

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D. C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-13163

ACXIOM CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE

(State or Other Jurisdiction of Incorporation
or Organization)

71-0581897

(I.R.S. Employer Identification No.)

301 E. Dave Ward Drive,
Conway, Arkansas
(Address of Principal Executive Offices)

72032
(Zip Code)

(501) 342-1000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on which registered

Common Stock, \$.10 Par Value

The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes [X] No []

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.

Yes [] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No []

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes [X] No []

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. []

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [X]
Non-accelerated filer []
(Do not check if a smaller reporting company)

Accelerated filer []
Smaller reporting company []
Emerging growth company []

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes [] No [X]

The aggregate market value of the voting stock held by non-affiliates of the registrant, based upon the closing sale price of the registrant's Common Stock, \$.10 par value per share, as of the last business day of the registrant's most recently completed second fiscal quarter as reported on the NASDAQ Global Select Market was approximately \$1,887,964,114. (For purposes of determination of the above stated amount only, all directors, executive officers and 10% or more shareholders of the registrant are presumed to be affiliates.)

The number of shares of Common Stock, \$.10 par value per share, outstanding as of May 21, 2018 was 77,060,281 .

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DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the 2018 Annual Meeting of Stockholders ("2018 Proxy Statement") of Acxiom Corporation ("Acxiom," the "Company," "we", "us", or "our") are incorporated by reference into Part III of this Form 10-K.

PART I

AVAILABILITY OF SEC FILINGS AND CORPORATE GOVERNANCE INFORMATION

Our website address is www.acxiom.com, where copies of documents which we have filed with the Securities and Exchange Commission ("SEC") may be obtained free of charge as soon as reasonably practicable after being filed electronically. Included among those documents are our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act"). Copies may also be obtained through the SEC's EDGAR site, or by sending a written request for copies to Acxiom Investor Relations, 100 Redwood Shores Parkway, Redwood City, California 94065. Copies of all our SEC filings were available on our website during the past fiscal year covered by this Form 10-K. In addition, at the "Corporate Governance" section of our website, we have posted copies of our Corporate Governance Principles, the charters for the Audit/Finance, Compensation, Executive, and Governance/Nominating Committees of the Board of Directors, the codes of ethics applicable to directors, financial personnel and all employees, and other information relating to the governance of the Company. Although referenced herein, information contained on or connected to our corporate website is not incorporated by reference into this annual report on Form 10-K and should not be considered part of this report or any other filing we make with the SEC.

CAUTIONARY STATEMENTS RELEVANT TO FORWARD-LOOKING INFORMATION

This Annual Report on Form 10-K, including, without limitation, the items set forth on pages F-3 – F-21 in Management's Discussion and Analysis of Financial Condition and Results of Operations, contains and may incorporate by reference certain statements that may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended (the "PSLRA"), and that are intended to enjoy the protection of the safe harbor for forward-looking statements provided by the PSLRA. These statements, which are not statements of historical fact, may contain estimates, assumptions, projections and/or expectations regarding the Company's financial position, results of operations, market position, product development, growth opportunities, economic conditions, and other similar forecasts and statements of expectation. Forward-looking statements are often identified by words or phrases such as "anticipate," "estimate," "plan," "expect," "believe," "intend," "foresee," or the negative of these terms or other similar variations thereof. These forward-looking statements are not guarantees of future performance and are subject to a number of factors and uncertainties that could cause the Company's actual results and experiences to differ materially from the anticipated results and expectations expressed in the forward-looking statements.

Forward-looking statements may include but are not limited to the following:

- management's expectations about the macro economy;
- statements containing a projection of revenues, income (loss), earnings (loss) per share, capital expenditures, dividends, capital structure, or other financial items;
- statements of the plans and objectives of management for future operations, including, but not limited to, those statements contained under the heading "Acxiom's Growth Strategy" in Part I, Item 1 of this Annual Report on Form 10-K;
- statements of future economic performance, including, but not limited to, those statements contained in Management's Discussion and Analysis of Financial Condition and Results of Operations contained in this Annual Report on Form 10-K;
- statements containing any assumptions underlying or relating to any of the above statements; and
- statements containing a projection or estimate.

Among the factors that may cause actual results and expectations to differ from anticipated results and expectations expressed in such forward-looking statements are the following:

- the risk factors described in Part I, "Item 1A. Risk Factors" and elsewhere in this report and those described from time to time in our future reports filed with the SEC;

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- the possibility that, in the event a change of control of the Company is sought, certain clients may attempt to invoke provisions in their contracts allowing for termination upon a change in control, which may result in a decline in revenue and profit;
- the possibility that the integration of acquired businesses may not be as successful as planned;
- the possibility that the fair value of certain of our assets may not be equal to the carrying value of those assets now or in future time periods;
- the possibility that sales cycles may lengthen;
- the possibility that we will not be able to properly motivate our sales force or other associates;
- the possibility that we may not be able to attract and retain qualified technical and leadership associates, or that we may lose key associates to other organizations;
- the possibility that we will not be able to continue to receive credit upon satisfactory terms and conditions;
- the possibility that competent, competitive products, technologies or services will be introduced into the marketplace by other companies;
- the possibility that there will be changes in consumer or business information industries and markets that negatively impact the Company;
- the possibility that we will not be able to protect proprietary information and technology or to obtain necessary licenses on commercially reasonable terms;
- the possibility that there will be changes in the legislative, accounting, regulatory and consumer environments affecting our business, including but not limited to litigation, legislation, regulations and customs impairing our ability to collect, manage, aggregate and use data;
- the possibility that data suppliers might withdraw data from us, leading to our inability to provide certain products and services;
- the possibility that data purchasers will reduce their reliance on us by developing and using their own, or alternative, sources of data generally or with respect to certain data elements or categories;
- the possibility that we may enter into short-term contracts which would affect the predictability of our revenues;
- the possibility that the amount of ad hoc, volume-based and project work will not be as expected;
- the possibility that we may experience a loss of data center capacity or interruption of telecommunication links or power sources;
- the possibility that we may experience failures or breaches of our network and data security systems, leading to potential adverse publicity, negative customer reaction, or liability to third parties;
- the possibility that our clients may cancel or modify their agreements with us;
- the possibility that we will not successfully complete customer contract requirements on time or meet the service levels specified in the contracts, which may result in contract penalties or lost revenue;
- the possibility that we experience processing errors which result in credits to customers, re-performance of services or payment of damages to customers;
- general and global negative economic conditions; and
- our tax rate and other effects of the changes to U.S. federal tax law.

With respect to the provision of products or services outside our primary base of operations in the United States, all of the above factors apply, along with the difficulty of doing business in numerous sovereign jurisdictions due to differences in scale, competition, culture, laws and regulations.

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Other factors are detailed from time to time in periodic reports and registration statements filed with the SEC. The Company believes that it has the product and technology offerings, facilities, associates and competitive and financial resources for continued business success, but future revenues, costs, margins and profits are all influenced by a number of factors, including those discussed above, all of which are inherently difficult to forecast.

In light of these risks, uncertainties and assumptions, the Company cautions readers not to place undue reliance on any forward-looking statements. Forward-looking statements and such risks, uncertainties and assumptions speak only as of the date of this Annual Report on Form 10-K, and the Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein, to reflect any change in our expectations with regard thereto, or any other change based on the occurrence of future events, the receipt of new information or otherwise, except to the extent otherwise required by law.

Item 1. Business

Axiom Corporation is a global technology and enablement services company with a vision to transform data into value for everyone. Through a simple, open approach to connecting systems and data, we provide the data foundation for the world's best marketers. By making it safe and easy to activate, validate, enhance, and unify data, we provide marketers with the ability to deliver relevant messages at scale and tie those messages back to actual results. Our products and services enable people-based marketing, allowing our clients to generate higher return on investment and drive better omni-channel customer experiences.

Axiom is a Delaware corporation founded in 1969 in Conway, Arkansas. Our common stock is listed on the NASDAQ Global Select Market under the symbol "ACXM." We serve a global client base from locations in the United States, Europe, and the Asia-Pacific ("APAC") region. Our client list includes many of the world's largest and best-known brands across most major industry verticals, including but not limited to financial, insurance and investment services, automotive, retail, telecommunications, high tech, healthcare, travel, entertainment, non-profit, and government.

We excel in relationships with organizations that view the activation, management, and application of data as an integral component of their business. We generate our revenue from the following business segments:

- **Connectivity.** Our Connectivity segment enables clients to build an omni-channel view of the customer and activate that understanding across the open marketing ecosystem.
- **Audience Solutions.** Our Audience Solutions segment helps clients validate the accuracy of their data, enhance it with additional insight, and keep it up to date, enabling clients to reach desired audiences with highly relevant messages.
- **Marketing Services.** Our Marketing Services segment helps clients unify data at the individual level in a privacy-safe environment and use it to achieve data-driven results.

Across these segments, we leverage a common set of technical capabilities, each of which delivers increasing value with scale. We provide the largest number of integrations to marketing platforms and data providers in the digital marketing ecosystem, enabling our clients to innovate through their preferred choice of technology, data, and services providers. Our industry-leading recognition and data assets power best-in-class consumer identification and linking with the highest level of accuracy. And, our expertise in data stewardship enables us to process large volumes ethically and securely in accordance with regional data protection requirements.

Together, our products and services form the "power grid" for data, the critical foundation for people-based marketing that brands need to engage consumers across today's highly fragmented landscape of channels and devices.

Industry Trends

Overwhelming Complexity in Digital Marketing Ecosystem

Marketing has evolved significantly in recent years driven by rapid innovation and an explosion of data, channels, devices, and applications. Historically, brands interacted with consumers through a limited number of channels, with limited visibility into the activities taking place. Today, companies interact with consumers across a growing number of touchpoints, including online, social, mobile and point-of-sale. The billions of interactions that take place each day between brands and consumers create a trove of valuable data that can be collected and analyzed. However, most companies are unable to cut through the complexity to effectively harness and leverage this data.

Increasing Fragmentation

Today, customer journeys span multiple channels and devices over time, resulting in data silos and fragmented identities. As consumers engage with brands across various touchpoints – over the web, mobile devices and applications, by email and television, and in physical stores – they may not be represented as single unique individuals with complex behaviors, appearing instead as disparate data points with dozens of different identifiers. Becky Smith who lives at 123 Main Street may appear as beckys@acme.com when she uses Facebook, becky@yahoo.com when she signs into Yahoo Finance, cookie 123 when she browses msn.com, cookie ABC when

she browses aol.com, and so on. As a result, marketers struggle to understand the cross-channel, cross-device habits of consumers and the different steps they take on their path to conversion. More specifically, data silos and fragmented identities prevent brands from being able to resolve all relevant data to a specific individual; this poses a challenge to formation of accurate, actionable insights about a brand's consumers or campaigns.

Marketing Waste

Every day, brands spend billions of dollars on advertising and marketing, yet many of the messages they deliver are irrelevant, repetitive, mistimed, or simply reach the wrong audience. In addition, as the marketing landscape continues to grow and splinter across a growing array of online and offline channels, it is increasingly difficult to attribute marketing spend to a measurable outcome, such as an in-store visit or sale. Wasted marketing spend is largely driven by the fragmented ecosystem of brands, data providers, marketing applications, media providers, and agencies that are involved in the marketing process, but operate without cohesion. Without a common understanding of consumer identity to unify otherwise siloed data, brands are unable to define accurate audience segments and derive insights that would enable better decision making.

Heightened Privacy and Security Concerns

Diligence in the areas of consumer privacy and security is and will continue to be paramount. Consumer understanding of the benefits of marketing technology often lags the pace of innovation, inspiring new demands from government agencies and consumer advocacy groups across the world. These factors compound the liability every company faces when managing and activating consumer data.

The New Era of People-Based Marketing

Historically, marketers were forced to cast a wide net to reach a desired audience. They might, for example, have run a television commercial during a specific program or placed generic advertising alongside certain types of web content, often exposing their message to millions of consumers outside their target audience. Today, however, rich data opens the door to granular audience targeting and better, more engaging customer experiences. For example, digital publishers like Facebook and Twitter now provide marketers with the ability to target very specific audiences – males, over the age of 30, who live in zip code 94123, and own pets, for instance.

Consumers are demanding personalization, and every piece of marketing content served has the potential to be individually relevant, addressable, and measurable. By understanding which devices, email addresses, and postal addresses relate to the same individual, marketers can deliver seamless experiences as consumers engage a brand across touchpoints. At the same time, by targeting consumers at the individual level, organizations can reduce marketing waste and more easily attribute their marketing spend to actual results.

People-Based Marketing is Complex and Challenging to Navigate

Innovation has fueled the growth of a highly-fragmented technology landscape, forcing brands to contend with thousands of marketing technologies and data silos. To make every customer experience relevant across channels and devices, organizations need a data foundation and common network that can break down those silos, make data portable, and accurately recognize people throughout the customer journey. Marketing is becoming more audience-centric, automated, and optimized. However, a number of important factors make people-based marketing in the digital era complex and challenging to navigate:

- **Recognition.** For organizations to target audiences at the individual level, they must be able to recognize consumers across all channels and devices, and link multiple identifiers and data elements back to a persistent identifier to create a single view of the customer.
- **Scaled Data Assets.** Quality, depth, and recency of data matters when deriving linkages between identifiers. Organizations must have access to an extensive set of data and be able to match that data with a high degree of accuracy to perform true cross-device audience targeting.
- **Integrations.** The fragmented marketing landscape creates a need for a common network of integrations that make it easy and safe to match and activate data anywhere in the ecosystem.

- **Walled Gardens.** Walled gardens, or marketing platforms that restrict the use of data outside of their walls, are becoming more pervasive and can result in loss of control, lack of transparency, and fragmented brand experiences. Organizations need a solution that enables an open ecosystem and ensures complete control over customer data, along with the flexibility to choose a diversified approach to meeting marketing goals.
- **Big Data Challenges.** The volume of data available to optimize marketing performance is enormous and continues to grow. Organizations will continue to struggle with the management, activation, retrieval, and ability to unify data across channels and formats.
- **Privacy and Compliance.** Preserving brand integrity and delivering positive customer experiences is a top priority for every marketer. Organizations must be able to manage large sets of complex data ethically, securely, within legal boundaries, and in a way that protects consumers.
- **Technical Expertise.** Organizing, managing, and deriving insight from large sets of consumer data is complicated. Consequently, brands must rely on technical expertise and know-how in the form of third-party services to remove the barriers to effectively managing their data and leveraging its full value.

Acxiom: Solutions That Power People-Based Marketing

Our products and services provide the data foundation brands need to power people-based marketing. We make it safe and easy to activate, validate, enhance, and unify data, enabling marketers to deliver relevant messages at scale and link their campaigns to actual results. We help our clients generate higher return on investment and drive better customer interactions and experiences.

As noted above, Acxiom has three business segments, each helping our clients address the inherent challenges associated with people-based marketing in a digital era. During fiscal 2018, we undertook a comprehensive review of our businesses to drive cleaner lines of sight, to create clearer accountabilities and to maximize its strategic flexibility. Following this review, we intend to reorganize our business and actively explore options to further strengthen Acxiom Marketing Solutions, a segment combining Marketing Services and lines of business from Audience Solutions. Beginning in fiscal 2019, we will report our results in two business segments: LiveRamp and Acxiom Marketing Solutions.

Connectivity

As shown in the illustration below, our Connectivity segment enables our clients to build an omni-channel view of the customer and activate that understanding across the marketing ecosystem.



Through integrations with more than 575 leading digital marketing platforms and data providers, we have become a key point of entry into the digital ecosystem, helping our clients eliminate data silos and unlock greater value from the marketing tools they use every day. We provide a foundational identity resolution layer enabling our clients to identify and reach consumers across channels and measure the impact of marketing on sales, using the marketing platform of their choice.

Today, our primary Connectivity offering is LiveRamp® IdentityLink™, an identity resolution service that ties data back to real people and makes it possible to onboard that data for people-based marketing initiatives across digital channels. Leveraging AbiliTec® and the LiveRamp identity graph, IdentityLink first resolves a client's first-, second-, and third-party, exposure, and transaction data to persistent anonymous consumer identifiers that represent real

people in a privacy-safe way. This omni-channel view of the consumer can then be onboarded to and between any of the 575 plus partners in our ecosystem to support targeting, personalization and measurement use cases.

Targeting



Example

Clients can upload known data from first-, second-, and third-party data sources, resolve it to an omnichannel privacy-safe link with IdentityLink, then onboard to one of 575+ LiveRamp partners to deploy targeted ads to known customers.

Personalization



Example

Clients can deliver highly relevant content the moment viewers visit their websites' landing page, no login required. Leveraging IdentityLink, clients can resolve customer segment data to devices and digital IDs, onboard that data to a personalization platform and provide one-to-one experiences without compromising user privacy.

Measurement



Example

Clients can connect exposure data with first and third-party purchase data across channels by resolving all customer devices back to the customers to which they belong. Then, clients can onboard that data to a measurement platform to clearly establish cause, effect and impact.

IdentityLink operates in an Acxiom SafeHaven® certified environment with technical, operational, and personnel controls designed to ensure our clients' data is kept private and secure.

IdentityLink is sold to brands and the companies' brands partners to execute their marketing including marketing technology providers, data providers, publishers and agencies.

- **IdentityLink for Brands and Agencies.** IdentityLink allows brands and their agencies to execute people-based marketing by creating an omni-channel understanding of the consumer and activating that understanding across their choice of best-of-breed digital marketing platforms.
- **IdentityLink for Marketing Technology Providers.** IdentityLink provides marketing technology providers with the ability to offer people-based targeting, measurement and personalization within their platforms. This adds value for brands by increasing reach, as well as the speed at which they can activate their marketing data.
- **IdentityLink for Data Owners.** IdentityLink allows data owners to easily connect their data to the digital ecosystem and better monetize it. Data can be distributed to clients or made available through the **IdentityLink Data Store** feature. This adds value for brands as it allows them to augment their understanding of consumers, and increase both their reach against and understanding of customers and prospects.
- **IdentityLink for Publishers.** IdentityLink allows publishers to offer people-based marketing on their properties. This adds value for brands by providing direct access to their customers and prospects in the publisher's premium inventory.

Audience Solutions

Our Audience Solutions segment helps clients validate the accuracy of their data, enhance it with additional insight, and keep it up to date, enabling clients to reach desired audiences with highly relevant messages. Leveraging our recognition and data assets, clients can identify, segment, and differentiate their audiences for more effective marketing and superior customer experiences. Audience Solutions' offerings include InfoBase®, our large

consumer data store that serves as the basis for Acxiom's consumer demographics products, and AbiliTec, our patented identity resolution technology that assists our clients in reconciling and managing variations of customer identity over time and across multiple channels.

- **InfoBase.®** With more than 1,500 demographic, socio-economic and lifestyle data elements and several thousand predictive models, our InfoBase products provide marketers with the ability to identify and reach the right audience with the right message across both traditional and digital channels. Through partnerships with over 100 online publishers and digital marketing platforms, including Facebook, Google, Twitter, 4INFO, AOL, eBay and MSN, marketers can use InfoBase data to create and target specific audiences. Data can be accessed directly or through the Acxiom Audience Cloud, a web-based, self-service tool that makes it easy to build and distribute third-party custom data segments.
- **AbiliTec.®** As shown in the illustration below, AbiliTec helps brands recognize individuals and households using a number of different input variables and connect identities online and offline.



By identifying and linking multiple identifiers and data elements back to a persistent ID, our clients are able to create a single view of the customer, which allows them to perform more effective audience targeting and deliver better, more relevant customer experiences.

Marketing Services

Our Marketing Services segment helps clients unify data at the individual level in a privacy-safe environment, so they can execute people-based marketing campaigns, tie back to real results, and drive a continual cycle of optimization. We help architect the foundation for data-driven marketing by delivering solutions that integrate customer and prospect data across the enterprise, thereby enabling our clients to establish a single view of the customer. We also support our clients in navigating the complexities of consumer privacy regulation, making it easy and safe for them to use innovative technology, maintain choice in channels and media, and stay agile in this competitive era of the consumer. These services allow our clients to generate higher return on marketing investments and, at the same time, drive better, more relevant customer experiences.

Our Marketing Services segment includes the following service offerings: Marketing Database Services and Strategy and Analytics. The Marketing Services segment also included Impact Email Platform and Services until the disposition of the business in August 2016.

- **Marketing Database Services.** Our Marketing Database offering provides solutions that unify consumer data across an enterprise, enabling clients to execute relevant, people-based marketing and activate data across the marketing ecosystem. Our consumer marketing databases, which we design, build, and manage for our clients, make it possible for clients to collect and analyze information from all sources, thereby increasing customer acquisition, retention, and loyalty. Through our growing partner network, clients are able to integrate their data with best-of-breed marketing solutions while respecting and protecting consumer privacy.
- **Strategy and Analytics.** Our Strategy and Analytics group consists of marketing strategists and data scientists who leverage industry knowledge and advanced analytics to assist our clients with identifying growth opportunities, addressing marketing data and technology needs, and adopting best practices. In addition, we help our clients identify and address their data privacy and governance requirements.

- **Impact Email Platform and Services.** Until the August 2016 disposition, Acxiom Impact™ provided email and cross-channel data-driven marketing solutions for enterprise marketers, including a proprietary marketing platform and agency services.

Together, our products and services form the “power grid” for data, the critical foundation for people-based marketing that brands need to engage consumers across today’s highly fragmented landscape of channels and devices.

We provide integrations with the largest number of marketing platforms and data providers in the digital marketing ecosystem, enabling our clients to innovate through their preferred choice of technology, data, and services providers. Our industry-leading recognition and data assets power best-in-class consumer identification and linking across channels and devices. And, our integrated services offering provides the expertise required to manage large sets of data legally, ethically, securely, and in a way that protects consumer privacy.

Competitive Strengths

Our competitive strengths include core capabilities that enable brands to execute effective people-based marketing.

- **Most Advanced Consumer-Level Recognition.** Acxiom’s proprietary, patented recognition technology draws upon an extensive historical reference base to identify and link together multiple consumer records and identifiers. We use the pioneering algorithms of AbiliTec and deterministic matching to link individuals and households to the right cookies, mobile device IDs, and user accounts at social networks. As a result, we are able match online and offline data with a high degree of speed and accuracy.
- **Scale Leader in Data Onboarding and Connectivity.** We created the category of Data Connectivity and we are the largest provider of data onboarding services. We match records with the highest level of accuracy and offer the most flexibility for activating data through our extensive set of integrations. Today, we work with over 400 direct customers and onboard the data of more than 1,000 companies through our partner and reseller relationships.
- **Extensive Coverage.** We activate data across an ecosystem of more than 575 partners, representing the largest network of connections in the digital marketing space. We use 100% deterministic matching, resulting in the strongest combination of reach and accuracy. We offer multi-sourced insight into approximately 700 million consumers worldwide, and our data products contain over 5,000 data elements from hundreds of sources with permission rights.
- **Unique Position in Marketing Ecosystem.** We are a neutral data infrastructure provider. We provide the connectivity required to build best-of-breed integrated marketing stacks, allowing our clients to innovate through their preferred choice of data, technology, and services providers. We strive to make every marketing application more valuable by providing access to more customer data. We enable the open marketing stack and power the open garden.
- **Standard Bearer for Privacy and Security.** For more than 45 years, Acxiom has been a leader in the area of data stewardship, as evidenced by:
 - The industry’s first Chief Privacy Officer role created in 1991 whose sole focus is the protection and responsible use of consumer data
 - The use of a data SafeHaven®, a privacy-compliant environment that allows marketers and partners to connect different types of data while protecting and governing its use
 - Industry-leading expertise in safely connecting data across the online and offline worlds
 - The creation of aboutthedata.com®, the first-of-its-kind consumer portal that provides consumers with more transparency and understanding about how their data is gathered and used for marketing purposes
- **Expertise in Big Data.** We currently manage large datasets for leading marketing organizations around the world, executing more than 1 trillion global data transactions per week. This data includes both customer and prospect records as well as core campaign and engagement logs used for measurement and analytics.

