executive’s total premium for one year of COBRA continuation coverage under the Company’s health benefit. If the Company changes the Named Executive Officer’s position such that his or her compensation or responsibilities are substantially lessened, and the Company fails to cure such situation within 30 days after notice, he or she may terminate his or her employment and will receive his or her severance benefits. In the event that any of the Named Executive Officers are terminated without cause or for a change of position in the 24 months following a change of control of the Company, the Named Executive Officer is entitled to severance pay equal to two year’s salary and target annual incentive and a lump sum amount equal to the executive’s total premium for one year of COBRA continuation coverage under the Company’s health benefit. Following a termination of employment for any reason the executive is prohibited for a one-year period following termination from being employed by, owning, operating, controlling, or being connected with any business that competes with the Company. Each executive's agreement also contains an indefinite non-disclosure provision for the protection of the Company's confidential information and one-year non-solicitation and non-compete provisions.

Termination and Change of Control

Voluntary Termination or Termination for Cause ($)(1)	James Dennedy	Janine Seebeck	Kyle Badger	Rehan Jaddi	Larry Steinberg
Base Salary and Incentive	—	—	—	—	—
Accelerated Vesting	—	—	—	—	—
Termination without Cause or by Employee for Change in Position ($)(1)					
Base Salary and Incentive	762,000	382,500	385,000	310,550	420,000
Health Insurance (2)	13,436	—	13,215	13,436	13,436
Accelerated Vesting	—	—	—	—	—
Total	775,436	382,500	398,215	323,986	433,479
Change of Control ($)(3)					
Base Salary and Incentive	1,524,000	765,000	770,000	621,100	840,000
Health Insurance	13,436	—	13,215	13,436	13,436
Accelerated Vesting/SSARs (3)	—	—	—	—	—
Accelerated Vesting/Stock (3)	785,271	357,920	317,133	201,218	470,441
Total	2,322,707	1,122,920	1,100,348	835,754	1,323,877
Death or Disability ($)(4)					
Accelerated Vesting/SSARs (3)	—	—	—	—	—
Accelerated Vesting/Stock (3)	785,271	357,920	317,133	201,218	470,441
Total	785,271	357,920	317,133	201,218	470,441

(1)For the Named Executive Officers, “cause” is defined as (i) breach of employment agreement or any other duty to the Company, (ii) dishonesty, fraud, or failure to abide by the published ethical standards, conflicts of interest, or material breach of Company policy, (iii) conviction of a felony crime or crime involving misappropriation of money or other Company property, (iv) misconduct, malfeasance, or insubordination, or (v) gross failure to perform (not including failure to achieve quantitative targets). A “change in position” is the substantial lessening of compensation or responsibilities. After a change in position, the executive has 30 days to notify the Company of his or her termination of employment, and the Company has 30 days to cure. A “voluntary termination” includes death, disability, or legal incompetence.
(2)Health Insurance consists of health care and dental care benefits. The amount reflects 12 months of benefits for the Named Executive Officers that participate in the Company's plans. These benefits have been calculated based on actual cost to us for fiscal year 2015.
(3)Severance payments in the event of a change of control are subject to a double trigger such that severance benefits are provided only upon a combination of a change of control and a qualified termination. SSARs and restricted shares vest upon a change of control. For SSARs (except as qualified below) the value of accelerated vesting is calculated using the closing price of $9.84 per share on March 31, 2015 less the exercise price per share for the total number of SSARs accelerated. The exercise price for all unvested SSARs held by the Named Executive Officers is greater than $9.84, thus no potential payments are indicated since there would be no proceeds upon the exercise of “underwater” SSARs. The value of restricted shares upon vesting reflects that same $9.84 closing price. Values represent potential vesting under a hypothetical change of control situation on March 31, 2015.
(4) All SSARs and restricted shares vest upon death or disability.

EQUITY COMPENSATION PLAN INFORMATION

The following table provides certain information with respect to all of the Company's equity compensation plans in effect as of March 31, 2015.