- **Strong Client Relationships.** We serve more than 2,500 clients directly, and tens of thousands of companies around the world use our data. We manage data for more than 40% of the Fortune 100 and have deep relationships with companies and business-to-consumer marketing leaders in key industries, including financial services, retail, telecommunications, media, insurance, health care, automotive, technology, and travel and entertainment.

Growth Strategy

While the terms “big data” and “data management platforms,” or “DMPs,” have recently become more common, for more than 45 years, Acxiom has been a thought leader and innovator in solving large-scale data problems and improving marketing results for our clients. Key elements of our growth strategy include:

- **Continue to Innovate and Extend Leadership Position in Data Connectivity.** We intend to continue to make substantial investments in our Connectivity solutions and extend our market leadership through innovation. Our investments will focus on automation, speed, higher match rates, expanded partner integrations, and new product development.
- **Establish the Standard for Recognition and User Identification in the Marketing Ecosystem.** We intend to establish AbiliTec as the standard for consumer-level recognition across the marketing ecosystem, providing a single source for user identification and audience targeting.
- **Continue to Grow Our Client Base and Expand Existing Client Relationships.** We plan to acquire an increasing number of new customers through the expansion of our direct sales teams. In addition, we intend to increase revenue from existing customers, many of whom are new Connectivity customers who have data infrastructure needs our Audience Solutions and Marketing Services businesses can help address.
- **Expand Global Presence.** We believe significant opportunities exist for us to expand our Connectivity offerings in key geographic markets where we already operate, such as Europe, China, Japan, and Australia. We intend to leverage existing infrastructure and expand operations to launch and grow our Connectivity business in those key markets.
- **Build an Enduring Business.** We do not aspire to be mediocre, good, or even great - we intend to be the absolute best in everything we do. We employ exceptional people, challenge them to accomplish exceptional things, and achieve exceptional results for our clients and shareholders. We will do this through five guiding principles: 1) Above all, we do what is right; 2) We always say what we mean, and do what we say; 3) We empower people; 4) We respect people and time; and 5) We get stuff done.

Privacy Considerations

The growing online advertising and e-commerce industries are converging, with consumers expecting a seamless experience across all channels, in real time. This challenges marketing organizations to balance the deluge of data and demands of the consumer with responsible, privacy-compliant methods of managing data internally and with advertising technology intermediaries.

We have policies and operational practices governing Acxiom’s use of data that we believe reflect leading best practices and actively promote a set of effective privacy guidelines for digital advertising and direct marketing via all channels of addressable media, e-commerce, risk management and information industries as a whole. We remain certified under the European Union (“EU”)-U.S. Safe Harbor and are preparing for its potential replacement, the EU-US Privacy Shield. We also are operating as applicable under EU model contract clauses and contractually comply with other international data protection requirements in an effort to ensure our continued ability to process information across borders. We have a dedicated team in place to oversee our compliance with the privacy regulations that govern our business activities in the various countries in which we operate.

The U.S. Congress continues to debate privacy legislation, and there are many different types of privacy legislation pending at the state level. In all of the non-U.S. locations in which we do business, laws and regulations governing the collection and use of personal data either exist or are being contemplated.

We expect the trend of enacting and revising data protection laws to continue and that new and expanded privacy legislation in various forms will be implemented in the U.S. and in other countries around the globe. We are

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supportive of legislation that codifies the current industry guidelines of meaningful transparency for the individual and appropriate choices regarding whether information related to that individual is shared with independent third parties for marketing purposes. We also support legislation requiring all custodians of sensitive information to deploy reasonable information security safeguards to protect that information.

Clients

Our client base consists primarily of Fortune 1000 companies and organizations in the financial services, insurance, information services, direct marketing, retail, consumer packaged goods, technology, automotive, healthcare, travel and communications industries as well as in non-profit and government sectors. We seek to maintain long-term relationships with our clients, many of which typically operate under contracts with initial terms of at least two years. We have historically experienced high retention rates among our clients.

Our ten largest clients represented approximately 36% of our revenues in fiscal year 2018 but no single client accounted for more than 10% of our consolidated revenues.

Sales and Marketing

The process of buying marketing services has become more complex and therefore requires a more collaborative decision process between client and provider. As such, our approach to sales and marketing is strategy-led and client-intimate. Utilizing a proprietary maturity model, we employ both a diagnostic approach, guided by gaps between a client's current and desired state, and a prescriptive approach, focused on proven solutions and approaches to close those gaps.

Our sales teams focus on new business development across all markets – sales to new clients and sales of new lines of business to existing clients, as well as revenue growth within existing accounts. We organize our client relationships around industry verticals, as we believe that understanding and speaking to the nuances of each industry is the most effective way to positively impact our clients' businesses.

Our partner organization focuses on enabling key media partners, agencies and software providers who can help drive value for our clients or who benefit from using Acxiom for data, analytics and audience management.

The focus of our marketing efforts is to disseminate our thought leadership. We do this by promoting topical points of view across multiple touch points and by fueling our sales efforts with prescriptive insights.

Research and Development

Research and development expense was \$94.9 million in fiscal 2018, compared to \$82.1 million in fiscal 2017, and \$74.2 million in fiscal 2016. Management expects to maintain investment spending at similar levels in fiscal 2019.

Competition

Competitors for our Connectivity services are typically also members of our partner ecosystem, creating a paradigm where competition is the norm. Our primary competitors are companies that sell data onboarding as part of a suite of marketing applications or services. Walled gardens that offer a direct interface for matching CRM data compete for a portion of our services, particularly amongst marketers that have not yet adopted in-house platforms for programmatic marketing or attribution. Some providers of tag management, data management, and cross-device marketing solutions have adopted positioning similar to our Connectivity business and compete for mindshare.

Our traditional competitors for our Audience Solutions and Marketing Services offerings have been database marketing services providers. We find that the competitive landscape is becoming more complex and now includes a range of players. Our primary competitors tend to be database marketing services providers, data companies and data distributors. In-house IT departments provide a secondary source of competition for portions of our offerings. Other types of companies such as technology consultants, business process outsourcers, analytics consultants, and management consultants participate to a lesser extent in portions of our market space.

Different types of competitors have different core competencies and assets that they bring to bear. We compete for both broad-based and specific solutions. Our competitors can vary depending on the type of solution we are competing for. Generally, competition is based on the quality and reliability of the offering, whether the strategy will

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deliver the desired business results for the client, historical success and market presence. Competition for more granular offerings is based on variables that are more specific. With regard to data products, for example, we compete with two types of firms: data providers and list providers. Competition is based on the quality and comprehensiveness of the information provided, the ability to deliver the information in products and formats that our clients need, and, to a lesser extent, pricing.

In markets outside the United States, we face both global players as well as local market players. Local market players vary between those offering a range of services and those who may compete with us in more limited areas, such as for data products or data integration services.

We continue to focus on levers to increase our competitiveness and believe that investing in the product and technology platform of our business is a key to our continued success. Further, we believe that enabling a broad partner ecosystem will help us to continue to provide competitive differentiation.

Seasonality and Inflation

Although we cannot accurately determine the amounts attributable to inflation, we are affected by inflation through increased costs of compensation and other operating expenses. If inflation were to increase over the low levels of recent years, the impact in the short run would be to cause increases in costs, which we would attempt to pass on to our clients, although there is no assurance that we would be able to do so. Generally, the effects of inflation in recent years have been offset by technological advances, economies of scale and other operational efficiencies.

Our traditional direct marketing operations typically experience their lowest revenue in the first quarter of the fiscal year, with higher revenue in the second, third, and fourth quarters. To minimize the impact of these fluctuations, we continue to seek long-term arrangements with more predictable revenues.

Pricing

Given the diverse nature of the markets and industries in which our clients operate, we deploy a number of pricing techniques designed to yield acceptable margins and returns on invested capital. In our Marketing Services segment, the majority of revenue is generated from highly customized, outsourced solutions in which prices are dictated by the scope, complexity, nature of assets deployed and service levels required. These solutions are generally provided under long-term contracts and our revenue consists primarily of recurring monthly billings, and to a lesser extent, other volume and variable based billings. In our Audience Solutions segment, revenue is generated from licensing fees, which are typically in the form of recurring monthly billings, as well as transactional revenue based on volume or one-time usage. In addition, Audience Solutions generates digital data revenue from certain publishers and addressable television providers in the form of revenue-sharing agreements. Finally, our Connectivity segment primarily generates revenue from monthly recurring subscription fees sold on an annual basis. To a lesser extent, it also generates revenue from data providers and certain digital publishers in the form of revenue-sharing agreements. Examples of Acxiom pricing techniques are value based recurring revenue models, transactional models, subscription or license models, and professional services models, among others.

Employees

Acxiom employs approximately 3,380 employees (associates) worldwide. No U.S. associates are represented by a labor union or subject to a collective bargaining agreement. To the best of management's knowledge, approximately 15 associates are elected members of work councils or trade unions representing Acxiom associates in the European Union. Acxiom has never experienced a work stoppage, and we believe that our employee relations are good.

Executive Officers of the Registrant

Acxiom's executive officers, their current positions, ages and business experience are listed below. They are elected by the board of directors annually or as necessary to fill vacancies or to fill new positions. There are no family relationships among any of the officers or directors of the Company.

Scott E. Howe, age 50, joined the Company in 2011 as its Chief Executive Officer and President. He currently serves on and chairs the Executive Committee of the Company's board of directors. Prior to joining Acxiom, he served as corporate vice president of Microsoft Advertising Business Group from 2007–2010. In this role, he

managed a multi-billion dollar business encompassing all emerging businesses related to online advertising, including search, display, ad networks, in-game, mobile, digital cable and a variety of enterprise software applications. In 2010, he co-founded and served as interim CEO and president of King of the Web, Inc., a portfolio of online game shows. Mr. Howe was employed from 1999–2007 as an executive and later as a corporate officer at aQuantive, Inc. where he managed three lines of business, including Avenue A|Razorfish (a leading Seattle - based global consultancy in digital marketing and technology), DRIVE Performance Media (now Microsoft Media Network), and Atlas International (an ad serving technology now owned by Facebook). Earlier in his career, he was with The Boston Consulting Group and Kidder, Peabody & Company, Inc. He previously served on the boards of Blue Nile, Inc. (NASDAQ: NILE), a leading online retailer of diamonds and fine jewelry, the Internet Advertising Bureau (IAB) and the Center for Medical Weight Loss. He is a *magna cum laude* graduate of Princeton University, where he earned a degree in economics, and he holds an MBA from Harvard University.

Warren C. Jenson, age 61, is the Company's Chief Financial Officer & Executive Vice President. He also serves as President of Acxiom International. He joined Acxiom in 2012 and is responsible for all aspects of Acxiom's financial management and the Company's business operations outside the United States. Prior to joining Acxiom, he served as COO at Silver Spring Networks, a successful start-up specializing in smart grid networking technology, where he had responsibility for the company's service delivery, operations and manufacturing organizations. From 2002 - 2008 he was CFO at Electronic Arts Inc., a leading global interactive entertainment software company. He has more than 30 years of experience in strategy and operational finance and has been a part of some of the most important success stories of the last two decades, including Amazon.com, NBC and Electronic Arts. He also helped shape and successfully navigate digital transformations at NBC and Delta Airlines. In addition, he was twice designated one of the "Best CFOs in America" by *Institutional Investor* magazine, and he was also honored as Bay Area Venture CFO of the Year in 2010. He also has significant experience in M&A and corporate development experience. Mr. Jenson's board experience includes Digital Globe (NYSE: DGI), Tapjoy, and the Marshall School of Business at the University of Southern California. He holds a bachelor's degree in accounting and a master of accountancy degree, both from Brigham Young University.

Jerry C. Jones, age 62, is the Company's Chief Ethics and Legal Officer, Executive Vice President, Interim Chief People & Culture Officer, and Assistant Secretary. He joined Acxiom in 1999 and currently oversees the Company's legal, data ethics and human resources matters. He also assists in the strategy and execution of mergers and acquisitions and the Company's strategic initiatives. Prior to joining Acxiom, Mr. Jones was employed for 19 years as an attorney with the Rose Law Firm in Little Rock, Arkansas, representing a broad range of business interests. Mr. Jones is a member of the board of directors of Agilysys, Inc. (NASDAQ: AGYS), a leading developer and marketer of proprietary enterprise software, services and solutions to the hospitality and retail industries, where he serves on the Audit Committee and the Nominating & Governance Committee. He also serves on the board of directors of Heifer International and on the UA Little Rock Board of Visitors, and is a co-founder of uhire U.S. He is a Special Advisor to the Club de Madrid, an organization composed of over 100 former Presidents and Prime Ministers from more than 60 democratic countries. He was a member of the board of directors of Entrust, Inc. until it was purchased by private investors in 2009 and is former chairman of the board of the Arkansas Virtual Academy. Mr. Jones holds a bachelor's degree in public administration and a juris doctorate degree, both from the University of Arkansas.

James F. Arra, age 52, was divisional co-president of the Company's Connectivity Division, a position he held from September 2017 through the end of our fiscal year ended March 31, 2018. Beginning in fiscal 2019, he assumed the position of divisional co-president of the Company's LiveRamp division. In this role, he is responsible for leading the go-to-market strategy for LiveRamp's client verticals: brands, agencies, data providers, platforms and publishers. Since joining LiveRamp in 2013, Mr. Arra has held several key leadership roles, most recently serving as Chief Operating Officer. From 2009 to 2012, Mr. Arra was Vice President of worldwide sales at TRUSTe, where he helped grow the company from less than 1,000 customers to more than 6,000 customers in just over three years. Prior to TRUSTe, he was in a sales leadership role at Vontu, a data security company that was acquired by Symantec, and before that was a vice president and general manager at FreeMarkets, a publicly traded SaaS company that subsequently merged with Ariba. Mr. Arra holds a bachelor's degree in electrical engineering with a minor in quantitative economics and decision theory from the University of California, San Diego.

Anneka R. Gupta, age 30, was divisional co-president of the Company's Connectivity Division, a position she held from September 2017 through the end of our fiscal year ended March 31, 2018. Beginning in fiscal 2019, she assumed the position of co-president of the Company's LiveRamp division. She is responsible for leading LiveRamp's product, engineering, marketing, and general and administrative functions. Previously Ms. Gupta was LiveRamp's chief product officer, overseeing product strategy and execution. During her seven-year tenure at

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LiveRamp (which was acquired by Acxiom in 2014), Ms. Gupta has led successful efforts in a variety of disciplines, including marketing, recruiting, product management and software development. In 2016, Ms. Gupta was recognized as a “Top 10 Digital Marketing Innovator” by AdAge magazine. She holds a bachelor's degree in math and computational sciences from Stanford University and has completed the Executive Program at the Stanford University Graduate School of Business.

Richard E. Erwin, age 51, joined Acxiom in 2015 as President and General Manager of Acxiom's Audience Solutions Division and was responsible for driving the strategy, growth and profitability of Acxiom's industry-leading data products and services through the end of the fiscal year ended March 31, 2018. Beginning in fiscal 2019, he assumed the position of divisional co-president of the Acxiom Marketing Solutions division where he is responsible for data product management and marketing, analytics, global data, data strategy. With over two decades in the data-driven marketing industry, Mr. Erwin is a leading voice in the field of omnichannel marketing and an outspoken advocate for the value of data in the global economy. Prior to joining Acxiom in 2015, he spent 10 years at Experian, a large global information company, most recently as president of the Consumer Insights and Targeting Division of Experian Marketing Services. During his tenure there, he led the turnaround and growth of seven legacy data and analytics businesses and established the company as a force in the digital marketing services industry. Prior to Experian, he held numerous senior management roles in his 12-year career at RR Donnelley. Mr. Erwin is a director of the Internet Advertising Bureau (IAB) and is a founding director of the IAB's Data Center of Excellence. He also serves on the board of trustees of Shedd Aquarium in Chicago. He is a past vice chairman and treasurer of the Data Marketing Association and is a past director of Chicago Youth Centers and RevSpring, Inc. Mr. Erwin holds a bachelor's degree in marketing from Michigan State University and a master's degree in business administration from Northwestern University (Kellogg).

Dennis D. Self, age 52, was President and General Manager of Acxiom's Marketing Services Division through the end of our fiscal year ended March 31, 2018. Beginning in fiscal 2019, he assumed the position of divisional co-president of the Acxiom Marketing Solutions division where he is responsible for providing strategic leadership to the following teams: sales and market engagement, client management, service delivery, industry solutions, solution development, and technology and engineering. His previous positions at Acxiom include senior vice president of the Marketing Services Delivery and Operational Services organization, and chief information officer. Prior to joining the Company in 2013, Mr. Self served as vice president and chief information officer at Gilead Sciences, Inc. from 2011-2013. Prior to his employment with Gilead, he served as CIO at Electronic Arts for four years. His previous experience includes serving as an IT strategy consultant for Deloitte Consulting, HP, A.T. Kearney and Andersen Consulting. Mr. Self holds a bachelor's degree in management information systems from Old Dominion University and an MBA from the University of Chicago.

Item 1A. Risk Factors

The risks described below could materially and adversely affect our business, financial condition and results of future operations.

Failure to keep up with rapidly changing technologies and marketing practices could cause our products and services to become less competitive or obsolete, which could result in loss of market share and decreased revenues and net income.

Advances in information technology are changing the way our clients use and purchase information products and services. Maintaining the technological competitiveness of our data products, processing functionality, software systems and services is key to our continued success. However, the complexity and uncertainty regarding the development of new technologies and the extent and timing of market acceptance of innovative products and services create difficulties in maintaining this competitiveness. Without the timely introduction of new products, services and enhancements, our products and services will become technologically or commercially obsolete over time, in which case our revenue and operating results would suffer.

Consumer needs and the business information industry as a whole are in a constant state of change. For example, in recent years, we have seen a decline in the use of direct mail marketing and an increase in the use of alternative marketing channels such as online advertising. Our ability to continually improve our current processes and products in response to changes in technology and to develop new products and services are essential in maintaining our competitive position, preserving our market share and meeting the increasingly sophisticated requirements of our clients. If we fail to enhance our current products and services or fail to develop new products in light of emerging technologies and industry standards, we could lose clients to current or future competitors, which could result in impairment of our growth prospects, loss of market share and decreased revenues.

A significant breach of the confidentiality of the information we hold or of the security of our or our customers', suppliers', or other partners' computer systems could be detrimental to our business, reputation and results of operations.

Our business requires the storage, transmission and utilization of data, including personally identifiable information, much of which must be maintained on a confidential basis. These activities may make us a target of cyber-attacks by third parties seeking unauthorized access to the data we maintain, including our data and client data, or to disrupt our ability to provide service. Any failure to prevent or mitigate security breaches and improper access to or disclosure of the data we maintain, including personal information, could result in the loss or misuse of such data, which could harm our business and reputation and diminish our competitive position. In addition, computer malware, viruses, social engineering, and general hacking have become more prevalent. As a result of the types and volume of personal data on our systems, we believe that we are a particularly attractive target for such breaches and attacks.

In recent years, the frequency, severity, sophistication of cyber attacks, computer malware, viruses, social engineering, and other intentional misconduct by computer hackers has significantly increased, and government agencies and security experts have warned about the growing risks of hackers, cyber criminals and other potential attackers targeting information technology systems. Such third parties could attempt to gain entry to our systems for the purpose of stealing data or disrupting the systems. In addition, our security measures may also be breached due to employee error, malfeasance, system errors or vulnerabilities, including vulnerabilities of our vendors, suppliers, their products, or otherwise. Third parties may also attempt to fraudulently induce employees or clients into disclosing sensitive information such as user names, passwords or other information to gain access to our clients' data or our data, including intellectual property and other confidential business information. We believe we have taken appropriate measures to protect our systems from intrusion, but we cannot be certain that advances in criminal capabilities, discovery of new vulnerabilities in our systems and attempts to exploit those vulnerabilities, physical system or facility break-ins and data thefts or other developments will not compromise or breach the technology protecting our systems and the information we possess.

Although we have developed systems and processes that are designed to protect our data and client data, to prevent data loss, and to prevent or detect security breaches, our databases have in the past been and in the future may be subject to unauthorized access by third parties, and we may incur significant costs in protecting against or remediating cyber-attacks. Any security breach could result in operational disruptions that impair our ability to meet our clients' requirements, which could result in decreased revenues. Also, whether there is an actual or a perceived

breach of our security, our reputation could suffer irreparable harm, causing our current and prospective clients to reject our products and services in the future and deterring data suppliers from supplying us data. Further, we could be forced to expend significant resources in response to a security breach, including those expended in repairing system damage, increasing cyber security protection costs by deploying additional personnel and protection technologies, and litigating and resolving legal claims or governmental inquiries and investigations, all of which could divert the attention of our management and key personnel away from our business operations. In any event, a significant security breach could materially harm our business, financial condition and operating results.

Our clients, suppliers and other partners are primarily responsible for the security of their information technology environments, and we rely heavily on them and other third parties to supply clean data content and/or to utilize our products and services in a secure manner. Each of these third parties may face risks relating to cyber security, which could disrupt their businesses and therefore materially impact ours. While we provide guidance and specific requirements in some cases, we do not directly control any of such parties' cyber security operations, or the amount of investment they place in guarding against cyber security threats. Accordingly, we are subject to any flaw in or breaches of their systems, which could materially impact our business, operations and financial results.

Changes in legislative, judicial, regulatory, or cultural environments relating to information collection and use may limit our ability to collect and use data. Such developments could cause revenues to decline, increase the cost and availability of data and adversely affect the demand for our products and services.

We receive, store and process personal information and other data from and about consumers in addition to our clients, employees, and services providers. Our handling of this data is subject to a variety of federal, state, and foreign laws and regulations and is subject to regulation by various government authorities. Our data handling also is subject to contractual obligations and may be deemed to be subject to industry standards.

The U.S. federal and various state and foreign governments have adopted or proposed limitations on the collection, distribution, use and storage of data relating to individuals, including the use of contact information and other data for marketing, advertising and other communications with individuals and businesses. In the U.S., various laws and regulations apply to the collection, processing, disclosure, and security of certain types of data. Additionally, the FTC and many state attorneys general are interpreting federal and state consumer protection laws as imposing standards for the online collection, use, dissemination and security of data.

The regulatory framework for privacy issues worldwide is currently evolving and is likely to remain uncertain for the foreseeable future. The occurrence of unanticipated events often rapidly drives the adoption of legislation or regulation affecting the use of data and the manner in which we conduct our business. Restrictions could be placed upon the collection, management, aggregation and use of information, which could result in a material increase in the cost of collecting or otherwise obtaining certain kinds of data and could limit the ways in which we may use or disclose information.

In the U.S., the U.S. Congress and state legislatures, along with federal regulatory authorities have recently increased their attention on matters concerning the collection and use of consumer data. In the U.S., non-sensitive consumer data generally may be used under current rules and regulations, subject to certain restrictions, so long as the person does not affirmatively "opt-out" of the collection or use of such data. In Europe, the reverse is true. If the European "opt-in" model were to be adopted in the U.S., less data would be available and the cost of data would be higher. Decreased availability and increased costs of information could adversely affect our ability to meet our clients' requirements and could result in decreased revenues. In addition to government regulation, privacy advocacy and industry groups may propose new and different self-regulatory standards that either legally or contractually apply to us or our clients.

In Europe, the European General Data Protection Regulation ("GDPR") took effect on May 25, 2018 and applies to products and services that we provide in Europe. The GDPR includes operational requirements for companies that receive or process personal data of residents of the European Union that are different than those that were in place in the European Union. For example, we will be required to offer new controls to data subjects in Europe before processing data for certain aspects of our service. In addition, the GDPR includes significant penalties for non-compliance. In addition, some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our services. Any failure to achieve required data protection standards may result in lawsuits, regulatory fines, or other actions or liability, all of which may harm our operating results.

In June 2016, a referendum was passed in the United Kingdom to leave the European Union, commonly referred to as “Brexit.” This decision creates an uncertain political and economic environment in the United Kingdom and other European Union countries, even though the formal process for leaving the European Union may take years to complete. For example, it is unclear whether the United Kingdom will enact data protection laws or regulations designed to be consistent with GDPR and how data transfers to and from the United Kingdom will be regulated. A Data Protection Bill is undergoing the legislative process in the United Kingdom that generally would be consistent with the GDPR, but it is unclear whether this bill ultimately will be enacted. The full effect of Brexit is uncertain and depends on any agreements the United Kingdom may make to retain access to European Union markets. Consequently, no assurance can be given about the impact of the outcome and our business may be seriously harmed.

We are also subject to laws and regulations that dictate whether, how, and under what circumstances we can transfer, process and/or receive certain data that is critical to our operations, including data shared between countries or regions in which we operate and data shared among our products and services. For example, in 2016, the European Union and the U.S. agreed to an alternative transfer framework for data transferred from the European Union to the U.S., called the Privacy Shield, but this new framework is subject to an annual review that could result in changes to our obligations and also may be challenged by national regulators or private parties. In addition, the other bases upon which we rely to legitimize the transfer of such data, such as Standard Contractual Clauses, have been subjected to regulatory and judicial scrutiny. If one or more of the legal bases for transferring data from Europe to the U.S. is invalidated, if we are unable to transfer data between and among countries and regions in which we operate, or if we are prohibited from sharing data among our products and services, it could affect the manner in which we provide our services or adversely affect our financial results.

Because the interpretation and application of privacy and data protection laws, regulations and standards are uncertain, it is possible that these laws, regulations and standards may be interpreted and applied in a manner that is inconsistent with our data management practices or the technological features of our solutions. If so, in addition to the possibility of fines, investigations, lawsuits and other claims and proceedings, it may be necessary or desirable for us to fundamentally change our business activities and practices or modify our products and services, which could have an adverse effect on our business. We may be unable to make such changes or modifications in a commercially reasonable manner or at all. Any inability to adequately address privacy concerns, even if unfounded, or any actual or perceived failure to comply with applicable privacy or data protection laws, regulations, standards or policies, could result in additional cost and liability to us, damage our reputation, inhibit sales and harm our business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, standards and policies that are applicable to the businesses of our clients may limit the use and adoption of, and reduce the overall demand for, our platform. Privacy concerns, whether valid or not valid, may inhibit market adoption of our platform particularly in certain industries and foreign countries.

Unfavorable publicity and negative public perception about our industry could adversely affect our business and operating results.

With the growth of online advertising and e-commerce, there is increasing awareness and concern among the general public, privacy advocates, mainstream media, governmental bodies and others regarding marketing, advertising, and privacy matters, particularly as they relate to individual privacy interests and the global reach of the online marketplace. See “Item 1. Business – Privacy Considerations” in this Form 10-K. Any unfavorable publicity or negative public perception about us, our industry, including our competitors, or even other data focused industries can affect our business and results of operations, and may lead to digital publishers like Facebook or Twitter changing their business practices or additional regulatory scrutiny or lawmaking that affects us or our industry. For example, in recent years, consumer advocates, mainstream media and elected officials have increasingly and publicly criticized the data and marketing industry for its collection, storage and use of personal data. The negative public attention Facebook faced following revelations about Cambridge Analytica’s use of data led Facebook to change how it delivers targeted advertising, as well as its relationship with us and some of our competitors. This public scrutiny may lead to general distrust of our industry, consumer reluctance to share and permit use of personal data and increased consumer opt-out rates, any of which could negatively influence, change or reduce our current and prospective clients’ demand for our products and services and adversely affect our business and operating results.

Industry consolidations may increase competition for our products and services, which could negatively impact our financial condition and operating results.

We compete against numerous providers of products and services in several separate markets. See "Item 1. Business - Competition" in this Form 10-K. Since we offer a larger variety of products and services than many of these competitors, we have been able to successfully compete. However, the dynamics of the marketplace would be significantly altered if several of these providers were to combine with each other to offer a wider variety of products and services that more directly compete with our portfolio of products and services. If our competitors were to combine forces to create a single-source provider of multiple products and services to the markets in which we compete, we could experience increased price competition, lower demand for our products and services, and loss of market share, each of which could negatively affect our operating results.

Significant system disruptions, loss of data center capacity or interruption of telecommunication links could adversely affect our business and results of operations.

Our business is heavily dependent upon highly complex data processing capability. Our ability to protect our data centers against damage or interruption from fire, flood, tornadoes, power loss, telecommunications or equipment failure or other disasters and events beyond our control is critical to our continued success. The online services we provide are dependent on links to telecommunication providers. We believe we have taken reasonable precautions to protect our data centers and telecommunication links from events that could interrupt our operations. Any damage to our data centers or any failure of our telecommunications links that causes loss of data center capacity or otherwise causes interruptions in our operations, however, could materially adversely affect our ability to quickly and effectively respond to our clients' requirements, which could result in loss of their confidence, adversely impact our ability to attract new clients and force us to expend significant resources to repair the damage. Such events could have a material adverse effect on our business, financial condition and operating results.

Each of our business segments is subject to substantial competition from a diverse group of competitors. New products and pricing strategies introduced by these competitors in the markets where our products and services are offered could decrease our market share or cause us to lower our prices in a manner that reduces our operating margin and the profitability of our products.

Each of our business segments faces significant competition in all its offerings and within each of its markets. See "Item 1. Business - Competition" in this Form 10-K. Our competitors include database marketing services providers, DMPs (Data Management Platforms), data companies and data distributors, some of whom may have significantly greater financial, technical, marketing or other resources allocated to serving customers. Other types of companies such as technology consultants, business process outsourcers, analytics consultants and management consultants participate to a lesser extent in portions of our market space. Additionally, we compete with the in-house IT departments of some of our existing and prospective clients that have developed or are developing the in-house capacity to perform the services we provide. Maintaining technological competitiveness in our data products, processing functionality, software systems and services, continually improving our current processes, and developing and introducing new products and services are necessary to maintain our competitive position. If we fail to do so, we could lose clients to current or future competitors, which could result in decreased revenues, net income and earnings per share.

The resources we allocate to each market in which we compete vary, as do the number and size of our competitors across these markets. These competitors may be in a better position to develop new products and pricing strategies that more quickly and effectively respond to changes in customer requirements in these markets. Some of our competitors may choose to sell products or services competitive to ours at lower prices by accepting lower margins and profitability, or may be able to sell products or services competitive to ours at lower prices given proprietary ownership of data, technical superiority or economies of scale. Such introduction of competent, competitive products, pricing strategies or other technologies by our competitors that are superior to or that achieve greater market acceptance than our products and services could adversely affect our business. In such event, we could experience a decline in market share and be forced to reduce our prices, resulting in lower profit margins for the Company.

Engagements with certain clients, particularly those with long-term, fixed price agreements, may prove to be costlier than anticipated, thereby adversely impacting future operating results.

The pricing and other terms of our client contracts, are based on estimates and assumptions we make at the time we enter into these contracts. These estimates reflect our best judgments regarding the nature of the engagement and our expected costs to provide the contracted services and could differ from actual results. Any increased or unexpected costs or unanticipated delays in connection with the performance of these engagements, including delays caused by factors outside our control, could make these contracts less profitable or unprofitable, which would have an adverse effect on our profit margin. Our exposure to this risk increases generally in proportion to the scope of the client contract and is higher in the early stages of such a contract. Our failure to meet a client's expectations in any type of contract may result in an unprofitable engagement, which could adversely affect our operating results and result in future rejection of our products and services by current and prospective clients.

The failure to recruit and retain qualified personnel could hinder our ability to successfully manage our business, which could have a material adverse effect on our financial position and operating results.

Our growth strategy and future success depend in large part on our ability to attract and retain technical, client services, sales, consulting, research and development, marketing, administrative and management personnel. The complexity of our data products, processing functionality, software systems and services requires highly trained professionals. While we presently have a sophisticated, dedicated and experienced team of associates who have a deep understanding of our business and in many cases have been with Acxiom for decades, the labor market for these individuals has historically been very competitive due to the limited number of people available with the necessary technical skills and understanding, compensation strategies, general economic conditions and various other factors. As the business information and marketing industries continue to become more technologically advanced, we anticipate increased competition for qualified personnel. The loss or prolonged absence of the services of highly trained personnel like the Company's current team of associates, or the inability to recruit and retain additional, qualified associates, could have a material adverse effect on our business, financial position or operating results.

Processing errors or delays in completing service level requirements could result in loss of client confidence, harm to our reputation and negative financial consequences.

Processing errors, or significant errors and defects in our products, can be harmful to our business and result in increases in operating costs. Such errors may result in the issuance of credits to clients, re-performance of work, payment of damages, future rejection of our products and services by current and prospective clients and irreparable harm to our reputation. Likewise, the failure to meet contractual service level requirements or to meet specified goals within contractual timeframes could result in monetary penalties or lost revenue. Taken together, these issues could result in loss of revenue and decreases in profit margins as service and support costs increase.

Data suppliers may withdraw data that we have previously collected or withhold data from us in the future, leading to our inability to provide products and services to our clients, which could lead to a decrease in revenue and loss of client confidence.

Much of the data that we use is either purchased or licensed from third-party data suppliers, and we are dependent upon our ability to obtain necessary data licenses on commercially reasonable terms. We compile the remainder of the data that we use from public record sources. We could suffer material adverse consequences if our data suppliers were to withhold their data from us, which could occur either because we fail to maintain sufficient relationships with the suppliers or if they decline to provide, or are prohibited from providing, such data to us due to legal, contractual, privacy, competition or other economic concerns. For example, data suppliers could withhold their data from us if there is a competitive reason to do so, if we breach our contract with a supplier, if they are acquired by one of our competitors, if legislation is passed restricting the use or dissemination of the data they provide or if judicial interpretations are issued restricting use of such data. Additionally, we could terminate relationships with our data suppliers if they fail to adhere to our data quality standards. If a substantial number of data suppliers were to withdraw or withhold their data from us, or if we sever ties with our data suppliers based on their inability to meet our data standards, our ability to provide products and services to our clients could be materially adversely impacted, which could result in decreased revenues, net income and earnings per share.

A failure in the integrity or a reduction in the quality of our data could harm our brand and result in a loss of revenue and an increase in legal claims.

The reliability of our solutions depends upon the integrity and quality of the data in our database. A failure in the integrity of our database, whether inadvertently or through the actions of a third party, or a reduction in the quality of our data could harm us by exposing us to client or third-party claims or by causing a loss of client confidence in our solutions. We may experience an increase in risks to the integrity of our database and quality of our data as we move toward real-time, non-identifiable, consumer-powered data through our Enterprise Data Management Platform. We must continue to invest in our database to improve and maintain the quality, timeliness and coverage of the data if we are to maintain our competitive position and retain our clients' confidence. Failure to do so could result in significant harm to our reputation and growth prospects, as well as a loss of revenue.

The loss of a contract upon which we rely for a significant portion of our revenues could adversely affect our operating results.

Our ten largest clients represented approximately 36% of our revenues in fiscal year 2018, but no single client accounted for more than 10% of the consolidated revenues of the Company. The loss of, or decrease in revenue from, any of our significant clients for any reason could have a material adverse effect on our revenue and operating results.

While a significant amount of our total revenue is currently derived from clients who have long-term contracts (defined as contracts with initial terms of two years or more), these contracts have been entered into at various times, and some of them are in the latter part of their terms and are approaching their originally scheduled expiration dates. In addition, many of these contracts contain provisions allowing the client to terminate prior to the end of the term upon giving advance notice. Even if renewed by these clients, the terms of the renewal contracts may not have a term as long as, or may otherwise be on terms less favorable than, the original contract. Revenue from clients with long-term contracts is not necessarily "fixed" or guaranteed as portions of the revenue from these clients is volume-driven or project-related. With respect to the portion of our business that is not under long-term contract, revenues are even less predictable and are almost completely volume-driven or project-related. Therefore, we must engage in continual sales efforts to maintain revenue stability and future growth with all our clients or our operating results will suffer. If a significant client fails to renew a contract, or renews the contract on terms less favorable to us than before, our business could be negatively impacted if additional business were not obtained to replace or supplement that which was lost.

Acquisition and divestiture activities may disrupt our ongoing business and may involve increased expenses, and we may not realize the financial and strategic goals contemplated at the time of a transaction, all of which could adversely affect our business and growth prospects.

Historically, we have engaged in acquisitions to grow our business. To the extent we find suitable and attractive acquisition candidates and business opportunities in the future, we may continue to acquire other complementary businesses, products and technologies and enter into joint ventures or similar strategic relationships. While we believe we will be able to successfully integrate newly acquired businesses into our existing operations, there is no certainty that future acquisitions or alliances will be consummated on acceptable terms or that we will be able to integrate successfully the services, content, products and personnel of any such transaction into our operations. In addition, any future acquisitions, joint ventures or similar relationships may cause a disruption in our ongoing business and distract our management. Further, we may be unable to realize the revenue improvements, cost savings and other intended benefits of any such transaction. The occurrence of any of these events could result in decreased revenues, net income and earnings per share.

We have also divested assets in the past and may do so again in the future. As with acquisitions, divestitures involve significant risks and uncertainties, such as:

- disruption of our ongoing business;
- reductions of our revenues or earnings per share;
- unanticipated liabilities, legal risks and costs;
- the potential loss of key personnel;

- distraction of management from our ongoing business; and
- impairment of relationships with employees and clients because of migrating a business to new owners.

Because acquisitions and divestitures are inherently risky, transactions we undertake may not be successful and may have a material adverse effect on our business, results of operations, financial condition or cash flows.

Our balance sheet includes significant amounts of goodwill, and we have experienced goodwill impairment charges in the past. The impairment of a significant portion of this asset would negatively affect our business, financial condition, and results of operations.

Goodwill is a significant portion of our total assets. Goodwill accounted for approximately 49% of the total assets on our consolidated balance sheet as of March 31, 2018. We may not realize the full carrying value of our goodwill. Goodwill is measured and tested for impairment on an annual basis in the first quarter of the Company's fiscal year and between annual tests if an event occurs or changes in circumstances suggest a potential decline in the fair value of goodwill. A significant amount of judgment is involved in determining if an indicator or change in circumstances relating to impairment has occurred. If testing indicates that impairment has occurred, we would be required to write off the impaired portion of goodwill, resulting in a change to our earnings. An impairment of a significant portion of goodwill could have a material adverse effect on our operating results and financial condition.

Our business is directly dependent upon and correlates closely to the marketing levels and ongoing business activities of our existing clients. If material adverse developments in domestic and global economic and market conditions adversely affect our clients' businesses, our business and results of operations could equally suffer.

We serve clients from locations in the Asia-Pacific region, Europe and the United States. Our client list includes many of the largest organizations in these regions across most major industry verticals, including but not limited to financial, insurance and investment services, automotive, retail, telecommunications, high tech, healthcare, travel, entertainment, non-profit and government. Our results of operations are affected directly by the level of business activity of our clients, which in turn is affected by the level of economic activity in the industries and markets that they serve. Future widespread economic slowdowns in any of these markets, particularly in the United States, may negatively affect the businesses, purchasing decisions and spending of our clients and prospective clients, which could result in reductions in our existing business as well as our new business development. In the event of such widespread economic downturn, we will likely experience a reduction in current projects, longer sales cycles, deferral or delay of purchase commitments for our data products, processing functionality, software systems and services, and increased price competition, all of which could adversely affect our revenue and operating results.

Our operations outside the U.S. are subject to risks that may harm the Company's business, financial condition or results of operations.

During the last fiscal year, we received approximately 9% of our revenues from business outside the United States. The cost of executing our business plan in non-U.S. locations is increasingly expensive. In those non-U.S. locations where legislation restricting the collection and use of personal data currently exists, less data is available and at a much higher cost. In some foreign markets, the types of products and services we offer have not been generally available and thus are not fully understood by prospective clients. Upon entering these markets, we must educate and condition the markets, increasing the cost and difficulty of successfully executing our business plan in these markets. Additionally, each of our foreign locations is generally expected to fund its own operations and cash flows, although periodically funds may be loaned or invested from the U.S. to the foreign subsidiaries. Because of such loan or investment, exchange rate movements of foreign currencies may have an impact on our future costs of, or future cash flows from, foreign investments. We have not entered into any foreign currency forward exchange contracts or other derivative instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates.

Additional risks inherent in our non-U.S. business activities generally include, among others, potentially longer accounts receivable payment cycles, the costs and difficulties of managing international operations, potentially adverse tax consequences, and greater difficulty enforcing intellectual property rights. The various risks which are inherent in doing business in the U.S. are also generally applicable to doing business outside of the U.S., but such risks may be exaggerated by factors normally associated with international operations, such as differences in culture, laws and regulations, especially restrictions on collection, management, aggregation and use of

information. Failure to effectively manage the risks facing our non-U.S. business activities could materially adversely affect our operating results.

In addition, when operating in foreign jurisdictions, we must comply with complex foreign and U.S. laws and regulations, such as the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and other local laws prohibiting corrupt payments to government officials, as well as anti-competition regulations and data protection laws and regulations. Violations of these laws and regulations could result in fines and penalties, criminal sanctions, restrictions on our business conduct and on our ability to offer our products and services in one or more countries. Such violations could also adversely affect our reputation with existing and prospective clients, which could negatively impact our operating results and growth prospects.

Our products and services have long and variable sales cycles due to their nature as enterprise-wide solutions. Failure to accurately predict these sales cycles could impair our ability to forecast operating results, which could result in a decline in the market value of our stock.

When purchasing our products and services, our clients and prospects are often faced with a significant commitment of capital, the need to integrate new software and/or hardware platforms across multiple business units and other changes in company-wide operational procedures, all of which result in cautious deliberation and evaluation by prospective clients, longer sales cycles and delays in completing transactions. Additional delays result from the significant up-front expenses and substantial time, effort and other resources necessary of our clients to implement our solutions. For example, depending on the size of a prospective client's business and its needs, a sales cycle can range from two weeks to nine months. Because of these longer sales cycles, revenues and operating results may vary significantly from period to period. As a result, it is often difficult to accurately forecast our revenues on a quarterly basis as it is not always possible for us to predict the quarter in which sales will actually be completed. This difficulty in predicting revenue, combined with the revenue fluctuations we may experience from quarter to quarter, can adversely affect and cause substantial fluctuations in our stock price.

Third parties may claim that we are infringing their intellectual property and we could suffer significant litigation or licensing expenses or be prevented from selling products or services. Additionally, third parties may infringe our intellectual property and we may suffer competitive injury or expend significant resources enforcing our rights.

As our business is focused on data-driven results and analytics, we rely heavily on proprietary information technology, processes and other protectable intellectual property rights. From time to time, third parties may claim that one or more of our products or services infringe their intellectual property rights. We analyze and take action in response to such claims on a case-by-case basis. Any dispute or litigation regarding patents or other intellectual property could be costly and time-consuming due to the complexity of our technology and the uncertainty of intellectual property litigation, which could divert the attention of our management and key personnel away from our business operations. A claim of intellectual property infringement could force us to enter into a costly or restrictive license agreement, which might not be available under acceptable terms or at all, or could subject us to significant damages or to an injunction against development and sale of certain of our products or services.

Our proprietary portfolio consists of various intellectual property rights, including patents, copyrights, database rights, source code, trademarks, trade secrets, know-how, confidentiality provisions and licensing arrangements. The extent to which such rights can be protected varies from jurisdiction to jurisdiction. If we do not enforce our intellectual property rights vigorously and successfully, our competitive position may suffer which could harm our operating results.

Our brand and reputation are key assets and competitive strengths of our Company, and our business may be adversely affected if events occur that could cause us to be negatively perceived in the marketplace.

For over 45 years, Acxiom has been a thought leader and innovator in solving large-scale data problems and improving marketing results through high-performance, highly scalable, highly secured and privacy-compliant marketing solutions, with a track record of building strong technology and being an innovator in the marketing services space. Our brand and reputation earned over these years are key assets of the Company. Our ability to attract and retain clients is highly dependent upon the external perceptions of our level of data quality, our ability to deliver consumer insights, our enterprise data management and analytical capabilities, the competence of our current associate team, and our ability to meet contractual service level requirements in a timely manner. Negative perceptions or publicity regarding these matters could damage our reputation with prospective clients and the public

generally. Adverse developments with respect to our industry may also, by association, negatively impact our reputation, or result in higher regulatory or legislative scrutiny. Any damage to our brand or reputation could have a material adverse effect on our business and operating results.

Failure to recover significant, up-front capital investments required by certain client contracts could be harmful to the Company's financial condition and operating results.

Certain of our client contracts require significant investment in the early stages, which we expect to recover through billings over the life of the contract. These contracts may involve the construction of new computer systems and communications networks or the development and deployment of new technologies. Substantial performance risk exists in each contract with these characteristics, and some or all elements of service delivery under these contracts are dependent upon successful completion of the development, construction and deployment phases. Failure to successfully meet our contractual requirements under these contracts over their life increases the possibility that we may not recover our capital investments in these contracts. Failure to recover our capital investments could be detrimental to the profitability of the particular engagement as well as our operating results.