	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by shareholders (2000 Stock Option Plan for Outside Directors and 2000, 2006, and 2011 Stock Incentive Plans)	976,510	13.54	1,616,270
Equity compensation plans not approved by shareholders	—	—	—
Total			

PROPOSAL 2
ADVISORY VOTE REGARDING EXECUTIVE COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”) and SEC rules require us to allow our shareholders to vote, on a non-binding, advisory basis, on whether to approve the compensation of our Named Executive Officers as disclosed in this Proxy Statement, in accordance with the SEC’s compensation disclosure rules. As described more fully in our CD&A section of this Proxy Statement, our compensation programs applicable to our Named Executive Officers are designed to retain executives who can significantly contribute to our success, reward the achievement of specific annual and long-term goals and strategic objectives, and tie a significant portion of compensation to the long-term performance of our shares to align executive pay and shareholders’ interests. The Compensation Committee continually reviews the compensation programs for our Named Executive Officers to ensure the alignment of our executive compensation structure with our shareholders’ interests and market practices. As a result of this review, the Compensation Committee:

- Established minimal base salary increases for fiscal year 2015;
- Focused annual incentives on improvements over fiscal year 2014 revenue results;
- Awarded no annual incentives to the Named Executive Officers for fiscal year 2014 due to the Company’s failure to achieve financial goals; and
- Structured long-term incentives to reward increases in shareholder value.

We are asking shareholders to approve our Named Executive Officers’ compensation as described in this Proxy Statement. Currently, we ask shareholders to vote on such compensation annually. This vote is not intended to address any specific item of compensation, but rather the overall compensation, and the philosophy, objectives, and structure applicable to such compensation. This advisory vote is not binding on the Company, the Compensation Committee, or our board of directors; however, we value the opinions of our shareholders and to the extent there is any significant vote against this proposal, we will consider our shareholders' concerns and evaluate whether any actions are necessary to address those concerns. Accordingly, we are asking our shareholders to vote "FOR" the following resolution at the Annual Meeting:

"RESOLVED, that the Company's shareholders approve, on an advisory basis, the compensation of the Named Executive Officers, as disclosed in the Company's Proxy Statement for the 2015 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis and the discussion under Executive Compensation, including the 2015 compensation tables and the related disclosure and narratives to those tables."

THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" PROPOSAL 2. PROXY CARDS RECEIVED BY THE COMPANY WILL BE VOTED "FOR" PROPOSAL 2 UNLESS THE SHAREHOLDER SPECIFIES OTHERWISE ON THE PROXY CARD.

AUDIT COMMITTEE REPORT

The Audit Committee oversees the Company's financial reporting process on behalf of the board of directors. The Audit Committee's activities are governed by a written charter adopted by the board of directors, the Amended and Restated Audit Committee Charter, which is available at the Company's website www.agilysys.com. The Audit Committee currently consists of three directors, all of whom are independent in accordance with the rules of the NASDAQ Stock Market, Section 10A(m) of the Securities Exchange Act of 1934, and the rules and regulations of the SEC. The Board has determined that Directors John Mutch and Peter Sinisgalli each qualify as an "audit committee financial expert" as defined by the SEC.

Management has the primary responsibility for the Company's financial statements and the reporting process, including the system of internal controls over financial reporting. PricewaterhouseCoopers LLP ("PwC"), the Company's independent registered public accounting firm, audits the annual financial statements prepared by management and expresses an opinion on whether those financial statements conform with United States generally accepted accounting principles, and also audits the internal controls over financial reporting and management's assessment of those controls. The Audit Committee hires the Company's independent registered public accounting firm and monitors these processes.

In carrying out its responsibilities, the Audit Committee has reviewed and has discussed with the Company's management the Company's 2015 audited financial statements. Management represented to the Audit Committee that the Company's financial statements were prepared in accordance with United States generally accepted accounting principles. In addition, the Audit Committee discussed with the Company's financial management and independent registered public accounting firm the overall scope and plans for the audit. The Audit Committee also met with the independent registered public accounting firm, with and without management present, to discuss the results of the audit, their evaluation of the Company's internal controls over financial reporting, including both the design and usefulness of such internal controls, and the overall quality of the Company's financial reporting.