The decline in direct mail business could occur more rapidly than we are able to offset with new revenues from investments in new products and services, which could, in turn, negatively impact revenue, net income and profit margins.

Postal rate increases are expected to continue. As postal costs continue to rise, we expect to see increased pressure on direct mailers to leverage digital and other forms of online communication and to mail fewer pieces. The concerns of direct mailers are further exacerbated by the on-going financial struggles of the United States Postal Service ("USPS"). In recent years, the USPS has incurred significant financial losses and may, as a result, implement significant changes to the breadth or frequency of its mail delivery. USPS cost cutting measures have included, among other things, consolidation of USPS's mail processing network and changes to USPS's service standards for market-dominant mail products. These ongoing changes are expected to increase mail processing time and slow delivery frequency, which in turn may decrease marketers and the general public's willingness to continue to use traditional mail, which may negatively impact our direct mail clients and thus the Company's revenue derived from our traditional direct marketing business. Additionally, those in the traditional direct mail business, as well as the USPS, are under growing pressure to reduce their impact on the environment. It is uncertain at this time what either marketers or the USPS will do to lessen their impact. From a postal service perspective, the actions to be taken may involve changing certain aspects of mail service that would negatively affect direct marketers. From a marketer's perspective, such actions could have the same effect as increased rates, thereby causing them to mail fewer pieces, which may negatively impact the Company's revenue derived from our traditional direct marketing business.

Changes in tax laws or regulations that are applied adversely to us or our customers may have a material adverse effect on our business, cash flow, financial condition or results of operations.

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, which could affect the tax treatment of our domestic and foreign earnings. Any new taxes could adversely affect our domestic and international business operations, and our business and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. For example, recently enacted U.S. tax reform legislation ("Tax Act") contains many significant changes to the U.S. tax laws, the precise consequences to us of which have not yet been finalized. Changes in corporate tax rates, the availability of the net deferred tax assets relating to our U.S. operations, the taxation of foreign earnings, and the deductibility of expenses contained in the Tax Act or other tax reform legislation could have a material impact on the value of our deferred tax assets, could result in significant one-time charges in the current or future taxable years, and could increase our future U.S. tax expense. Furthermore, changes to the taxation of undistributed foreign earnings could change our future intentions regarding reinvestment of such earnings. The foregoing items could have a material adverse effect on our business, cash flow, financial condition or results of operations.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Acxiom is headquartered in Conway, Arkansas with additional locations around the United States. We also have operations in Europe and Asia-Pacific. In general, our facilities are in good condition, and we believe that they are adequate to meet our current needs. The table below sets forth the location, form of ownership and general use of our principal properties currently being used by each business segment.

Location	Held	Use	Business Segment
United States:			
Conway, Arkansas	Ten facilities held in fee	Data center; office space	Marketing Services, Audience Solutions, Connectivity
Little Rock, Arkansas	One building held in fee and one lease	Data center; office space	Marketing Services, Audience Solutions, Connectivity
Redwood City, California	Lease	Office space	Connectivity
San Francisco, California	Lease	Data center; Office space	Connectivity
Downers Grove, Illinois	Lease	Office space	Marketing Services, Audience Solutions
New York, New York	Lease	Office space	Marketing Services, Audience Solutions, Connectivity
Austin, Texas	Lease	Office space	Marketing Services, Audience Solutions

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Location	Held	Use	Business Segment
Europe:			
London, England	Lease	Office space	Marketing Services, Audience Solutions, Connectivity
Normanton, England	Lease	Data center; office space	Audience Solutions
Paris, France	Lease	Data center; office space	Connectivity
Frankfurt, Germany	Lease	Office space	Audience Solutions
Munich, Germany	Lease	Office space	Audience Solutions
Gdansk, Poland	Lease	Office space	Marketing Services, Audience Solutions
China:			
Shanghai, China	Lease	Office space	Marketing Services, Audience Solutions, Connectivity
Nantong, China	Lease	Data center; office space	Marketing Services, Audience Solutions, Connectivity

Item 3. Legal Proceedings

The material set forth in Note 11 of Notes to Consolidated Financial Statements in Item 15 of this Annual Report on Form 10-K is incorporated herein by reference.

Item 4. Mine Safety Disclosures

Not applicable.

PART II**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***Market Information*

The outstanding shares of Acxiom's common stock are listed and traded on the NASDAQ Global Select Market under the symbol "ACXM." The following table reflects the range of high and low sales prices of Acxiom's common stock as reported by NASDAQ for each quarter in fiscal 2018 and 2017 .

Fiscal 2018	High	Low
Fourth Quarter	\$ 32.93	\$ 18.60
Third Quarter	27.93	24.45
Second Quarter	27.53	21.80
First Quarter	29.11	25.47
Fiscal 2017	High	Low
Fourth Quarter	\$ 30.40	\$ 24.74
Third Quarter	27.70	22.72
Second Quarter	27.24	21.25
First Quarter	23.57	19.11

Stockholders

As of May 21, 2018, the approximate number of record holders of the Company's common stock was 1,798.

Dividends

The Company has not paid dividends on its common stock in the past two fiscal years. The Board of Directors may consider paying dividends in the future but has no plans to pay dividends in the short term.

Performance Graph

The graph below matches Acxiom Corporation's cumulative 5-Year total shareholder return on common stock with the cumulative total returns of the NASDAQ Composite index and the NASDAQ Computer & Data Processing index. The graph tracks the performance of a \$100 investment in our common stock and in each index (with the reinvestment of all dividends) from 3/31/2013 to 3/31/2018.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Acxiom Corporation, the NASDAQ Composite Index and the NASDAQ Computer & Data Processing Index



*\$100 invested on 3/31/13 in stock or index, including reinvestment of dividends. Fiscal year ending March 31.

	3/13	3/14	3/15	3/16	3/17	3/18
Acxiom Corporation	100.00	168.60	90.64	105.10	139.56	111.32
NASDAQ Composite	100.00	131.36	154.40	155.94	190.23	228.86
NASDAQ Computer & Data Processing	100.00	141.51	155.12	191.20	226.47	291.54

The performance graph and the related chart and text, are being furnished solely to accompany this Annual Report on Form 10-K pursuant to Item 201(e) of Regulation S-K, and are not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of ours, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The stock price performance included in this graph is not necessarily indicative of future stock price performance.

[Table of Contents](#)*Purchases of Equity Securities by the Issuer and Affiliated Purchasers*

The table below provides information regarding purchases by Acxiom of its common stock during the periods indicated.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
January 2018	—	\$ —	—	\$ 174,809,780
February 2018	749,014	\$ 28.12	749,014	\$ 153,746,582
March 2018	964,128	\$ 29.44	964,128	\$ 125,366,674
Total	1,713,142	\$ 28.86	1,713,142	N/A

The repurchases listed above were made pursuant to a repurchase program adopted by the Board of Directors on August 29, 2011. That program was subsequently modified and expanded, most recently on March 30, 2018. Under the modified common stock repurchase program, the Company may purchase up to \$ 500 million of its common stock through the period ending December 31, 2019. Through March 31, 2018, the Company had repurchased 20.1 million shares of its stock for \$374.6 million, leaving remaining capacity of \$125.4 million under the stock repurchase program.

Item 6. Selected Financial Data

For information pertaining to selected financial data of Acxiom, refer to page F-2 of the Financial Supplement, which is attached hereto and incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information required by this item appears in the Financial Supplement at pages F-3 – F-21, which is attached hereto and incorporated herein by reference.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk**Market Risk**

Market risk is the risk of loss from adverse changes in market prices and rates. Our primary market risks include interest rate risk and foreign currency exchange rate risk.

Interest Rate Risk. Acxiom's earnings are affected by changes in short-term interest rates primarily because of our revolving credit agreement, which bears interest at a floating rate. Risk can be estimated by measuring the impact of a near-term adverse movement of one percentage point in short-term market interest rates. If short-term market interest rates increase one percentage point during the next four quarters compared to the previous four quarters, there would be no material adverse impact on Acxiom's results of operations. Additionally, to manage our risk from market interest rates, we actively monitor interest rates, and may enter into derivative instruments such as interest rate swaps to lock the interest rate on a portion of our variable debt. We do not enter into derivative or interest rate transactions for trading or other speculative purposes.

Foreign Currency Exchange Rate Risk. Acxiom has a presence in the United Kingdom, France, Germany, Poland, Australia, China and Japan. In general, each of the foreign locations is expected to fund its own operations and cash flows, although funds may be loaned or invested from the U.S. to the foreign subsidiaries. Therefore, exchange rate movements of foreign currencies may have an impact on Acxiom's future costs or on future cash flows from foreign investments. Acxiom has not entered into any foreign currency forward exchange contracts or other derivative instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates.

Item 8. Financial Statements and Supplementary Data

The financial statements required by this item appear in the Financial Supplement at pages F-24 – F-66, which is attached hereto and incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Our management has evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of March 31, 2018 . Based on their evaluation as of March 31, 2018 , our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) were effective at the reasonable assurance level to ensure that the information required to be disclosed by us in the Annual Report on Form 10-K was (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and regulations and (ii) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, with Acxiom have been detected.

Management's Report on Internal Control Over Financial Reporting

The management of Acxiom Corporation (the Company) is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) under the Securities Exchange Act of 1934, as amended).

The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management, with participation of the Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2018 . In making this

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assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework (2013)* .

Based on management's assessment and those criteria, the Company's management determined that the Company's internal control over financial reporting was effective as of March 31, 2018 .

KPMG LLP, the Company's independent registered public accounting firm, has audited the Company's internal control over financial reporting, as stated in their report, which is included herein.

Changes in Internal Control Over Financial Reporting

During the three months ended March 31, 2018, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information concerning our executive officers is contained in Part I of this Annual Report on Form 10-K under the caption “Executive Officers of the Registrant” which is included there pursuant to Instruction 3 to Item 401(b) of the SEC’s Regulation S-K.

The Acxiom Board of Directors has adopted codes of ethics applicable to our principal executive, financial and accounting officers and all other persons performing similar functions. Copies of these codes of ethics are posted on Acxiom’s website at www.acxiom.com under the “About – Codes of Ethics” section of the site. The remaining information required by this item appears under the captions “Election of Directors,” “Corporate Governance” and “Section 16(a) Beneficial Ownership Reporting Compliance” in Acxiom’s 2018 Proxy Statement, which information is incorporated herein by reference.

Item 11. Executive Compensation

The information required by this item appears under the heading “Executive Compensation” in Acxiom’s 2018 Proxy Statement, which information is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Securities Authorized for Issuance Under Equity Compensation Plans

The following table contains information about our common stock which may be issued upon the exercise of options under our existing equity compensation plans as of the end of fiscal 2018 (March 31, 2018):

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by shareholders	2,344,181 ¹	\$ 13.60	6,592,135
Equity compensation plans not approved by shareholders	221,106 ²	13.74	29,393
Total	2,565,287	\$ 13.61	6,621,528

1 This figure represents stock options issued under shareholder-approved stock option plans, of which 392,777 were assumed in connection with our fiscal 2015 acquisition of LiveRamp, 172,919 were assumed in connection with our fiscal 2017 acquisition of Arbor, and 34,053 were assumed in connection with our fiscal 2017 acquisition of Circulate.

2 Issued pursuant to the Company’s 2011 Nonqualified Equity Compensation Plan described below, which does not require shareholder approval under the exception provided for in NASDAQ Marketplace Rule 5635(c)(4).

Equity Compensation Plan Not Approved by Security Holders

The Company adopted the 2011 Nonqualified Equity Compensation Plan of Acxiom Corporation (the “2011 Plan”) for the purpose of making equity grants to induce new key executives to join the Company. The awards that may be made under the 2011 Plan include stock options, stock appreciation rights, restricted stock awards, RSU awards, performance awards, or other stock unit awards. To receive such an award, a person must be newly employed with the Company with the award being provided as an inducement material to their employment,

provided the award is first properly approved by the board of directors or an independent committee of the board. The board of directors and its compensation committee are the administrators of the 2011 Plan, and as such, determine all matters relating to awards granted under the 2011 Plan, including the eligible recipients, whether and to what extent awards are to be granted, the number of shares to be covered by each grant and the terms and conditions of the awards. The 2011 Plan has not been approved by the Company's shareholders.

The remaining information required by this item appears under the heading "Stock Ownership" in Acxiom's 2018 Proxy Statement, which information is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item appears under the headings "Related-Party Transactions" and "Corporate Governance - Board and Committee Matters" in Acxiom's 2018 Proxy Statement, which information is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information required by this item appears under the heading "Ratification of Independent Registered Public Accountant - Fees Billed for Services Rendered by Independent Auditor" in Acxiom's 2018 Proxy Statement, which information is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) The following documents are filed as a part of this report:

1. Financial Statements.

The following consolidated financial statements of the registrant and its subsidiaries included in the Financial Supplement and the Independent Auditors' Reports thereof are attached hereto. Page references are to page numbers in the Financial Supplement.

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2. Financial Statement Schedules.

All schedules are omitted because they are not applicable or not required or because the required information is included in the consolidated financial statements or notes thereto.

3. Exhibits.

The following exhibits are filed with this report or are incorporated by reference to previously filed material:

<u>Exhibit No.</u>	
2.1	Merger Agreement, dated May 12, 2014, by and among Acxiom Corporation, Big Sky Sub Acquisition, Inc., LiveRamp, Inc., and The Brenner Group (previously filed on May 14, 2014, as Exhibit 2.1 to Acxiom Corporation's Current Report on Form 8-K, and incorporated herein by reference)
2.2	Contribution and Stock Purchase Agreement, dated as of May 19, 2015, by and among Aspen Holdco, Inc., Acxiom Corporation, Acxiom IT Outsourcing, Inc., Acxiom Limited, Aspen Hivedown Limited, Acxiom Global Service Center Polska sp. z.o.o., Acxiom Polska sp. z.o.o. w likwidacji, and Acxiom ITO Polska sp. z.o.o. (previously filed on May 20, 2015, as Exhibit 2.1 to Acxiom Corporation's Current Report on Form 8-K, and incorporated herein by reference)
2.3	Amendment dated July 31, 2015, to the Contribution and Stock Purchase Agreement dated as of May 19, 2015, by and among Aspen Holdco, Inc., Acxiom Corporation, Acxiom IT Outsourcing, Inc., Acxiom Limited, Aspen Hivedown Limited, Acxiom Global Service Center Polska sp. z.o.o., Acxiom Polska sp. z.o.o. w likwidacji, and Acxiom ITO Polska sp. z.o.o. (previously filed on August 6, 2015, as Exhibit 2.1 to Acxiom Corporation's Current Report on Form 8-K, and incorporated herein by reference)
3.1	Amended and Restated Certificate of Incorporation (previously filed as Exhibit 3.1 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2017, Commission File No. 0-13163, and incorporated herein by reference)

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- 3.2 [Amended and Restated Bylaws \(previously filed on March 31, 2017, as Exhibit 3\(a\) to Acxiom Corporation's Current Report on Form 8-K, and incorporated herein by reference\)](#)
- 10.1 [Amended and Restated Key Associate Stock Option Plan of Acxiom Corporation \(previously filed as Exhibit 10.1 to Acxiom Corporation's Quarterly Report on Form 10-Q for the quarter ended December 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.2 [2005 Stock Purchase Plan of Acxiom Corporation \(previously filed as Exhibit 10.2 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.3 [First Amendment to the 2005 Stock Purchase Plan of Acxiom Corporation \(previously filed as Exhibit 10.2 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2015, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.4 [Amended and Restated 2005 Equity Compensation Plan of Acxiom Corporation](#)
- 10.5 [Acxiom Corporation Non-Qualified Deferral Plan, amended and restated effective January 1, 2009 \(previously filed as Exhibit 10.27 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2013, and incorporated herein by reference\)](#)
- 10.6 [First Amendment to the Acxiom Corporation Non-Qualified Deferral Plan, effective July 1, 2009 \(previously filed as Exhibit 10.28 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2013, and incorporated herein by reference\)](#)
- 10.7 [Acxiom Corporation Non-Qualified Matching Contribution Plan, amended and restated effective January 1, 2009 \(previously filed as Exhibit 10.29 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2013, and incorporated herein by reference\)](#)
- 10.8 [First Amendment to the Acxiom Corporation Non-Qualified Matching Contribution Plan, effective July 1, 2009 \(previously filed as Exhibit 10.30 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2013, and incorporated herein by reference\)](#)
- 10.9 [Amended and Restated 2010 Executive Cash Incentive Plan of Acxiom Corporation \(previously filed as Exhibit 10.6 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year ended March 31, 2015, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.10 [Amended and Restated 2010 Executive Officer Severance Policy \(previously filed as Exhibit 10.3 to Acxiom Corporation's Quarterly Report on Form 10-Q for the quarter ended December 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.11 [2011 Nonqualified Equity Compensation Plan of Acxiom Corporation \(previously filed as Exhibit 10.4 to Acxiom Corporation's Quarterly Report on Form 10-Q for the quarter ended December 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.12 [LiveRamp, Inc. 2006 Equity Incentive Plan \(previously filed as Exhibit 10.5 to Acxiom Corporation's Quarterly Report on Form 10-Q for the quarter ended December 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.13 [Arbor Equity Compensation Plan \(previously filed as Exhibit 10.6 to Acxiom Corporation's Quarterly Report on Form 10-Q for the quarter ended December 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.14 [Circulate Equity Compensation Plan \(previously filed as Exhibit 10.7 to Acxiom Corporation's Quarterly Report on Form 10-Q for the quarter ended December 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.15 [2018 Equity Compensation Plan of Pacific Data Partners LLC](#)

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- 10.16 [Form of Performance Unit Award Agreement under the Amended and Restated 2005 Equity Compensation Plan of Acxiom Corporation \(previously filed as Exhibit 10.8 to Acxiom Corporation's Quarterly Report on Form 10-Q for the quarter ended December 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.17 [Form of Stock Option Grant Agreement under the Amended and Restated 2005 Equity Compensation Plan of Acxiom Corporation \(previously filed as Exhibit 10.16 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year March 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.18 [Form of Restricted Stock Unit Award Agreement under the Amended and Restated 2005 Equity Compensation Plan of Acxiom Corporation \(previously filed as Exhibit 10.17 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year March 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.19 [Form of Restricted Stock Unit Award under the 2011 Nonqualified Equity Compensation Plan of Acxiom Corporation \(previously filed as Exhibit 10.18 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year March 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.20 [Form of Restricted Stock Unit Award under the Arbor Equity Compensation Plan \(previously filed as Exhibit 10.19 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year March 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 10.21 [Sixth Amended and Restated Credit Agreement dated as of June 20, 2017 among Acxiom Corporation, the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, Wells Fargo Bank, National Association, Bank of America, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd. and BBVA Compass, as Syndication Agents, and Bank of Montreal, Capital One, National Association and PNC Bank, National Association, as Co-Documentation Agents \(previously filed on June 22, 2017, as Exhibit 10.1 to Acxiom Corporation's Current Report on Form 8-K, and incorporated herein by reference\)](#)
- 10.22 [Employment Agreement by and between Acxiom Corporation and Scott E. Howe dated as of February 14, 2018](#)
- 10.23 [Employment Agreement by and between Acxiom Corporation and Warren C. Jenson dated as of February 14, 2018](#)
- 10.24 [Memorandum to Rick Erwin re: Terms for AMS Deal Incentive, dated April 2, 2018](#)
- 10.25 [Memorandum to Dennis Self re: Terms for AMS Deal Incentive, dated April 2, 2018](#)
- 10.26 [Form of Director Indemnity Agreement](#)
- 10.27 [Form of Officer and Key Employee Indemnity Agreement \(previously filed as Exhibit 10.26 to Acxiom Corporation's Annual Report on Form 10-K for the fiscal year March 31, 2017, Commission File No. 0-13163, and incorporated herein by reference\)](#)
- 21 [Subsidiaries of Acxiom Corporation](#)
- 23 [Consent of KPMG LLP](#)
- 24 [Powers of Attorney](#)
- 31.1 [Certification of Chief Executive Officer pursuant to SEC Rule 13a-14\(a\)/15d-14\(a\), as adopted pursuant to Sections 302 and 404 of the Sarbanes-Oxley Act of 2002](#)
- 31.2 [Certification of Chief Financial Officer pursuant to SEC Rule 13a-14\(a\)/15d-14\(a\), as adopted pursuant to Sections 302 and 404 of the Sarbanes-Oxley Act of 2002](#)

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- 32.1 [Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 32.2 [Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 101 The following financial information from our Annual Report on Form 10-K for the fiscal year ended March 31, 2018, formatted in XBRL: (i) Consolidated Balance Sheets as of March 31, 2018 and 2017; (ii) Consolidated Statements of Operations for the fiscal years ended March 31, 2018, 2017 and 2016; (iii) Consolidated Statements of Comprehensive Income for the fiscal years ended March 31, 2018, 2017 and 2016; (iv) Consolidated Statements of Stockholders' Equity for the fiscal years ended March 31, 2018, 2017 and 2016; (v) Consolidated Statements of Cash Flows for the fiscal years ended March 31, 2018, 2017 and 2016; and (vi) Notes to the Consolidated Financial Statements

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ACXIOM CORPORATION

Date: May 25, 2018

By: /s/ Warren C. Jenson
Warren C. Jenson
Chief Financial Officer & Executive Vice President
(principal financial and accounting officer)

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature		
<u>/s/ John L. Battelle*</u> John L. Battelle	Director	May 25, 2018
<u>/s/ Timothy R. Cadogan*</u> Timothy R. Cadogan	Director	May 25, 2018
<u>William T. Dillard II</u>	Director	May 25, 2018
<u>/s/ Richard P. Fox*</u> Richard P. Fox	Director	May 25, 2018
<u>/s/ Jerry D. Gramaglia*</u> Jerry D. Gramaglia	Director (Non-Executive Chairman of the Board)	May 25, 2018
<u>/s/ William J. Henderson*</u> William J. Henderson	Director	May 25, 2018
<u>/s/ Scott E. Howe*</u> Scott E. Howe	Director, CEO & President (principal executive officer)	May 25, 2018
<u>/s/ Clark M. Kokich*</u> Clark M. Kokich	Director	May 25, 2018
<u>/s/ Debora B. Tomlin*</u> Debora B. Tomlin	Director	May 25, 2018
<u>/s/ Warren C. Jenson</u> Warren C. Jenson	Chief Financial Officer & Executive Vice President (principal financial and accounting officer)	May 25, 2018

*By: /s/ Catherine L. Hughes
Catherine L. Hughes
Attorney-in-Fact

ACXIOM CORPORATION
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FOR THE YEAR ENDED MARCH 31, 2018

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ACXIOM CORPORATION
SELECTED FINANCIAL DATA
(In thousands, except per share data)

Year ended March 31,	2018	2017	2016	2015	2014
Statement of operations data:					
Revenues	\$ 917,406	\$ 880,247	\$ 850,088	\$ 804,911	\$ 805,153
Net earnings (loss) from continuing operations	\$ 23,480	\$ 4,108	\$ (8,648)	\$ (26,542)	\$ (17,340)
Earnings from discontinued operations, net of tax	—	—	15,351	15,511	26,143
Net earnings (loss)	\$ 23,480	\$ 4,108	\$ 6,703	\$ (11,031)	\$ 8,803
Net earnings (loss) attributable to Acxiom	\$ 23,480	\$ 4,108	\$ 6,703	\$ (11,031)	\$ 8,863
Basic earnings (loss) per share:					
Net earnings (loss) from continuing operations	\$ 0.30	\$ 0.05	\$ (0.11)	\$ (0.34)	\$ (0.23)
Net earnings from discontinued operations	—	—	0.20	0.20	0.35
Net earnings (loss)	\$ 0.30	\$ 0.05	\$ 0.09	\$ (0.14)	\$ 0.12
Net earnings (loss) attributable to Acxiom	\$ 0.30	\$ 0.05	\$ 0.09	\$ (0.14)	\$ 0.12
Diluted earnings (loss) per share:					
Net earnings (loss) from continuing operations	\$ 0.29	\$ 0.05	\$ (0.11)	\$ (0.34)	\$ (0.23)
Net earnings from discontinued operations	—	—	0.20	0.20	0.35
Net earnings (loss)	\$ 0.29	\$ 0.05	\$ 0.09	\$ (0.14)	\$ 0.12
Net earnings (loss) attributable to Acxiom	\$ 0.29	\$ 0.05	\$ 0.09	\$ (0.14)	\$ 0.12

Acxiom has not paid cash dividends for any of the periods reported.