The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 114, The Auditor's Communication With Those Charged With Governance.

The Audit Committee has also received annual written disclosures from PwC regarding their independence from the Company and its management as required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, has discussed with the independent registered public accounting firm their independence, and has considered the compatibility of non-audit services with the registered public accounting firm's independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the board of directors that the Company's 2015 audited financial statements be included in the Company's 2015 Annual Report and Form 10-K for the fiscal year ended March 31, 2015.

Submitted by the Audit Committee of the Board of Directors as of June 2, 2015

Jerry Jones, Chairman
John Mutch
Peter Sinisgalli

PROPOSAL 3

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

By NASDAQ and SEC rules, appointment of the Company's independent registered public accounting firm ("Independent Accountant") is the direct responsibility of the Audit Committee, and the Audit Committee has appointed Grant Thornton LLC as our Independent Accountant for the fiscal year ending March 31, 2015.

Shareholder ratification of the selection of Grant Thornton as our Independent Accountant is not required by our Amended Code of Regulations or otherwise; however, the board of directors has determined to seek shareholder ratification of that selection to provide shareholders an avenue to express their views on this important matter. If our shareholders fail to ratify the selection, the Audit Committee will seek to understand the reasons for the vote against ratification and will take those views into account in this and future appointments. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different

Independent Accountant at any time during the year if it is determined that such a change would be in the best interests of the Company and our shareholders.

THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE “FOR”THE RATIFICATON OF GRANT THORNTON AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM. PROXY CARDS RECEIVED BY THE COMPANY WILL BE VOTED “FOR” PROPOSAL 3 UNLESS THE SHAREHOLDER SPECIFIES OTHERWISE ON THE PROXY CARD.

The Audit Committee reviewed the fees of PricewaterhouseCoopers LLP (“PwC”), our Independent Accountant for fiscal years 2015 and 2014. Fees for services rendered by PwC for fiscal years 2015 and 2014 were:

Fiscal Year	Audit Fees ($)	Audit-Related Fees ($)	Tax Fees ($)	All Other Fees ($)
2015	676,798	—	—	2,700
2014	528,180	—	41,000	60,000

“Audit Fees” consist of fees billed for professional services provided for the annual audit of our financial statements, annual audit of internal control over financial reporting, review of the interim financial statements included in quarterly reports, and services that are normally provided in connection with statutory and regulatory filings. “Audit-Related Fees” generally include fees for employee benefits plan audits, business acquisitions, and accounting consultations. “Tax Fees” include tax compliance and tax advice services. “All Other Fees” generally relate to services provided in connection with non-audit acquisition activities.

Representatives of Grant Thornton are expected to be present at the Annual Meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions. Representatives of PwC are no expected to be present at the Annual Meeting.

The Audit Committee adopted an Audit and Non-Audit Services Pre-Approval Policy (the “Policy”) to ensure compliance with SEC and other rules and regulations relating to auditor independence, with the goal of safeguarding the continued independence of our Independent Accountant. The Policy sets forth the procedures and conditions pursuant to which audit, review, and attest services and non-audit services to be provided to the Company by the our Independent Accountant may be pre-approved. The Audit Committee is required to pre-approve the audit and non-audit services performed by our Independent Accountant to assure that the provision of such services does not impair independence. Unless a type of service to be provided has received pre-approval as set forth in the Policy, it will require separate pre-approval by the Audit Committee before commencement of the engagement. Any proposed service that has received pre-approval but which will exceed pre-approved cost limits will require separate pre-approval by the Audit Committee. All audit, non-audit, and tax services were pre-approved by the Audit Committee during fiscal years 2015 and 2014.