As of March 31,	2018	2017	2016	2015	2014
Balance sheet data:					
Current assets	\$ 360,345	\$ 368,519	\$ 376,010	\$ 511,404	\$ 656,056
Current liabilities	\$ 178,355	\$ 230,213	\$ 224,000	\$ 283,792	\$ 249,469
Total assets	\$ 1,209,253	\$ 1,234,538	\$ 1,149,849	\$ 1,294,087	\$ 1,310,497
Long-term debt, excluding current installments	\$ 227,837	\$ 189,241	\$ 157,897	\$ 244,753	\$ 275,976
Total equity	\$ 749,095	\$ 738,980	\$ 698,968	\$ 703,257	\$ 682,857

The selected financial data for the periods reported above has been derived from the consolidated financial statements and, unless otherwise indicated, reflect the Company's continuing operations. Refer to Note 4 – Discontinued Operations and Dispositions for additional information regarding discontinued operations.

This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical financial statements and related notes contained in this report. The historical results are not necessarily indicative of results to be expected in any future period.

Management's Discussion and Analysis of Financial Condition and Results of Operations

We begin Management's Discussion and Analysis of Financial Condition and Results of Operations with an overview of our operating segments, summary results and notable events. This overview is followed by a summary of our critical accounting policies and estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results. We then provide a more detailed analysis of our results of operations and financial condition.

Unless otherwise indicated, we refer to captions such as earnings (loss), and earnings (loss) per share from continuing operations attributable to the Company simply as "earnings (loss)", and "earnings (loss) per share" throughout this Management's Discussion and Analysis. Similarly, discussion of other matters in our consolidated financial statements relates to continuing operations unless otherwise indicated.

Introduction and Overview

Acxiom Corporation is a global technology and enablement services company with a vision to transform data into value for everyone. Through a simple, open approach to connecting systems and data, we provide the data foundation for the world's best marketers. By making it safe and easy to activate, validate, enhance, and unify data, we provide marketers with the ability to deliver relevant messages at scale and tie those messages back to actual results. Our products and services enable people-based marketing, allowing our clients to generate higher return on investment and drive better omni-channel customer experiences.

Acxiom is a Delaware corporation founded in 1969 in Conway, Arkansas. Our common stock is listed on the NASDAQ Global Select Market under the symbol "ACXM." We serve a global client base from locations in the United States, Europe, and the Asia-Pacific ("APAC") region. Our client list includes many of the world's largest and best-known brands across most major industry verticals, including but not limited to financial, insurance and investment services, automotive, retail, telecommunications, high tech, healthcare, travel, entertainment, non-profit, and government.

Operating Segments

Our operating segments provide management with a comprehensive view of our key businesses based on how we manage our operations and measure results. Additional information related to our operating segments is contained in Note 17 – Segment Information of the Notes to Consolidated Financial Statements.

Connectivity

As shown in the illustration below, our Connectivity segment enables our clients to build an omni-channel view of the consumer and activate that understanding across the marketing ecosystem.



Through integrations with more than 575 leading digital marketing platforms and data providers, we have become a key point of entry into the digital ecosystem, helping our clients eliminate data silos and unlock greater value from the marketing tools they use every day. We provide a foundational identity resolution layer enabling our clients to identify and reach consumers across channels and measure the impact of marketing on sales, using the marketing platform of their choice.

Today, our primary Connectivity offering is LiveRamp IdentityLink™, an identity resolution service that ties data back to real people and makes it possible to onboard that data for people-based marketing initiatives across digital channels. Leveraging AbiliTec® and the LiveRamp identity graph, IdentityLink first resolves a client's first-, second-, and third-party, exposure, and transaction data to persistent anonymous consumer identifiers that represent real people in a privacy-safe way. This omni-channel view of the consumer can then be onboarded to and between any of the 575 plus partners in our ecosystem to support targeting, personalization and measurement use cases.

Targeting



Example

Clients can upload known data from first-, second-, and third-party data sources, resolve it to an omnichannel privacy-safe link with IdentityLink, then onboard to one of 575+ LiveRamp partners to deploy targeted ads to known customers.

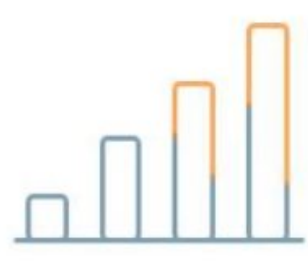
Personalization



Example

Clients can deliver highly relevant content the moment viewers visit their websites' landing page, no login required. Leveraging IdentityLink, clients can resolve customer segment data to devices and digital IDs, onboard that data to a personalization platform and provide one-to-one experiences without compromising user privacy.

Measurement



Example

Clients can connect exposure data with first and third-party purchase data across channels by resolving all customer devices back to the customers to which they belong. Then, clients can onboard that data to a measurement platform to clearly establish cause, effect and impact.

IdentityLink operates in an Acxiom SafeHaven® certified environment with technical, operational, and personnel controls designed to ensure our clients' data is kept private and secure.

IdentityLink is sold to brands and the companies' brands partners to execute their marketing, including marketing technology providers, data providers, publishers and agencies.

- **IdentityLink for Brands and Agencies.** IdentityLink allows brands and their agencies to execute people-based marketing by creating an omni-channel understanding of the consumer and activating that understanding across their choice of best-of-breed digital marketing platforms.
- **IdentityLink for Marketing Technology Providers.** IdentityLink provides marketing technology providers with the ability to offer people-based targeting, measurement and personalization within their platforms. This adds value for brands by increasing reach, as well as the speed at which they can activate their marketing data.
- **IdentityLink for Data Owners.** IdentityLink allows data owners to easily connect their data to the digital ecosystem and better monetize it. Data can be distributed directly to clients or made available through the **IdentityLink Data Store** feature. This adds value for brands as it allows them to augment their understanding of consumers, and increase both their reach against and understanding of customers and prospects.
- **IdentityLink for Publishers.** IdentityLink allows publishers to offer people-based marketing on their properties. This adds value for brands by providing direct access to their customers and prospects in the publisher's premium inventory.

Our Connectivity revenue consists primarily of monthly recurring subscription fees sold on an annual basis. To a lesser extent, we generate revenue from data providers and certain digital publishers in the form of revenue-sharing agreements.

Audience Solutions (“AS”)

Our AS segment helps clients validate the accuracy of their data, enhance it with additional insight, and keep it up to date, enabling clients to reach desired audiences with highly relevant messages. Leveraging our recognition and data assets, clients can identify, segment, and differentiate their audiences for more effective marketing and superior customer experiences. AS offerings include InfoBase®, our large consumer data store that serves as the basis for Acxiom’s consumer demographics products, and AbiliTec, our patented identity resolution technology that assists our clients in reconciling and managing variations of customer identity over time and across multiple channels.

InfoBase. With more than 1,500 demographic, socio-economic and lifestyle data elements and several thousand predictive models, our InfoBase products provide marketers with the ability to identify and reach the right audience with the right message across both traditional and digital channels. Through partnerships with over 100 online publishers and digital marketing platforms, including Facebook, Google, Twitter, 4INFO, AOL, eBay and MSN, marketers can use InfoBase data to create and target specific audiences. Data can be accessed directly or through the Acxiom Audience Cloud, a web-based, self-service tool that makes it easy to build and distribute third-party custom data segments.

- **AbiliTec.** As shown in the illustration below, AbiliTec helps brands recognize individuals and households using a number of different input variables and connects identities online and offline.



By identifying and linking multiple identifiers and data elements back to a persistent ID, our clients are able to create a single view of the customer, which allows them to perform more effective audience targeting and deliver better, more relevant customer experiences.

Our AS revenue includes licensing fees, which are typically in the form of recurring monthly billings, as well as transactional revenue based on volume or one-time usage. In addition, AS generates digital data revenue from certain digital publishers and addressable television providers in the form of revenue sharing agreements. Our Marketing Database clients are a significant channel for our AS offerings.

Marketing Services (“MS”)

Our MS segment helps clients unify data at the individual level in a privacy-safe environment, so they can execute people-based marketing campaigns, tie back to real results, and drive a continual cycle of optimization. We help architect the foundation for data-driven marketing by delivering solutions that integrate customer and prospect data across the enterprise, thereby enabling our clients to establish a single view of the customer. We also support our clients in navigating the complexities of consumer privacy regulation, making it easy and safe for them to use innovative technology, maintain choice in channels and media, and stay agile in this competitive era of the consumer. These services allow our clients to generate higher return on marketing investments and, at the same time, drive better, more relevant customer experiences.

The MS segment includes the following service offerings: Marketing Database Services and Strategy and Analytics. The MS segment also included Impact Email Platform and Services until the disposition of the business in August 2016.

- **Marketing Database Services.** Our Marketing Database offering provides solutions that unify consumer data across an enterprise, enabling clients to execute relevant, people-based marketing and activate data across the marketing ecosystem. Our consumer marketing databases, which we design, build, and manage for our clients, make it possible for our clients to collect and analyze information from all sources, thereby increasing customer acquisition, retention, and loyalty. Through our growing partner network, clients are able to integrate their data with best-of-breed marketing solutions while respecting and protecting consumer privacy.

Marketing Database Services are generally provided under long-term contracts. Our revenue consists primarily of recurring monthly billings, and to a lesser extent, other volume and variable based billings.

- **Strategy and Analytics .** Our Strategy and Analytics offering consists of marketing strategists and data scientists who leverage industry knowledge and advanced analytics to assist our clients with identifying growth opportunities, addressing marketing data and technology needs, and adopting best practices. In addition, we help our clients identify and address their data privacy and governance requirements.

Strategy and Analytics revenue consists primarily of project-based fees.

- **Impact Email Platform and Services.** Until the August 2016 disposition, Acxiom Impact™ provided email and cross-channel data-driven marketing solutions for enterprise marketers, including a proprietary marketing platform and agency services.

Acxiom Impact™ revenue consists of (1) volume-based fees for the use of the Impact email platform and (2) project-based and retainer-based fees for associated agency services.

Summary

Together, our products and services form the “power grid” for data, the critical foundation for people-based marketing that brands need to engage consumers across today’s highly fragmented landscape of channels and devices.

We provide integrations with the largest number of marketing platforms and data providers in the digital marketing ecosystem, enabling our clients to innovate through their preferred choice of technology, data, and services providers. Our industry-leading identity resolution and data assets power best-in-class consumer identification and linking across channels and devices. And, our integrated services offering provides the expertise required to manage large sets of data legally, ethically, securely, and in a way that protects consumer privacy.

Summary Results and Notable Events

During fiscal 2018, the Company entered into a Sixth Amended and Restated Credit Agreement (the "restated credit agreement") as part of refinancing its prior credit agreement. The Company used an initial draw of \$230 million to pay off the outstanding \$225 million term and revolving loan balances, with interest, and fund \$4 million in fees related to the restated agreement.

During fiscal 2017, the Company acquired all of the outstanding shares of Arbor Technologies, Inc. ("Arbor") and Circulate.com, Inc. ("Circulate"). Arbor and Circulate help publishers connect people-based data to the marketing ecosystem. Arbor and Circulate are included in the Connectivity segment, and increase the scale of the Company's omni-channel identity graph and network. The Company has included the financial results of Arbor and Circulate in the consolidated financial statements from the dates of acquisition. The consideration paid for the outstanding shares and vested stock options was approximately \$137.4 million, net of cash acquired of approximately \$9.5 million. The consideration paid for unvested stock options has an estimated fair value of \$9.2 million. These options are not part of the purchase price and will be expensed as non-cash compensation over the applicable vesting periods.

During fiscal 2017, the Company completed the sale of its Impact email business to Zeta Interactive for total consideration of \$22.0 million, including a \$4.0 million subordinated promissory note with interest accruing at a rate of 6.0% per annum. The note was paid in full during fiscal 2018. The Company also entered into a separate multi-year contract to provide Zeta Interactive with Connectivity and Audience Solutions services. Prior to the disposition, the Impact email business was included in the Marketing Services segment results.

During fiscal 2016, the Company completed the sale of its ITO business to Charlesbank Capital Partners and M/C Partners. The business qualified for treatment as discontinued operations during fiscal 2016. Accordingly, the results of operations, cash flows, and the balance sheet amounts pertaining to ITO, for all periods reported, have been classified as discontinued operations in the consolidated financial statements.

A summary of the most recently completed fiscal year is presented below.

- Revenues of \$917.4 million, a 4.2% increase from \$880.2 million in fiscal 2017 .
- Cost of revenue of \$466.4 million, a 2.4% decrease from \$477.7 million in fiscal 2017 .
- Gross margin increased to 49.2% from 45.7% in fiscal 2017 .
- Total operating expenses of \$440.4 million, a 13.8% increase from \$386.9 million in fiscal 2017 .
- Cost of revenue and operating expenses for fiscal 2018 and 2017 include the following items:
 - Non-cash stock compensation of \$63.2 million and \$49.1 million, respectively (cost of revenue and operating expenses)
 - Purchased intangible asset amortization of \$23.9 million and \$18.6 million, respectively (cost of revenue)
 - Separation and transformation costs of \$20.8 million and \$8.6 million, respectively (operating expenses)
 - Restructuring charges and other adjustments of \$6.4 million and \$8.4 million, respectively (operating expenses)
- Net earnings increased to \$23.5 million or \$0.29 per diluted share compared to net earnings of \$4.1 million or \$0.05 per diluted share in fiscal 2017. The increase is primarily due to recently enacted changes in tax law, including a one-time benefit for the remeasurement of net deferred tax liabilities.
- Net cash provided by operating activities of \$112.2 million, a 3.2% decrease from \$115.8 million in fiscal 2017 .
- The Company repurchased 3.3 million shares of its common stock for \$88.9 million under the Company's common stock repurchase program.

- The Company refinanced its debt facility to consist of a \$600 million revolving credit facility with a maturity in June 2022.

This summary highlights significant events and transactions of the Company during the fiscal years ended March 31, 2018 and 2017 . However, this summary is not intended to be a full discussion of the Company's results. This summary should be read in conjunction with the following discussion of Results of Operations and Capital Resources and Liquidity and with the Company's consolidated financial statements and footnotes accompanying this report.

Critical Accounting Policies

We prepare our consolidated financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") as set forth in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") and we consider the various staff accounting bulletins and other applicable guidance issued by the United States Securities and Exchange Commission ("SEC"). GAAP, as set forth within the ASC, requires management to make certain estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at the time that these estimates, judgments and assumptions are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Note 1 to the accompanying consolidated financial statements includes a summary of significant accounting policies used in the preparation of Axiom's consolidated financial statements. Of those policies, we have identified the following as the most critical because they are both important to the portrayal of the Company's financial condition and operating results, and they may require management to make judgments and estimates about inherently uncertain matters:

- Revenue Recognition
- Goodwill and Intangible Assets
- Accounting for Income Taxes

Revenue Recognition

The Company's policy follows the guidance from ASC 605, *Revenue Recognition* .

The Company provides marketing database services under long-term arrangements. These arrangements may require the Company to perform setup activities such as the design and build of a database, and may include other products and services purchased at the same time, or within close proximity of one another (referred to as multiple element arrangements). Each element within a multiple element arrangement is accounted for as a separate unit of accounting provided the following criteria are met: the delivered products or services have value to the customer on a standalone basis; and for an arrangement that includes a general right of return relative to the delivered products or services, delivery or performance of the undelivered product or service is considered probable and is substantially controlled by us. We consider a deliverable to have standalone value if the product or service is sold separately by us or another vendor or could be resold by the customer. Further, our revenue arrangements generally do not include a general right of return related to the delivered products. Where the aforementioned criteria for a separate unit of accounting are not met, the deliverable is combined with the undelivered element(s) and treated as a single unit of accounting for purposes of allocation of the arrangement consideration and revenue recognition.

For our multiple-element arrangements, we allocate revenue to each element based on a selling price hierarchy at the arrangement's inception. The relative selling price for each unit of accounting in a multiple-element arrangement is established using vendor-specific objective evidence ("VSOE"), if available, third-party evidence ("TPE"), if available, or management's best estimate of stand-alone selling price ("BESP"). In most cases, the Company has neither VSOE nor TPE and therefore uses BESP. The total arrangement consideration is allocated to each separate unit of accounting for each of the deliverables using the relative selling prices of each unit based on the aforementioned selling price hierarchy. We limit the amount of revenue recognized for delivered elements to an amount that is not contingent upon future delivery of additional products or services or meeting any specified performance conditions.

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The objective of BESP is to determine the price at which the Company would transact a sale if the product or service were sold on a stand-alone basis. Management's BESP is determined by considering multiple factors including actual contractual selling prices when the item is sold on a stand-alone basis, as well as market conditions, competition, internal costs, profit objectives and pricing practices. As pricing and marketing strategies evolve, we may modify our pricing practices in the future, which could result in changes to BESP, or to the development of VSOE or TPE for individual products or services. As a result, future revenue recognition for multiple-element arrangements could differ from recognition in the current period. Our relative selling prices are analyzed on an annual basis or more frequently if we experience significant changes in selling prices.

Revenues are recognized when: (1) persuasive evidence of an arrangement exists; (2) we deliver the products and services; (3) the sale price is fixed or determinable; and (4) collection is reasonably assured. Revenues that are not recognized at the time of sale because the foregoing conditions are not met are recognized when those conditions are subsequently met. Where applicable, we reduce revenue for certain incentive programs where we can sufficiently estimate the effects of these items. In some cases, the arrangements also contain provisions requiring customer acceptance of the setup activities prior to commencement of the ongoing services arrangement. Up-front fees billed during the setup phase for these arrangements are deferred and setup costs that are direct and incremental to the contract are capitalized. Revenue recognition does not begin until after customer acceptance in cases where contracts contain acceptance provisions. Once the setup phase is complete and customer acceptance occurs, the Company recognizes revenue and the related costs for each element as delivered. In situations where the arrangement does not require customer acceptance before the Company begins providing services, revenue is recognized for each element as delivered and no costs are deferred.

The Company evaluates its marketing database arrangements to determine whether the arrangement contains a lease. If the arrangement is determined to contain a lease, applicable accounting standards require the Company to account for the lease component separately from the remaining components of the arrangement. In cases where marketing database arrangements are determined to include a lease, the lease is evaluated to determine whether it is a capital lease or operating lease and accounted for accordingly. These lease revenues are not significant to the Company's consolidated financial statements.

Sales of third-party software, hardware and certain other equipment are recognized when delivered. If such sales are part of a multiple-element arrangement, they are recognized as a separate element unless collection of the sales price is dependent upon delivery of other products or services. Additionally, the Company evaluates revenue from the sale of data, software, hardware and equipment in accordance with accounting standards to determine whether such revenue should be recognized on a gross or a net basis. All the factors in the accounting standards are considered with the primary factor being whether the Company is the primary obligor in the arrangement. "Out-of-pocket" expenses incurred by, and reimbursed to, the Company in connection with customer contracts are recorded as gross revenue.

The Company also performs services on a project basis outside of, or in addition to, the scope of long-term arrangements. The Company recognizes revenue from these services as the services are performed.

All taxes assessed on revenue-producing transactions described above are presented on a net basis, or excluded from revenues.

Revenues from the licensing of data are recognized upon delivery of the data to the customer. Revenue from the licensing of data to the customer in circumstances where the license agreement contains a volume cap is recognized in proportion to the total records to be delivered under the arrangement. Revenue from the sale of data on a per-record basis is recognized as the records are delivered.

Revenues from Connectivity services are primarily recorded as monthly recurring subscription fees, and from data providers and certain digital publishers in the form of revenue-sharing agreements.

Goodwill and Intangible Assets

Goodwill is measured and tested for impairment on an annual basis in the first quarter of the Company's fiscal year in accordance with ASC 350, *Intangibles-Goodwill and Other*, or more frequently if indicators of impairment exist. In performing our goodwill impairment test, we first evaluate goodwill to determine if it is more likely than not that the occurrence of an event or change in circumstances has reduced the fair value of a reporting segment below its carrying value. The qualitative assessment requires that we consider events or circumstances that may include

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macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, changes in management or key personnel, changes in strategy, changes in customers, and changes in our stock price. If, after assessing the totality of events or circumstances, we determine that it is more likely than not that the fair value of our reporting segments is greater than the carrying amounts, then the two-step goodwill impairment test is not performed.

If the qualitative assessment indicates that the two-step quantitative analysis should be performed, we evaluate goodwill for impairment by comparing the fair value of each of our reporting segments to its carrying value, including the associated goodwill. To determine the fair values, we use the equal weighting of the market approach based on comparable publicly traded companies in similar lines of businesses and the income approach based on estimated discounted future cash flows. Our cash flow assumptions consider historical forecasted revenue, operating costs and other relevant factors.

We completed our annual impairment test during the first quarter of fiscal 2018. We determined, after performing a qualitative review of each reporting segment, that it is more likely than not that the fair value of each of our reporting segments exceeds the respective carrying amounts. Accordingly, there was no indication of impairment, and the two-step quantitative goodwill impairment test was not performed. We did not recognize any goodwill impairment charges in fiscal 2017. During fiscal 2016, we recognized a \$5.4 million goodwill impairment loss related to our APAC Audience Solutions segment and a \$0.5 million goodwill impairment loss related to our Brazil operation.

We amortize intangible assets with finite lives over their estimated useful lives and review them for impairment whenever an impairment indicator exists. We continually monitor events and changes in circumstances that could indicate carrying amounts of our long-lived assets, including our intangible assets, may not be recoverable. When such events or changes in circumstances occur, we assess recoverability by determining whether the carrying value of such assets will be recovered through the undiscounted expected future cash flows. If the future undiscounted cash flows are less than the carrying amount of these assets, we recognize an impairment loss based on any excess of the carrying amount over the fair value of the assets. We did not recognize any intangible asset impairment charges in fiscal 2018, 2017, or 2016.

During fiscal 2018, our intangible assets were amortized over their estimated useful lives ranging from two years to ten years. Amortization is based on the pattern in which the economic benefits of the intangible asset will be consumed or on a straight-line basis when the consumption pattern is not apparent. The weighted average useful lives of our intangible assets were as follows:

	Weighted Average Useful Life (years)
Developed technology	4
Customer relationships	6
Trade names	3
Publisher relationships	6

Income Taxes

The Company makes estimates and judgments in determining the provision for income taxes for financial statement purposes. These estimates and judgments occur in the calculation of tax credits, benefits, and deductions, and in the calculation of certain deferred tax assets and liabilities that arise from differences in the timing of recognition of revenue and expense for tax and financial statement purposes, as well as the interest and penalties related to uncertain tax positions. Significant changes in these estimates may result in an increase or decrease to the tax provision in a subsequent period. The Company assesses the likelihood that it will be able to recover its deferred tax assets. If recovery is not likely, the Company increases the provision for taxes by recording a valuation allowance against the deferred tax assets that it estimates will not ultimately be recoverable. The Company believes that the deferred tax assets recorded on the consolidated balance sheets will be ultimately recovered. However, should a change occur in the Company's ability to recover its deferred tax assets, its tax provision would increase in the period in which the Company determined that the recovery was not likely.

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The calculation of tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations. The Company recognizes liabilities for uncertain tax positions based on a two-step process pursuant to ASC 740, *Income Taxes*. The first step is to evaluate the tax position for recognition by determining whether the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. If the Company determines that a tax position will more likely than not be sustained on audit, the second step requires the Company to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. It is inherently difficult and subjective to estimate such amounts, as the Company must determine the probability of various possible outcomes.

The Company re-evaluates these uncertain tax positions on a quarterly basis. This evaluation is based on factors such as changes in facts or circumstances, changes in tax law, new audit activity, and effectively settled issues. Determining whether an uncertain tax position is effectively settled requires judgment. Such a change in recognition or measurement would result in the recognition of a tax benefit or an additional charge to the tax provision.

The Tax Act significantly changes U.S. corporate income tax laws by, among other things, reducing the U.S. federal corporate tax rate from 35% to 21%. Accordingly, the Company made a provisional remeasurement of its federal deferred tax assets and liabilities to reflect the lower tax rate enacted during the third quarter of fiscal 2018. See Note 13 to the Consolidated Financial Statements - Income Taxes for additional information.

Results of Operations

A summary of selected financial information for each of the years reported is presented below (dollars in thousands, except per share amounts):

	2018	2017	2016	% Change 2018-2017	% Change 2017-2016
Revenues	\$ 917,406	\$ 880,247	\$ 850,088	4 %	4 %
Cost of revenue	466,436	477,686	488,382	(2)	(2)
Gross profit	450,970	402,561	361,706	12	11
Total operating expenses	440,371	386,872	374,769	14	3
Income (loss) from operations	10,599	15,689	(13,063)	(32)	220
Net earnings (loss) from continuing operations	23,480	4,108	(8,648)	472	148
Diluted earnings (loss) per share from continuing operations	\$ 0.29	\$ 0.05	\$ (0.11)	480	146

Revenues

The Company's revenues by reporting segment for each of the years reported is presented below (dollars in thousands):

	2018	2017	2016	% Change 2018-2017	% Change 2017-2016
Revenues					
Marketing Services	\$ 379,047	\$ 410,840	\$ 449,772	(8)%	(9)%
Audience Solutions	327,358	322,065	297,846	2	8
Connectivity	211,001	147,342	102,470	43	44
Total revenues	\$ 917,406	\$ 880,247	\$ 850,088	4 %	4 %

Total revenues were \$917.4 million in fiscal 2018, a \$37.2 million, or 4.2%, increase from fiscal 2017. Strong revenue growth in Connectivity (\$63.7 million) was partially offset by items totaling \$23.5 million: the disposition of the Acxiom Impact business (\$20.4 million) and the transition of the Australia operations to a Connectivity focused business (\$3.1 million reduction in MS and AS). These unfavorable items were partially offset by a \$2.5 million favorable impact from exchange rates.

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Total revenues were \$880.2 million in fiscal 2017, a \$30.2 million, or 3.5%, increase from fiscal 2016. The revenue growth was due to strong AS and Connectivity results. The year over year growth was negatively impacted by several items totaling \$52.6 million: the disposition of the Acxiom Impact business (\$39.8 million), the unfavorable impact of exchange rates (\$5.8 million), the transition of the Australia operations business to a Connectivity focused business (\$4.6 million reduction in MS and AS), and the exit from Brazil during fiscal year 2016 (\$2.3 million).

MS revenue was \$379.0 million in fiscal 2018, a \$31.8 million, or 7.7%, decrease compared to fiscal 2017. On a geographic basis, U.S. MS revenue decreased \$30.7 million, or 8.1%, due to the sale of Acxiom Impact (\$20.4 million) and other volume and contract reductions. International MS revenue decreased \$1.1 million, or 3.7%, due primarily to decreases related to the Australia restructure. By line of business, Marketing Database revenue decreased \$7.7 million (U.S. \$5.3 million, International \$2.4 million), Strategy and Analytics revenue declined \$3.7 million (primarily U.S.) and Impact declined due to the sale of Acxiom Impact.

MS revenue was \$410.8 million in fiscal 2017, a \$38.9 million, or 8.7%, decrease compared to fiscal 2016. On a geographic basis, U.S. MS revenue decreased \$31.2 million, or 7.6%, due largely to the sale of Acxiom Impact (\$39.8 million). International MS revenue decreased \$7.7 million, or 20.3%. Excluding the unfavorable impact of exchange rates (\$3.3 million), International MS revenue decreased \$4.4 million and was impacted by the Australia restructure and Brazil exit. By line of business, increases in Marketing Database (\$15.4 million) were offset by declines in Strategy and Analytics (\$10.4 million) and the sale of Acxiom Impact (\$39.8 million).

AS revenue was \$327.4 million in fiscal 2018, a \$5.3 million, or 1.6%, increase compared to fiscal 2017. On a geographic basis, U.S. AS revenue increased \$3.6 million, or 1.3%, due to increases in Digital Data business with new and existing customers offset by decreases in Recognition. International AS revenue increased \$1.7 million, or 5.1%, primarily in Europe from Digital Data growth. By line of business, AS revenue growth in Digital Data (\$10.4 million), through our publisher and digital partner network, was partially offset by declines in Recognition (\$4.5 million) and Consumer Data (\$3.2 million). As the digital data business model evolves, some revenue sharing arrangements will convert to license arrangements and certain publishers will decide to seek alternative data arrangements. These changes could impact AS growth rates in the future. In fact, the Company was notified in late March 2018 by Facebook, a large AS Digital Data customer, that Facebook would discontinue over the next several months its Facebook Partner Categories offering. Facebook Partner Categories provides audience targeting options by leveraging third-party data providers, including Acxiom's AS division. Digital Data revenue from Facebook was approximately \$40.0 million in fiscal 2018 and is expected to be significantly lower in fiscal 2019.

AS revenue was \$322.1 million in fiscal 2017, a \$24.2 million, or 8.1%, increase compared to fiscal 2016. On a geographic basis, U.S. AS revenue increased \$25.8 million, or 9.8%, due to increases in Digital Data business with new and existing customers. International AS revenue decreased \$1.6 million, or 4.6%. International AS revenue increases in Europe (\$2.4 million) were offset by decreases in Brazil (\$1.2 million) and Australia (\$3.2 million) due to restructuring. By line of business, AS revenue growth in Digital Data through our publisher and digital partner network (\$28.3 million) were offset by declines in Consumer Data (\$3.1 million).

Connectivity revenue was \$211.0 million in fiscal 2018, a \$63.7 million, or 43.2%, increase compared to fiscal 2017. The increase was due to LiveRamp growth, partially offset by a \$2.4 million decrease in revenue from the revenue-sharing arrangements due to a lost customer. On a geographic basis, U.S. Connectivity revenue increased \$55.1 million, or 40.2%, from fiscal 2017. International Connectivity revenue increased \$8.5 million, or 84.3%. Connectivity revenue will also be impacted by the announced discontinuance of Facebook's Partner Categories offering. Connectivity revenue from Facebook was approximately \$20.0 million in fiscal 2018 and is expected to be significantly lower in fiscal 2019.

Connectivity revenue was \$147.3 million in fiscal 2017, a \$44.9 million, or 43.8%, increase compared to fiscal 2016. The increase was related to LiveRamp including the acquisitions of Arbor and Circulate, partially offset by a \$6.1 million decrease from the revenue-sharing arrangements due to a lost customer. On a geographic basis, U.S. Connectivity revenue increased \$41.9 million, or 44.0%, from fiscal 2016. International Connectivity revenue increased \$3.0 million, or 41.1%.

Cost of revenue and Gross profit

The Company's cost of revenue and gross profit for each of the years reported is presented below (dollars in thousands):

	2018	2017	2016	% Change 2018-2017	% Change 2017-2016
Cost of revenue	\$ 466,436	\$ 477,686	\$ 488,382	(2)%	(2)%
Gross profit	450,970	402,561	361,706	12	11
Gross margin	49.2%	45.7%	42.5%	7 %	8 %

Cost of revenue: Includes all direct costs of sales such as data and other third-party costs directly associated with revenue. Cost of revenue also includes expenses for each of the Company's operations functions including client services, account management, agency, strategy and analytics, IT, data acquisition, and products operations. Finally, cost of revenue includes amortization of internally developed software and other acquisition related intangibles.

Cost of revenue was \$466.4 million in fiscal 2018, a \$11.3 million, or 2.4%, decrease from fiscal 2017, due primarily to the disposition of Acxiom Impact (\$18.2 million). Gross margins increased to 49.2% compared to 45.7% in the prior year. The gross margin increase is due to the Connectivity revenue increases and MS cost efficiencies. U.S. gross margins increased to 50.4% in the current year from 47.0% in the prior year for the same reasons. International gross margins increased to 36.7% in the current year from 32.0% in the prior year due to Connectivity revenue growth.

Cost of revenue was \$477.7 million in fiscal 2017, a \$10.7 million, or 2.2%, decrease from fiscal 2016, due primarily to the disposition of Acxiom Impact (\$25.4 million). Gross margins increased to 45.7% compared to 42.5% in the prior year. The gross margin increase is due to cost efficiencies and the AS and Connectivity revenue increases. U.S. gross margins increased to 47.0% in fiscal 2017 from 43.8% in the prior year due to the AS and Connectivity revenue growth. International gross margins increased to 32.0% in fiscal 2017 from 30.4% in the prior year due to cost efficiencies and Connectivity revenue growth.

Operating Expenses

The Company's operating expenses for each of the years reported is presented below (dollars in thousands):

	2018	2017	2016	% Change 2018-2017	% Change 2017-2016
Operating expenses:					
Research and development	\$ 94,873	\$ 82,109	\$ 74,247	16 %	11
Sales and marketing	215,599	166,676	146,176	29	14
General and administrative	123,526	129,714	135,385	(5)	(4)
Impairment of goodwill and other assets	—	—	6,829	—	(100)
Gains, losses and other items, net	6,373	8,373	12,132	(24)	(31)
Total operating expenses	\$ 440,371	\$ 386,872	\$ 374,769	14 %	3 %

Research and development ("R&D"): Includes operating expenses for the Company's engineering and product/project management functions supporting research, new development, and related product enhancement.

R&D expenses were \$94.9 million in fiscal 2018, an increase of \$12.8 million, or 15.5%, compared to fiscal 2017, and are 10.3% of total revenues compared to 9.3% in fiscal 2017. The increase is due primarily to an increase in non-cash stock compensation of \$4.4 million, and Connectivity and AS investments of \$10.4 million and \$1.6 million, respectively. The increases were partially offset by a decrease in MS of \$3.0 million related primarily to the U.S. Impact disposition. The increase in non-cash stock compensation is largely related to the Arbor and Circulate acquisitions.

R&D expenses were \$82.1 million in fiscal 2017, an increase of \$7.9 million, or 10.6%, compared to fiscal 2016, and are 9.3% of total revenues compared to 8.7% in fiscal 2016. Connectivity and AS investments (\$9.5 million and \$2.2 million, respectively) were partially offset by cost reductions in MS (\$6.3 million).

Sales and marketing ("S&M"): Includes operating expenses for the Company's sales, marketing, and product marketing functions.

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S&M expenses were \$215.6 million in fiscal 2018 , an increase of \$48.9 million , or 29.4% , compared to fiscal 2017 , and are 23.5% of total revenues compared to 18.9% in fiscal 2017 . The increase is due largely to non-cash stock compensation of \$14.6 million (largely related to the Arbor and Circulate acquisitions), and Connectivity investments of \$30.2 million, corporate marketing of \$3.8 million, and AS investments of \$1.4 million. The increases were partially offset by a decrease in MS (\$1.0 million) due primarily to lower variable compensation.

S&M expenses were \$166.7 million in fiscal 2017 , an increase of \$20.5 million , or 14.0% , compared to fiscal 2016 , and are 18.9% of total revenues compared to 17.2% in fiscal 2016 . The increase is due to Connectivity and U.S. headcount investments and non-cash stock compensation.

General and administrative (G&A): Represents operating expenses for all corporate functions, including finance, human resources, legal, corporate IT, and the corporate office.

G&A expenses were \$123.5 million in fiscal 2018 , a decrease of \$6.2 million , or 4.8% , compared to fiscal 2017 , and are 13.5% of total revenues compared to 14.7% in fiscal 2017 . The decrease is due primarily to lower non-cash stock compensation of \$5.6 million, lower incentive compensation accruals, and other cost savings offset by a \$12.2 million increase in separation and transformation costs. Prior year non-cash stock compensation costs were impacted by adjustments to increase expected performance levels for certain performance based awards.

G&A expenses were \$129.7 million in fiscal 2017 , a decrease of \$5.7 million , or 4.2% , compared to fiscal 2016 , and are 14.7% of total revenues compared to 15.9% in fiscal 2016 . The decrease is due to a \$12.2 million decline in separation and transformation costs, offset partially by an increase in non-cash stock based compensation.

Impairment of goodwill and other: Represents the amount of impairment related to goodwill and other related long-lived assets.

Impairment of goodwill and other was \$6.8 million in fiscal 2016 , representing the impairment of APAC AS (\$6.1 million) and Brazil MS and AS (\$0.7 million).

Gains, losses, and other items, net: Represents restructuring costs and other adjustments.

Gains, losses and other items, net of \$6.4 million in fiscal 2018 , a decrease of \$2.0 million , or 23.9% , compared to fiscal 2017 . The fiscal 2018 amount includes a \$2.6 million charge related to the restructuring of the Redwood City, California lease and \$3.8 million in severance and other associate-related charges.

Gains, losses and other items, net of \$8.4 million in fiscal 2017 , a decrease of \$3.8 million , or 31.0% , compared to fiscal 2016. The fiscal 2017 amount included a \$5.1 million charge related to the restructuring of the Redwood City, California lease, a \$1.3 million charge representing the write-off of accumulated foreign currency translation related to Brazil, a \$2.2 million gain on the sale of the Little Rock, Arkansas Rivermarket building, \$1.4 million in merger related expenses related to the Arbor and Circulate acquisitions, and a \$0.3 million gain on sale of the Acxiom Impact business.

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Income (Loss) from Operations and Profit (Loss) Margins

The Company's income (loss) from operations and margin by segment for each of the years reported is presented below (dollars in thousands):

	2018	2017	2016
Operating income (loss) and margin:			
Marketing Services	\$ 83,304	\$ 80,622	\$ 74,371
	22.0%	19.6%	16.5%
Audience Solutions	124,192	123,238	109,598
	37.9%	38.3%	36.8%
Connectivity	18,399	5,333	(3,298)
	8.7%	3.6%	(3.2)%
Less:			
Corporate	121,769	117,342	127,844
Purchased intangible asset amortization	23,920	18,644	15,466
Non-cash stock compensation	63,234	49,145	31,463
Impairment of goodwill and other	—	—	6,829
Gains, losses and other items, net	6,373	8,373	12,132
Income (loss) from operations	<u>\$ 10,599</u>	<u>\$ 15,689</u>	<u>\$ (13,063)</u>
Total operating margin	<u>1.2%</u>	<u>1.8%</u>	<u>(1.5)%</u>

Income from operations was \$10.6 million in fiscal 2018 compared to \$15.7 million in fiscal 2017 . Operating margin was 1.2% compared to 1.8% in fiscal 2017 . The decrease of \$5.1 million was due primarily to increases in non-cash stock compensation, largely related to the Arbor and Circulate acquisitions, and separation and transformation costs included in corporate costs, offset partially by increases in operating segments' income from operations (primarily Connectivity).

Income from operations was \$15.7 million in fiscal 2017 compared to a loss of \$13.1 million in fiscal 2016 . Operating margin was 1.8% compared to negative 1.5% in fiscal 2016 . The improvement in income from operations of \$28.8 million was due primarily to an increase in each of the segment's income from operations and lower business separation and transformation costs in Corporate, lower gains, losses and other items, net, offset partially by an increase in non-cash stock based compensation.

MS income from operations was \$83.3 million , a 22.0% margin, in fiscal 2018 compared to income of \$80.6 million , a 19.6% margin, in fiscal 2017 . U.S. margins increased to 23.6% in the current period from 20.9% due to R&D and S&M cost reductions, including R&D reductions related to the Impact disposition. International operating margins decreased to 2.7% from 3.4% due primarily to the revenue decrease.

MS income from operations was \$80.6 million , a 19.6% margin, in fiscal 2017 compared to income of \$74.4 million , a 16.5% margin, in fiscal 2016 . U.S. margins increased to 20.9% in fiscal 2017 from 17.7% due to R&D and S&M cost reductions. International margins decreased to 3.4% from 3.7% due to the revenue decrease.

AS income from operations was \$124.2 million , a 37.9% margin, in fiscal 2018 compared to income of \$123.2 million , a 38.3% margin, in fiscal 2017 . U.S. margins decreased to 39.6% in the current period from 39.9% as the increase in gross profit was offset by investments in R&D and S&M. International operating margins decreased to 23.7% from 24.2% due to increases in S&M.

AS income from operations was \$123.2 million , a 38.3% margin, in fiscal 2017 compared to income of \$109.6 million , a 36.8% margin, in fiscal 2016 . U.S. margins decreased to 39.9% in fiscal 2017 from 40.1% due to ongoing R&D and S&M investments. International margins increased to 24.2% from 11.6% due to expanding gross profit margins.

Connectivity income from operations was \$18.4 million , an 8.7% margin, in fiscal 2018 compared to income of \$5.3 million , a 3.6% margin, in fiscal 2017 . A \$52.6 million increase in gross profit was partially offset by R&D and S&M investments.

Connectivity income from operations was \$5.3 million , a 3.6% margin, in fiscal 2017 compared to a loss of \$3.3 million , a negative 3.2% margin, in fiscal 2016 as the increase in gross profit was offset partially by continued R&D and S&M investments.

Other Income (Expense), Income Taxes and Other Items

Interest expense was \$10.1 million in fiscal 2018 compared to \$7.4 million in fiscal 2017. The increase is primarily related to \$70 million in borrowings in the third quarter of fiscal 2017 related to the Arbor and Circulate acquisitions and an increase in the average rate of approximately 82 basis points. On June 20, 2017, the Company refinanced its debt facility to consist of a \$600 million revolving credit facility, of which \$230 million was outstanding at March 31, 2018.

Interest expense was \$7.4 million in fiscal 2017 compared to \$7.7 million in fiscal 2016. The decrease is primarily related to the reduction in the term loan balance offset by \$0.7 million of new interest expense on line of credit borrowings. The average balance of the term loan and line of credit decreased approximately \$40 million and the average rate remained approximately flat.

Other income was \$0.2 million in fiscal 2018 compared to \$0.3 million in fiscal 2017 and \$0.5 million in fiscal 2016. Other, net primarily consists of foreign currency transaction gains and losses, and interest and investment income.

Income tax benefit was \$22.8 million on pretax income of \$0.7 million for fiscal 2018. The income tax benefit is primarily attributable to a \$24.6 million benefit for the remeasurement of deferred tax liabilities as a result of the Tax Act. In addition, the effective tax rate reflects the Tax Act's permanent reduction in the U.S. federal corporate income tax rate. Fiscal 2018 also included a \$6.4 million income tax expense due to nondeductible stock-based compensation, primarily related to the Arbor and Circulate acquisitions, a net \$5.0 million benefit related to U.S. research and development tax credits, and a \$3.0 million benefit related to net excess tax benefits from stock-based compensation.

The fiscal 2017 effective tax rate was 52.5%. Fiscal 2017 included a \$4.5 million federal and state tax benefit, net of associated valuation allowance, related to the Acxiom Impact disposition. Fiscal 2017 also included a net \$2.3 million income tax benefit related to U.S. research and development tax credits. In addition, nondeductible stock-based compensation, primarily related to the Arbor Holdback Agreement and incentive stock options issued in connection with the LiveRamp acquisition, had a \$3.3 million unfavorable impact on income tax expense.

The fiscal 2016 effective tax rate was 57.4%. Fiscal 2016 included a net \$3.6 million tax benefit related to the release of a deferred tax valuation allowance in a certain foreign jurisdiction. Fiscal 2016 also included a net \$4.0 million income tax benefit related to U.S. research and development tax credits. In addition, nondeductible stock-based compensation, primarily related to incentive stock options issued in connection with the LiveRamp acquisition, had a \$1.9 million unfavorable impact on income tax expense.

The effective tax rates for all periods were impacted by losses in foreign jurisdictions. The Company does not record the income tax benefit of certain of those losses due to uncertainty of future utilization.

Discontinued operations

In fiscal 2016, the Company completed the sale of its ITO operations. As a result, the ITO business qualified for treatment as discontinued operations. The results of operations, cash flows, and the balance sheet amounts pertaining to ITO have been classified as discontinued operations in the consolidated financial statements.

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Summary results of operations of ITO for the fiscal year ended March 31, 2016 are segregated and included in earnings from discontinued operations, net of tax, in the Company's consolidated statements of operations and are as follows (dollars in thousands):

	2016
Revenues	\$ 69,410
Earnings from discontinued operations before income taxes	\$ 10,050
Gain on sale of discontinued operations before income taxes	9,349
Income taxes	3,598
Earnings from discontinued operations, net of tax	\$ 15,801

During fiscal 2018, the Company undertook a comprehensive review of its businesses to drive cleaner lines of sight, to create clearer accountabilities and to maximize its strategic flexibility. Following this review, the Company intends to reorganize its business and actively explore options to further strengthen Acxiom Marketing Solutions, a business unit combining MS and lines of business from AS, and deliver greater value to its clients. These options may include a strategic partnership, acquisition, tax-free merger, joint venture, tax-free spin-off, sale or other potential strategic combinations.