RELATED PERSON TRANSACTIONS

All related person transactions with the Company require the prior approval or ratification by our Audit Committee. The board of directors adopted Related Person Transaction Procedures to formalize the procedures by which our Audit Committee reviews and approves or ratifies related person transactions. The procedures set forth the scope of transactions covered, the process for reporting such transactions, and the review process. Covered transactions include any transaction, arrangement, or relationship with the Company in which any director, executive officer, or other related person has a direct or indirect material interest, except for business travel and expense payments, share ownership, and executive compensation approved by the board of directors. Transactions are reportable to the Company’s General Counsel, who will oversee the initial review of the reported transaction and notify the Audit

Committee of transactions within the scope of the procedures, and the Audit Committee will determine whether to approve or ratify the transaction. Through our Nominating and Corporate Governance Committee, we make a formal yearly inquiry of all of our executive officers and directors for purposes of disclosure of related person transactions, and any such newly revealed related person transactions are conveyed to the Audit Committee. All officers and directors are charged with updating this information with our internal legal counsel.

OTHER MATTERS

The Board is not aware of any matter to come before the Annual Meeting of Shareholders other than those mentioned in the accompanying Notice. If other matters properly come before the Annual Meeting, the persons named in the accompanying proxy card intend, to the extent permitted by law, to vote using their best judgment on such matters.

SHAREHOLDER PROPOSALS

Shareholders who, in accordance with SEC Rule 14a-8, wish to present proposals for inclusion in the proxy materials to be distributed in connection with the 2015 Annual Meeting of Shareholders must submit their proposals so that they are received by our Secretary at our at our Alpharetta office, located at 1000 Windward Concourse, Suite 250, Alpharetta, Georgia 30005, no later than the close of business on May 26, 2015. Each proposal submitted should be accompanied by the name and address of the shareholder submitting the proposal and the number of common shares owned. If the proponent is not a shareholder of record, proof of beneficial ownership should also be submitted. All proposals must be a proper subject for action and comply with the proxy rules of the SEC.

In order for a shareholder to bring a matter properly before the 2015 Annual Meeting present (other than a matter brought pursuant to SEC Rule 14a-8), the shareholder must comply with the requirements set forth in our Regulations, including: (i) be a shareholder of record at the time notice of the matter is given and at the time of the meeting, (ii) be entitled to vote at the meeting, and (iii) have given timely written notice of the matter to the Secretary. A shareholder’s notice of a matter the shareholder wishes to present at the 2015 Annual Meeting (other than a matter brought pursuant to SEC Rule 14a-8), must be received by our Secretary at our Alpharetta office, located at 1000 Windward Concourse, Suite 250, Alpharetta, Georgia 30005, no earlier than May 26, 2015, and no later than June 24, 2015.

Any shareholder entitled to vote at the Annual Meeting on September 23, 2015 may make a request in writing and we will mail, at no charge, a copy of our 2015 Annual Report, including the financial statements and schedules required to be filed with the SEC pursuant to Rule 13a-1 under the Exchange Act, for the most recent fiscal year. Written requests should be directed to Agilysys, Inc., Attn: Investor Relations, 1000 Windward Concourse, Suite 250, Alpharetta, Georgia 30005.

Please sign and return your proxy card promptly, or vote via the Internet or telephone. For your convenience a return envelope is enclosed requiring no additional postage if mailed in the United States.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Proxy Statement and other publicly available documents, including the documents incorporated herein and therein by reference, contain, and our officers and representatives may from time to time make, "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods. These statements are not guarantees of future performance and involve risks, uncertainties, and assumptions that are difficult to predict. These statements are based on management’s current expectations, intentions, or beliefs and are subject to a number of factors, assumptions, and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Factors that could cause or contribute to such differences or that might otherwise impact the business include the risk factors set forth in Item 1A of our Annual Report for the fiscal year ended March 31, 2015. We undertake no obligation to update any such factor or to publicly announce the results of any revisions to any forward-looking statements contained herein whether as a result of new information, future events, or otherwise.