Beginning April 1, 2018, the Company will report its results in two business segments: LiveRamp and Acxiom Marketing Solutions.

Capital Resources and Liquidity*Working Capital and Cash Flow*

Working capital at March 31, 2018 totaled \$182.0 million, a \$43.7 million increase when compared to \$138.3 million at March 31, 2017, due primarily to the debt refinancing, as the amended credit agreement does not require periodic principal debt service, and a decrease in accrued payroll.

The Company's cash is primarily located in the United States. Approximately \$22.1 million of the total cash balance of \$142.3 million, or approximately 15.5%, is located outside of the United States. The Company has no current plans to repatriate this cash to the United States.

Accounts receivable days sales outstanding, from continuing operations, was 61 days at March 31, 2018 and 57 days at March 31, 2017, respectively, and is calculated as follows (dollars in thousands):

	March 31, 2018	March 31, 2017
Numerator – trade accounts receivable, net	\$ 167,188	\$ 142,768
Denominator:		
Quarter revenue	244,781	224,867
Number of days in quarter	90	90
Average daily revenue	\$ 2,720	\$ 2,499
Days sales outstanding	<u>61</u>	<u>57</u>

Net cash provided by operating activities was \$112.2 million in fiscal 2018 compared to \$115.8 million and \$113.6 million in fiscal 2017 and 2016, respectively. The \$3.6 million decrease in fiscal 2018 and the \$2.2 million increase in fiscal 2017 resulted primarily from an increase in cash earnings offset by changes in working capital.

Investing activities used cash of \$60.3 million in fiscal 2018 compared to \$159.3 million and \$69.2 million in fiscal 2017 and 2016, respectively. The decrease of used cash in fiscal 2018 related primarily to the \$137.4 million of net cash paid in the Arbor and Circulate acquisitions in fiscal 2017. Fiscal 2018 investing activities consisted of capital expenditures of \$44.2 million, capitalization of software of \$13.7 million, net cash paid in the acquisition of Pacific Data Partners LLC ("PDP") of \$4.5 million, \$1.0 million for a long-term investment, and \$0.9 million of data acquisition costs, offset partially by \$4.0 million net cash received from the note receivable related to the Acxiom Impact sale. The increase for fiscal 2017 related primarily to the \$137.4 million of net cash paid in the Arbor and Circulate acquisitions. Additional fiscal 2017 investing activities consisted of capital expenditures of \$48.0 million, capitalization of software of \$14.5 million and \$0.9 million of data acquisition costs.

Financing activities used cash of \$81.5 million in fiscal 2018. Proceeds from the debt refinancing of \$230.0 million were used to pay the outstanding \$225 million term and revolving loan balances, with interest, along with \$4.0 million in fees related to the restated credit agreement. Fiscal 2018 financing activities also included \$88.9 million of cash to acquire treasury stock, offset by \$8.7 million in proceeds from the sale of common stock. Financing activities provided cash of \$25.8 million in fiscal 2017. Fiscal 2017 financing activities included \$15.7 million in proceeds from the sale of common stock and \$2.9 million excess tax benefits from stock-based compensation, offset by \$32.2 million in payments of debt and \$30.5 million to acquire treasury stock.

On August 29, 2011, the board of directors adopted a common stock repurchase program. That program was subsequently modified and expanded, most recently on March 30, 2018 (see Note 12 – Stockholders' Equity). Under the modified common stock repurchase program, the Company may purchase up to \$500 million of its common stock through the period ending December 31, 2019. During the fiscal year ended March 31, 2018, the Company repurchased 3.3 million shares of its common stock for \$88.9 million. During the fiscal year ended March 31, 2017, the Company repurchased 1.3 million shares of its common stock for \$30.5 million. During the fiscal year ended March 31, 2016, the Company repurchased 2.6 million shares of its common stock for \$52.8 million. From program inception and through March 31, 2018, the Company had repurchased 20.1 million shares of its stock for \$374.6 million, leaving remaining capacity of \$125.4 million under the stock repurchase program.

Net cash provided by discontinued operations was \$130.6 million in fiscal 2016, primarily from net cash received of \$130.2 million for the sale of ITO.

[Table of Contents](#)**Credit and Debt Facilities**

See Note 10 – “Long-Term Debt” of the Notes to Consolidated Financial Statements for further details related to the Company’s amended and restated credit agreement.

Based on our current expectations, we believe our liquidity and capital resources will be sufficient to operate our business. However, we may take advantage of opportunities to generate additional liquidity or refinance existing debt through capital market transactions. The amount, nature, and timing of any capital market transactions will depend on our operating performance and other circumstances; our then-current commitments and obligations; the amount, nature, and timing of our capital requirements; any limitations imposed by our current credit arrangements; and overall market conditions.

Off-Balance Sheet Items and Commitments

In connection with the Impact email disposition, the Company assigned a facility lease to the buyer of the business. The Company guaranteed the facility lease as required by the asset disposition agreement. Should the assignee default, the Company would be required to perform under the terms of the facility lease, which runs through September 2021. At March 31, 2018, the Company’s maximum potential future rent payments under this guarantee totaled \$2.1 million.

There were no material outstanding letters of credit at March 31, 2018 or March 31, 2017.

Contractual Commitments

The following table presents the Company’s contractual cash obligations, exclusive of interest, and purchase commitments at March 31, 2018. The table does not include the future payment of liabilities related to uncertain tax positions of \$2.1 million as the Company is not able to predict the periods in which the payments will be made (dollars in thousands):

	For the years ending March 31,						
	2019	2020	2021	2022	2023	Thereafter	Total
Revolving credit borrowings	\$ —	\$ —	\$ —	\$ —	\$ 230,000	\$ —	\$ 230,000
Other debt	1,583	1,362	348	—	—	—	3,293
Total long-term debt	1,583	1,362	348	—	230,000	—	233,293
Operating leases	16,525	15,945	15,490	15,096	8,745	12,345	84,146
Total contractual cash obligations	\$ 18,108	\$ 17,307	\$ 15,838	\$ 15,096	\$ 238,745	\$ 12,345	\$ 317,439

	For the years ending March 31,						
	2019	2020	2021	2022	2023	Thereafter	Total
Total purchase commitments	\$ 40,488	\$ 18,235	\$ 9,060	\$ 1,539	\$ 338	\$ —	\$ 69,660

Purchase commitments include contractual commitments for the purchase of data and open purchase orders for equipment, paper, office supplies, construction and other items. Purchase commitments in some cases will be satisfied by entering into future operating leases, capital leases, or other financing arrangements, rather than payment of cash. The above commitments relating to long-term obligations do not include future payments of interest. The Company estimates interest payments on debt for fiscal 2019 of \$12.0 million.

The following are contingencies or guarantees under which the Company could be required, in certain circumstances, to make cash payments as of March 31, 2018 (dollars in thousands):

Lease guarantees	\$ 2,116
Surety bonds	405

While the Company does not have any other material contractual commitments for capital expenditures, certain levels of investments in facilities and computer equipment continue to be necessary to support the growth of the

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business. In some cases, the Company also licenses software and sells hardware to clients. Management believes that the Company's existing available debt and cash flow from operations will be sufficient to meet the Company's working capital and capital expenditure requirements for the foreseeable future. The Company also evaluates acquisitions from time to time, which may require up-front payments of cash.

For a description of certain risks that could have an impact on results of operations or financial condition, including liquidity and capital resources, see "Risk Factors" contained in Part I, Item 1A, of this Annual Report.

Key Trends and Uncertainties

The following is a summary of selected trends, events or uncertainties that the Company believes may have a significant impact on its future performance.

- The macroeconomic environment has a direct impact on overall marketing and advertising expenditures in the U.S. and abroad. As marketing budgets are often more discretionary in nature, they are easier to reduce in the short term as compared to other corporate expenses. Future widespread economic slowdowns in any of the industries or markets our clients serve, particularly in the United States, could reduce the marketing expenditures of our clients and prospective customers.
- With the growth of online advertising and e-commerce, there is increasing awareness and concern among the general public, privacy advocates, mainstream media, governmental bodies and others regarding marketing and privacy matters, particularly as they relate to individual privacy interests and global reach of the online marketplace. Negative publicity and/or increased restrictions on the collection, management, aggregation and use of information could result in reduced demand for our products or services, decreased availability of certain kinds of data and/or a material increase in the cost of collecting and using certain kinds of data.
- In recent years, we have witnessed an ongoing shift from direct marketing to alternative marketing channels. We believe this trend will continue and that, in the long term, a substantial portion of overall marketing and advertising expenditures will be moved to alternative marketing channels.
- Compromises in the security or stability of our data and systems, including from cyber-based attacks, the unauthorized transmission of confidential information or systems interruptions could negatively affect our economic condition.

Seasonality and Inflation

Although we cannot accurately determine the amounts attributable to inflation, we are affected by inflation through increased compensation costs and other operating expenses. If inflation were to increase over the low levels of recent years, the impact in the short run would be to cause increases in costs, which we would attempt to pass on to clients, although there is no assurance that we would be able to do so. Generally, the effects of inflation in recent years have been offset by technological advances, economies of scale and other operational efficiencies.

Our traditional direct marketing operations typically experience their lowest revenue in the first quarter of the fiscal year, with higher revenue in the second, third, and fourth quarters. To minimize the impact of these fluctuations, we continue to seek long-term arrangements with more predictable revenues.

Non-U.S. Operations

The Company has a presence in the United Kingdom, France, Germany, Poland, Australia and China. Most of the Company's exposure to exchange rate fluctuation is due to translation gains and losses as there are no material transactions that cause exchange rate impact. In general, each of the foreign locations is expected to fund its own operations and cash flows, although funds may be loaned or invested from the U.S. to the foreign subsidiaries subject to limitations in the Company's revolving credit facility. These advances are considered long-term investments, and any gain or loss resulting from changes in exchange rates as well as gains or losses resulting from translating the foreign financial statements into U.S. dollars are included in accumulated other comprehensive income. Exchange rate movements of foreign currencies may have an impact on the Company's future costs or on future cash flows from foreign investments. The Company has not entered into any foreign currency forward exchange contracts or other derivative instruments to hedge the effects of adverse fluctuations in foreign currency exchange rates.

Recent Accounting Pronouncements –

See "Adoption of New Accounting Standards" and "Recent Accounting Pronouncements" under Note 1, "Summary of Significant Accounting Policies," of the Notes to Consolidated Financial Statements for a discussion of certain accounting standards that have been issued during fiscal 2018 and 2017 .

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Acxiom Corporation:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Acxiom Corporation and subsidiaries as of March 31, 2018 and 2017, the related consolidated statements of operations, comprehensive income, stockholders' equity, and cash flows for each of the years in the three-year period ended March 31, 2018, and the related notes (collectively, the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of March 31, 2018, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2018 and 2017 and the results of its operations and its cash flows for each of the years in the three-year period ended March 31, 2018, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2018, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding

prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

KPMG LLP

We have served as the Company's auditor since 2003.

Dallas, Texas
May 25, 2018

ACXIOM CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2018 AND 2017
(Dollars in thousands, except per share data)

	March 31, 2018	March 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 142,279	\$ 170,343
Trade accounts receivable, net	167,188	142,768
Refundable income taxes	9,733	7,098
Other current assets	41,145	48,310
Total current assets	360,345	368,519
Property and equipment, net of accumulated depreciation and amortization	156,533	155,974
Software, net of accumulated amortization of \$314,185 in 2018 and \$288,122 in 2017	34,984	47,638
Goodwill	595,995	592,731
Purchased software licenses, net of accumulated amortization of \$66,190 in 2018 and \$72,403 in 2017	7,703	7,972
Deferred income taxes	12,225	10,261
Other assets, net	41,468	51,443
	<u>\$ 1,209,253</u>	<u>\$ 1,234,538</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Current installments of long-term debt	\$ 1,583	\$ 39,819
Trade accounts payable	46,688	40,208
Accrued payroll and related expenses	42,499	53,238
Other accrued expenses	55,865	59,861
Deferred revenue	31,720	37,087
Total current liabilities	178,355	230,213
Long-term debt	227,837	189,241
Deferred income taxes	40,243	58,374
Other liabilities	13,723	17,730
Commitments and contingencies		
Equity:		
Common stock, \$0.10 par value (authorized 200 million shares; issued 136.1 million and 132.9 million shares at March 31, 2018 and 2017, respectively)	13,609	13,288
Additional paid-in capital	1,235,679	1,154,429
Retained earnings	628,331	602,609
Accumulated other comprehensive income	10,767	7,999
Treasury stock, at cost (58.3 million and 54.6 million shares at March 31, 2018 and 2017, respectively)	(1,139,291)	(1,039,345)
Total equity	749,095	738,980
	<u>\$ 1,209,253</u>	<u>\$ 1,234,538</u>

See accompanying notes to consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED MARCH 31, 2018 , 2017 AND 2016
(Dollars in thousands, except per share amounts)

	2018	2017	2016
Revenues	\$ 917,406	\$ 880,247	\$ 850,088
Cost of revenue	466,436	477,686	488,382
Gross profit	450,970	402,561	361,706
Operating expenses:			
Research and development	94,873	82,109	74,247
Sales and marketing	215,599	166,676	146,176
General and administrative	123,526	129,714	135,385
Impairment of goodwill and other assets	—	—	6,829
Gains, losses and other items, net	6,373	8,373	12,132
Total operating expenses	440,371	386,872	374,769
Income (loss) from operations	10,599	15,689	(13,063)
Other income (expense):			
Interest expense	(10,131)	(7,381)	(7,669)
Other, net	241	334	452
Total other expense	(9,890)	(7,047)	(7,217)
Income (loss) from continuing operations before income taxes	709	8,642	(20,280)
Income taxes (benefit)	(22,771)	4,534	(11,632)
Net earnings (loss) from continuing operations	23,480	4,108	(8,648)
Earnings from discontinued operations, net of tax	—	—	15,351
Net earnings	\$ 23,480	\$ 4,108	\$ 6,703
Basic earnings (loss) per share:			
Net earnings (loss) from continuing operations	\$ 0.30	\$ 0.05	\$ (0.11)
Net earnings from discontinued operations	—	—	0.20
Net earnings	\$ 0.30	\$ 0.05	\$ 0.09
Diluted earnings (loss) per share:			
Net earnings (loss) from continuing operations	\$ 0.29	\$ 0.05	\$ (0.11)
Net earnings from discontinued operations	—	—	0.20
Net earnings	\$ 0.29	\$ 0.05	\$ 0.09

See accompanying notes to consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED MARCH 31, 2018 , 2017 AND 2016
(Dollars in thousands)

	2018	2017	2016
Net earnings	\$ 23,480	\$ 4,108	\$ 6,703
Other comprehensive income (loss):			
Change in foreign currency translation adjustment	2,768	(706)	(907)
Unrealized gain on interest rate swap	—	115	84
Other comprehensive income (loss)	2,768	(591)	(823)
Comprehensive income	<u>\$ 26,248</u>	<u>\$ 3,517</u>	<u>\$ 5,880</u>

See accompanying notes to consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
YEARS ENDED MARCH 31, 2018 , 2017 AND 2016
(Dollars in thousands)

	Common Stock		Additional paid-in Capital	Retained earnings	Accumulated other comprehensive income	Treasury Stock		Total Equity
	Number of shares	Amount				Number of shares	Amount	
Balances at March 31, 2015	127,938,797	\$ 12,794	\$ 1,034,526	\$ 591,798	\$ 9,413	(50,102,724)	\$ (945,274)	\$ 703,257
Employee stock awards, benefit plans and other issuances	1,338,663	134	15,627	—	—	(294,522)	(5,344)	10,417
Tax impact of stock options and restricted stock	—	—	(293)	—	—	—	—	(293)
Non-cash stock-based compensation from continuing operations	61,464	6	31,457	—	—	—	—	31,463
Non-cash stock-based compensation from discontinued operations	—	—	1,008	—	—	—	—	1,008
Restricted stock units vested	1,051,182	105	(105)	—	—	—	—	—
Acquisition of treasury stock	—	—	—	—	—	(2,633,436)	(52,764)	(52,764)
Comprehensive income (loss):								
Foreign currency translation	—	—	—	—	(907)	—	—	(907)
Unrealized gain on interest rate swap	—	—	—	—	84	—	—	84
Net earnings	—	—	—	6,703	—	—	—	6,703
Balances at March 31, 2016	130,390,106	\$ 13,039	\$ 1,082,220	\$ 598,501	\$ 8,590	(53,030,682)	\$ (1,003,382)	\$ 698,968
Employee stock awards, benefit plans and other issuances	1,233,566	123	21,007	—	—	(236,870)	(5,421)	15,709
Tax impact of stock options and restricted stock	—	—	2,183	—	—	—	—	2,183
Non-cash stock-based compensation	236,162	24	49,121	—	—	—	—	49,145
Restricted stock units vested	1,015,539	102	(102)	—	—	—	—	—
Acquisition of treasury stock	—	—	—	—	—	(1,314,840)	(30,542)	(30,542)
Comprehensive income (loss):								
Foreign currency translation	—	—	—	—	(706)	—	—	(706)
Unrealized gain on interest rate swap	—	—	—	—	115	—	—	115
Net earnings	—	—	—	4,108	—	—	—	4,108
Balances at March 31, 2017	132,875,373	\$ 13,288	\$ 1,154,429	\$ 602,609	\$ 7,999	(54,582,392)	\$ (1,039,345)	\$ 738,980
Cumulative-effect adjustment from adoption of ASU 2016-09	—	—	384	2,242	—	—	—	2,626
Employee stock awards, benefit plans and other issuances	1,054,754	105	19,622	—	—	(420,419)	(11,062)	8,665
Non-cash stock-based compensation	628,208	63	61,397	—	—	—	—	61,460
Restricted stock units vested	1,521,341	153	(153)	—	—	—	—	—
Acquisition of treasury stock	—	—	—	—	—	(3,302,106)	(88,884)	(88,884)
Comprehensive income:								
Foreign currency translation	—	—	—	—	2,768	—	—	2,768
Net earnings	—	—	—	23,480	—	—	—	23,480
Balances at March 31, 2018	136,079,676	\$ 13,609	\$ 1,235,679	\$ 628,331	\$ 10,767	(58,304,917)	\$ (1,139,291)	\$ 749,095

See accompanying notes to consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2018 , 2017 AND 2016
(Dollars in thousands)

	2018	2017	2016
Cash flows from operating activities:			
Net earnings	\$ 23,480	\$ 4,108	\$ 6,703
Earnings from discontinued operations, net of tax	—	—	(15,351)
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	86,371	82,690	85,463
Loss on disposal of assets	3,348	3,040	232
Write-off of debt issuance costs	720	—	—
Impairment of goodwill and other assets	—	—	6,829
Deferred income taxes	(16,974)	(8,818)	(11,664)
Non-cash stock-based compensation expense	63,234	49,145	31,463
Changes in operating assets and liabilities:			
Accounts receivable, net	(22,000)	(11,161)	(13,014)
Other assets	(4,740)	(172)	(13,632)
Accounts payable and other liabilities	(14,359)	4,302	25,529
Deferred revenue	(6,927)	(7,304)	11,084
Net cash provided by operating activities	<u>112,153</u>	<u>115,830</u>	<u>113,642</u>
Cash flows from investing activities:			
Capitalized software development costs	(13,739)	(14,477)	(14,880)
Capital expenditures	(44,197)	(47,993)	(47,423)
Data acquisition costs	(907)	(881)	(1,553)
Proceeds from sales of assets	—	25,494	—
Equity investments	(1,000)	(1,000)	—
Cash paid in acquisitions, net of cash acquired	(4,478)	(137,383)	(5,386)
Net cash received in dispositions	4,000	16,988	—
Net cash used in investing activities	<u>(60,321)</u>	<u>(159,252)</u>	<u>(69,242)</u>
Cash flows from financing activities:			
Proceeds from debt	230,000	70,000	—
Payments of debt	(227,320)	(32,243)	(87,231)
Debt issuance costs	(4,001)	—	—
Sale of common stock, net of stock acquired for withholding taxes	8,665	15,709	10,417
Excess tax benefits from stock-based compensation	—	2,852	3,551
Acquisition of treasury stock	(88,884)	(30,542)	(52,764)
Net cash provided by (used in) financing activities	<u>(81,540)</u>	<u>25,776</u>	<u>(126,027)</u>
Net cash used in continuing operations	<u>(29,708)</u>	<u>(17,646)</u>	<u>(81,627)</u>

See accompanying notes to consolidated financial statements

ACXIOM CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
YEARS ENDED MARCH 31, 2018, 2017 AND 2016
(Dollars in thousands)

	2018	2017	2016
Cash flows from discontinued operations:			
Net cash provided by operating activities	—	—	6,323
Net cash provided by investing activities	—	—	124,506
Net cash used in financing activities	—	—	(206)
Net cash provided by discontinued operations	—	—	130,623
Net cash provided by (used in) continuing and discontinued operations	(29,708)	(17,646)	48,996
Effect of exchange rate changes on cash	1,644	(1,640)	(377)
Net change in cash and cash equivalents	(28,064)	(19,286)	48,619
Cash and cash equivalents at beginning of period	170,343	189,629	141,010
Cash and cash equivalents at end of period	\$ 142,279	\$ 170,343	\$ 189,629
Supplemental cash flow information:			
Cash paid during the period for:			
Interest	\$ 9,169	\$ 7,779	\$ 8,145
Income taxes, net of refunds	1,236	6,866	6,100
Noncash investing and financing activities:			
Leasehold improvements paid directly by lessor	978	—	—

See accompanying notes to consolidated financial statements.

ACXIOM CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2018, 2017 AND 2016

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Description of Business -

Acxiom is a global technology and enablement services company with a vision to transform data into value for everyone. Through a simple, open approach to connecting systems and data, we provide the data foundation for the world's best marketers. By making it safe and easy to activate, validate, enhance, and unify data, we provide marketers with the ability to deliver relevant messages at scale and tie those messages back to actual results. Our products and services enable people-based marketing, allowing our clients to generate higher return on investment and drive better omni-channel customer experiences.

Acxiom is a Delaware corporation founded in 1969 in Conway, Arkansas. Our common stock is listed on the NASDAQ Global Select Market under the symbol "ACXM." We serve a global client base from locations in the United States, Europe, and the Asia-Pacific ("APAC") region. Our client list includes many of the world's largest and best-known brands across most major industry verticals, including but not limited to financial, insurance and investment services, automotive, retail, telecommunications, high tech, healthcare, travel, entertainment, non-profit, and government.

Basis of Presentation and Principles of Consolidation -

The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries, after elimination of all significant intercompany accounts and transactions. We have prepared the accompanying consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") as set forth in the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") and we consider the various staff accounting bulletins and other applicable guidance issued by the United States Securities and Exchange Commission ("SEC").

Use of Estimates -

In preparing Consolidated Financial Statements and related disclosures in conformity with GAAP and pursuant to the rules and regulations of the SEC, we must make estimates and judgments that affect the amounts reported in the consolidated financial statements and accompanying notes. Estimates are used in determining, among other items, the fair value of acquired assets and assumed liabilities, projected cash flows associated with recoverability of assets, restructuring and impairment accruals, litigation and facilities lease loss accruals, stock-based compensation, and the recognition and measurement of current and deferred income taxes, including the measurement of uncertain tax positions. Actual results may differ materially from these estimates.

Discontinued Operations -

Discontinued operations comprise those activities that have been disposed of during the period or which have been classified as held for sale at the end of the period, and represent a separate major line of business or geographical area that can be clearly distinguished for operational and financial reporting purposes. In fiscal 2016, the Company sold its IT Infrastructure Management business ("ITO") and began reporting the results of operations, cash flows and the balance sheet amounts pertaining to ITO as a component of discontinued operations in the consolidated financial statements.

Unless otherwise indicated, information in the notes to the consolidated financial statements relates to continuing operations.

Significant Accounting Policies

Cash and Cash Equivalents -

The Company considers all highly-liquid investments with original maturities of three months or less to be cash equivalents. The Company has no restricted cash.

Revenue Recognition -

The Company's policy follows the guidance from ASC 605, *Revenue Recognition*.

The Company provides marketing database services under long-term arrangements. These arrangements may require the Company to perform setup activities such as the design and build of a database, and may include other products and services purchased at the same time, or within close proximity of one another (referred to as multiple element arrangements). Each element within a multiple element arrangement is accounted for as a separate unit of accounting provided the following criteria are met: the delivered products or services have value to the customer on a standalone basis; and for an arrangement that includes a general right of return relative to the delivered products or services, delivery or performance of the undelivered product or service is considered probable and is substantially controlled by us. We consider a deliverable to have standalone value if the product or service is sold separately by us or another vendor or could be resold by the customer. Further, our revenue arrangements generally do not include a general right of return related to the delivered products. Where the aforementioned criteria for a separate unit of accounting are not met, the deliverable is combined with the undelivered element(s) and treated as a single unit of accounting for purposes of allocation of the arrangement consideration and revenue recognition.

For our multiple-element arrangements, we allocate revenue to each element based on a selling price hierarchy at the arrangement's inception. The relative selling price for each unit of accounting in a multiple-element arrangement is established using vendor-specific objective evidence ("VSOE"), if available, third-party evidence ("TPE"), if available, or management's best estimate of stand-alone selling price ("BESP"). The Company has neither VSOE nor TPE and therefore uses BESP. The total arrangement consideration is allocated to each separate unit of accounting for each of the deliverables using the relative selling prices of each unit based on the aforementioned selling price hierarchy. We limit the amount of revenue recognized for delivered elements to an amount that is not contingent upon future delivery of additional products or services or meeting any specified performance conditions.

The objective of BESP is to determine the price at which the Company would transact a sale if the product or service were sold on a stand-alone basis. Management's BESP is determined by considering multiple factors including actual contractual selling prices when the item is sold on a stand-alone basis, as well as market conditions, competition, internal costs, profit objectives and pricing practices. As pricing and marketing strategies evolve, we may modify our pricing practices in the future, which could result in changes to BESP, or to the development of VSOE or TPE for individual products or services. As a result, future revenue recognition for multiple-element arrangements could differ from recognition in the current period. Our relative selling prices are analyzed on an annual basis or more frequently if we experience significant changes in selling prices.

Revenues are recognized when: (1) persuasive evidence of an arrangement exists; (2) we deliver the products and services; (3) the sale price is fixed or determinable; and (4) collection is reasonably assured. Revenues that are not recognized at the time of sale because the foregoing conditions are not met are recognized when those conditions are subsequently met. Where applicable, we reduce revenue for certain incentive programs where we can sufficiently estimate the effects of these items. In some cases, the arrangements also contain provisions requiring customer acceptance of the setup activities prior to commencement of the ongoing services arrangement. Up-front fees billed during the setup phase for these arrangements are deferred and setup costs that are direct and incremental to the contract are capitalized. Revenue recognition does not begin until after customer acceptance in cases where contracts contain acceptance provisions. Once the setup phase is complete and customer acceptance occurs, the Company recognizes revenue and the related costs for each element as delivered. In situations where the arrangement does not require customer acceptance before the Company begins providing services, revenue is recognized for each element as delivered and no costs are deferred.

The Company evaluates its marketing database arrangements to determine whether the arrangement contains a lease. If the arrangement is determined to contain a lease, applicable accounting standards require the Company to account for the lease component separately from the remaining components of the arrangement. In cases where

marketing database arrangements are determined to include a lease, the lease is evaluated to determine whether it is a capital lease or operating lease and accounted for accordingly. These lease revenues are not significant to the Company's consolidated financial statements.

Sales of third-party software, hardware and certain other equipment are recognized when delivered. If such sales are part of a multiple-element arrangement, they are recognized as a separate element unless collection of the sales price is dependent upon delivery of other products or services. Additionally, the Company evaluates revenue from the sale of data, software, hardware and equipment in accordance with accounting standards to determine whether such revenue should be recognized on a gross or a net basis. All the factors in the accounting standards are considered with the primary factor being whether the Company is the primary obligor in the arrangement. "Out-of-pocket" expenses incurred by, and reimbursed to, the Company in connection with customer contracts are recorded as gross revenue.

The Company also performs services on a project basis outside of, or in addition to, the scope of long-term arrangements. The Company recognizes revenue from these services as the services are performed.

All taxes assessed on revenue-producing transactions described above are presented on a net basis, or excluded from revenues.

Revenues from the licensing of data are recognized upon delivery of the data to the customer. Revenue from the licensing of data to the customer in circumstances where the license agreement contains a volume cap is recognized in proportion to the total records to be delivered under the arrangement. Revenue from the sale of data on a per-record basis is recognized as the records are delivered.

Revenues from Connectivity services are primarily recorded as monthly recurring subscription fees, and from data providers and certain digital publishers in the form of revenue-sharing agreements.

Accounts Receivable

Accounts receivable includes amounts billed to customers as well as unbilled amounts recognized in accordance with the Company's revenue recognition policies, as stated above. Unbilled amounts included in accounts receivable, which generally arise from the delivery of data and performance of services to customers in advance of billings, were \$11.6 million at March 31, 2018 and \$14.1 million March 31, 2017 .

Accounts receivable are presented net of allowance for doubtful accounts. The Company evaluates its allowance for doubtful accounts based on a combination of factors at each reporting date. Each account or group of accounts is evaluated based on specific information known to management regarding each customer's ability or inability to pay, as well as historical experience for each customer or group of customers, the length of time the receivable has been outstanding, and current economic conditions in the customer's industry. Accounts receivable that are determined to be uncollectible are charged against the allowance for doubtful accounts.

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A summary of the activity of the allowance for doubtful accounts, returns and credits is as follows (dollars in thousands):

	Balance at beginning of period	Additions charged to costs and expenses	Other changes	Bad debts written off, net of amounts recovered	Balance at end of period
2016:					
Allowance for doubtful accounts, returns and credits	\$ 4,423	\$ 3,673	\$ 56	\$ (890)	\$ 7,262
2017:					
Allowance for doubtful accounts, returns and credits	\$ 7,262	\$ 1,859	\$ (372)	\$ (2,643)	\$ 6,106
2018:					
Allowance for doubtful accounts, returns and credits	\$ 6,106	\$ 1,054	\$ 236	\$ (564)	\$ 6,832

Other fiscal 2018 changes in the table above result primarily from the effects of exchange rates.

Deferred Revenue

Deferred revenue consists of amounts billed in excess of revenue recognized. Deferred revenues are subsequently recorded as revenue when earned in accordance with the Company's revenue recognition policies.

Property and Equipment -

Property and equipment are stated at cost. Depreciation and amortization are calculated on the straight-line method over the estimated useful lives of the assets as follows: buildings and improvements, up to 30 years; data processing equipment, 2 - 5 years, and office furniture and other equipment, 3 - 7 years.

Property held under capitalized lease arrangements is included in property and equipment, and the associated liabilities are included in long-term debt. Amortization of property under capitalized leases is included in depreciation and amortization expense. Property and equipment taken out of service and held for sale is recorded at the lower of depreciated cost or net realizable value and depreciation is ceased.

Leases -

Rent expense on operating leases is recorded on a straight-line basis over the term of the lease agreement.

Software, Purchased Software Licenses, and Research and Development Costs -

Costs of internally developed software are capitalized in accordance with ASC 350-40, *Internal Use Software*.

The standard generally requires that research and development costs incurred prior to the beginning of the application development stage of software products are charged to operations as such costs are incurred. Once the application development stage has begun, costs are capitalized until the software is available for general release. Costs of internally developed computer software are amortized on a straight-line basis over the remaining estimated economic life of the software product, generally two to five years (see Note 8 – Software Costs).

Costs of purchased software licenses are amortized on a straight-line basis over the estimated economic life of the license, generally not to exceed five years (see Note 8 – Software Costs).

Capitalized software, including both purchased and internally developed, is reviewed when facts and circumstances indicate the carrying amount may not be recoverable and, if necessary, the Company reduces the carrying value of each product to its fair value.

Business Combinations –

We apply the provisions of ASC 805, *Business Combinations*, in accounting for its acquisitions. It requires us to recognize separately from goodwill the assets acquired and the liabilities assumed at the acquisition date fair values. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed. While we use our best estimates and assumptions to accurately value assets acquired and liabilities assumed at the acquisition date as well as any contingent consideration, where applicable, our estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from the acquisition date, we record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired and liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statements of operations.

Goodwill and Intangible Assets -

Goodwill is measured and tested for impairment on an annual basis in the first quarter of the Company's fiscal year in accordance with ASC 350, *Intangibles-Goodwill and Other*, or more frequently if indicators of impairment exist. In performing our goodwill impairment test, we first evaluate goodwill to determine if it is more likely than not that the occurrence of an event or change in circumstances has reduced the fair value of a reporting unit below its carrying value. The qualitative assessment requires that we consider events or circumstances that may include macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, changes in management or key personnel, changes in strategy, changes in customers, and changes in our stock price. If, after assessing the totality of events or circumstances, we determine that it is more likely than not that the fair value of our reporting units is greater than the carrying amounts, then the two-step goodwill impairment test is not performed.

If the qualitative assessment indicates that the two-step quantitative analysis should be performed, we evaluate goodwill for impairment by comparing the fair value of each of our reporting units to its carrying value, including the associated goodwill. To determine the fair values, we use the equal weighting of the market approach based on comparable publicly traded companies in similar lines of businesses and the income approach based on estimated discounted future cash flows. Our cash flow assumptions consider historical forecasted revenue, operating costs and other relevant factors.

We completed our annual impairment test during the first quarter of fiscal 2018. We determined, after performing a qualitative review of each reporting unit, that it is more likely than not that the fair value of each of our reporting units exceeds the respective carrying amounts. Accordingly, there was no indication of impairment, and the two-step quantitative goodwill impairment test was not performed. We did not recognize any goodwill impairment charges in fiscal 2017. During fiscal 2016, we recognized a \$5.4 million goodwill impairment loss related to our APAC Audience Solutions segment and a \$0.5 million goodwill impairment loss related to our Brazil operation.

We amortize intangible assets with finite lives over their estimated useful lives and review them for impairment whenever an impairment indicator exists. We continually monitor events and changes in circumstances that could indicate carrying amounts of our long-lived assets, including our intangible assets, may not be recoverable. When such events or changes in circumstances occur, we assess recoverability by determining whether the carrying value of such assets will be recovered through the undiscounted expected future cash flows. If the future undiscounted cash flows are less than the carrying amount of these assets, we recognize an impairment loss based on any excess of the carrying amount over the fair value of the assets. We did not recognize any intangible asset impairment charges in fiscal 2018, 2017, or 2016.

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During fiscal 2018, our intangible assets were amortized over their estimated useful lives ranging from two years to ten years. Amortization is based on the pattern in which the economic benefits of the intangible asset will be consumed or on a straight-line basis when the consumption pattern is not apparent. The weighted average useful lives of our intangible assets were as follows:

	Weighted Average Useful Life (years)
Developed technology	4
Customer relationships	6
Trade names	3
Publisher relationships	6

Impairment of Long-lived Assets -

Long-lived assets and certain identifiable intangibles are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company considers factors such as operating losses, declining outlooks, and business conditions when evaluating the necessity for an impairment analysis. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset group to the undiscounted cash flows expected to result from the use and eventual disposition of the asset group. If such assets are impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

During fiscal 2016, in conjunction with the goodwill impairment tests noted above, the Company also tested certain other long-lived assets in the affected units for impairment. The Company recorded impairment charges of \$0.9 million related to other long-lived assets, primarily property and equipment.

Fair Value of Financial Instruments -

We apply the provisions of ASC 820, *Fair Value Measurement*, to our assets and liabilities that we are required to measure at fair value pursuant to other accounting standards. The additional disclosure regarding our fair value measurements is included in Note 16.

Concentration of Credit Risk -

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of trade accounts, unbilled and notes receivable. The Company's receivables are from a large number of customers. Accordingly, the Company's credit risk is affected by general economic conditions. The Company maintains deposits in federally insured financial institutions more than federally insured limits. Management, however, believes the Company is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

Income Taxes -

The Company and its domestic subsidiaries file a consolidated federal income tax return. The Company's foreign subsidiaries file separate income tax returns in the countries in which their operations are based.

The Company makes estimates and judgments in determining the provision for income taxes for financial statement purposes. These estimates and judgments occur in the calculation of tax credits, benefits, and deductions, and in the calculation of certain deferred tax assets and liabilities that arise from differences in the timing of recognition of revenue and expense for tax and financial statement purposes, as well as the interest and penalties related to uncertain tax positions. Significant changes in these estimates may result in an increase or decrease to the tax provision in a subsequent period. The Company assesses the likelihood that it will be able to recover its deferred tax assets. If recovery is not likely, the Company increases the provision for taxes by recording a valuation allowance against the deferred tax assets that it estimates will not ultimately be recoverable. The Company believes that the deferred tax assets recorded on the consolidated balance sheets will be ultimately recovered. However, should a change occur in the Company's ability to recover its deferred tax assets, its tax provision would increase in the period in which the Company determined that the recovery was not likely.

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The calculation of tax liabilities involves dealing with uncertainties in the application of complex tax laws and regulations. The Company recognizes liabilities for uncertain tax positions based on a two-step process pursuant to ASC 740, *Income Taxes*. The first step is to evaluate the tax position for recognition by determining whether the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. If the Company determines that a tax position will more likely than not be sustained on audit, the second step requires the Company to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. It is inherently difficult and subjective to estimate such amounts, as the Company must determine the probability of various outcomes.

The Company re-evaluates these uncertain tax positions on a quarterly basis. This evaluation is based on factors such as changes in facts or circumstances, changes in tax law, new audit activity, and effectively settled issues. Determining whether an uncertain tax position is effectively settled requires judgment. Such a change in recognition or measurement would result in the recognition of a tax benefit or an additional charge to the tax provision.

The Tax Act significantly changes U.S. corporate income tax laws by, among other things, reducing the U.S. federal corporate tax rate from 35% to 21%. Accordingly, the Company made a provisional remeasurement of its federal deferred tax assets and liabilities to reflect the lower tax rate enacted during the third quarter of fiscal 2018. See Note 13 - Income Taxes for additional information.

Foreign Currency -

The reporting currency of the Company is the U.S. dollar. The functional currency of our foreign operations generally is the applicable local currency for each foreign subsidiary. The balance sheets of the Company's foreign subsidiaries are translated at period-end rates of exchange, and the statements of operations are translated at the average exchange rate for the period. The effects of foreign currency translation adjustments are included in accumulated other comprehensive income in the consolidated statements of stockholders' equity and comprehensive income.

Advertising Expense -

Advertising costs are expensed as incurred. Advertising expense was approximately \$11.6 million, \$9.3 million and \$5.9 million for the fiscal years ended March 31, 2018, 2017 and 2016, respectively. Advertising expense is included in operating expenses in the consolidated statements of operations.

Guarantees -

The Company accounts for the guarantees of indebtedness of others under applicable accounting standards which require a guarantor to recognize, at the inception of the guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. A guarantor is also required to make additional disclosures in its financial statements about obligations under certain guarantees issued. The Company's liability for the fair value of guarantees is not material (see Note 11 – Commitments and Contingencies).

Legal Contingencies -

We are currently involved in various claims and legal proceedings. Quarterly, we review the status of each significant matter and assess our potential financial exposure. We accrue a liability for an estimated loss if the potential loss from any claim or legal proceeding is considered probable, and the amount can be reasonably estimated. Note 11, Commitments and Contingencies, provides additional information regarding certain of our legal contingencies.

[Table of Contents](#)Earnings (Loss) per Share -

A reconciliation of the numerator and denominator of basic and diluted earnings (loss) per share is shown below (in thousands, except per share amounts):

	2018	2017	2016
Net earnings (loss) from continuing operations	\$ 23,480	\$ 4,108	\$ (8,648)
Earnings from discontinued operations, net of tax	—	—	15,351
Net earnings	\$ 23,480	\$ 4,108	\$ 6,703
<u>Basic earnings (loss) per share:</u>			
Basic weighted-average shares outstanding	78,891	77,609	77,616
Basic earnings (loss) per share:			
Continuing operations	\$ 0.30	\$ 0.05	\$ (0.11)
Discontinued operations	—	—	0.20
Net earnings	\$ 0.30	\$ 0.05	\$ 0.09
<u>Diluted earnings (loss) per share:</u>			
Basic weighted-average shares outstanding	78,891	77,609	77,616
Dilutive effect of common stock options, warrants, and restricted stock as computed under the treasury stock method	2,625	2,239	—
Diluted weighted-average shares outstanding	81,516	79,848	77,616
Diluted earnings (loss) per share:			
Continuing operations	\$ 0.29	\$ 0.05	\$ (0.11)
Discontinued operations	—	—	0.20
Net earnings	\$ 0.29	\$ 0.05	\$ 0.09

Due to the net loss from continuing operations in fiscal 2016, the dilutive effect of options, warrants and restricted stock units covering 1.5 million shares of common stock was excluded from the earnings per share calculation since the impact on the calculation was anti-dilutive. Additional options and warrants to purchase shares of common stock and restricted stock units that were outstanding during the periods presented but were not included in the computation of diluted earnings (loss) per share because the effect was anti-dilutive are shown below (in thousands, except per share amounts):

	2018		2017		2016	
Number of shares outstanding under options, warrants and restricted stock units	20		90		1,654	
Range of exercise prices for options	\$ 32.85	- \$ 32.85	\$ 27.77	- \$ 32.85	\$ 17.49	- \$ 62.06

Stock-based Compensation -

The Company records stock-based compensation expense according to the provisions of ASC Topic 718, *Compensation – Stock Compensation*. ASC Topic 718 requires all stock-based payments to employees, including grants of employee stock options, to be recognized in the statement of operations over the service period of the award based on their fair values. Under the provisions of ASC Topic 718, the Company determines the appropriate fair value model to be used for valuing stock-based payments and the amortization method for compensation cost.

The Company has stock option plans and equity compensation plans (collectively referred to as the “stock-based plans”) administered by the compensation committee (“compensation committee”) of the board of directors under which options and restricted stock units were outstanding as of March 31, 2018.

The Company’s equity compensation plan provides that all associates (employees, officers, directors, affiliates, independent contractors or consultants) are eligible to receive awards (grant of any option, stock appreciation right, restricted stock award, restricted stock unit award, performance award, performance share, performance unit,

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qualified performance-based award, or other stock unit award) under the plan with the terms and conditions applicable to an award set forth in applicable grant documents.

Incentive stock option awards granted under the stock-based plans cannot be granted with an exercise price less than 100% of the per-share market value of the Company's shares at the date of grant and have a maximum duration of ten years from the date of grant. Board policy currently requires that nonqualified options also must be priced at or above the fair market value of the common stock at the time of grant with a maximum duration of ten years .

Restricted stock units may be issued under the equity compensation plan and represent the right to receive shares in the future by way of an award agreement which includes vesting provisions. Award agreements can further provide for forfeitures triggered by certain prohibited activities, such as breach of confidentiality. All restricted stock units will be expensed over the vesting period and adjusted for forfeitures as incurred. The vesting of some restricted stock units is subject to the Company's achievement of certain performance criteria, as well as the individual remaining employed by the Company for a period of years.

The Company also has outstanding performance-based stock appreciation rights and performance-based stock units. These are expensed over the vesting period of the award.

The Company receives income tax deductions because of the exercise of nonqualified stock options and the vesting of other stock-based awards. These excess tax benefits and deficiencies are included as a component of income tax expense and reflected as an operating cash flow included in changes in operating assets and liabilities.

Restructuring –

The Company records costs associated with employee terminations and other exit activity in accordance with ASC 420, *Exit or Disposal Cost Obligations* , depending on whether the costs relate to exit or disposal activities under the accounting standards, or whether they are other post-employment termination benefits. Under applicable accounting standards for exit or disposal costs, the Company records employee termination benefits as an operating expense when the benefit arrangement is communicated to the employee and no significant future services are required. Under the accounting standards related to post employment termination benefits the Company records employee termination benefits when the termination benefits are probable and can be estimated. The Company recognizes the present value of facility lease termination obligations, net of estimated sublease income and other exit costs, when the Company has future payments with no future economic benefit or a commitment to pay the termination costs of a prior commitment. In future periods the Company will record accretion expense to increase the liability to an amount equal to the estimated future cash payments necessary to exit the leases. This requires judgment and management estimation to determine the expected time frame for securing a subtenant, the amount of sublease income to be received and the appropriate discount rate to calculate the present value of the future cash flows. Should actual lease exit costs differ from estimates, the Company may be required to adjust the restructuring charge which will impact net earnings in the period any adjustment is recorded.

Adoption of New Accounting Standards –

In January 2017, the FASB issued ASU 2017-01, "Business Combinations (Topic 805): Clarifying the Definition of a Business" ("ASU 2017-01"), which amended the existing FASB Accounting Standards Codification. The standard provides additional guidance to assist entities with evaluation of whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting, including acquisitions, disposals, goodwill, and consolidation. ASU 2017-01 is effective for the Company beginning in fiscal 2019, with early adoptions permitted. We adopted the standard in the current fiscal year, on a prospective basis, and adoption of this guidance did not have a material impact on our consolidated financial statements and related disclosures.

In November 2016, the FASB issued ASU 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash" ("ASU 2016-18"). This standard is intended to reduce diversity in the presentation of restricted cash and restricted cash equivalents in the statement of cash flows. The standard requires that restricted cash and restricted cash equivalents be included as components of total cash and cash equivalents as presented on the statement of cash flows. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. ASU 2016-18 is effective for annual periods beginning after December 15, 2017 (fiscal 2019 for the Company), including interim periods within those fiscal

years; earlier adoption is permitted. We adopted the standard during the current fiscal year. Early adoption did not result in any changes to our existing accounting policies, presentation of items in our consolidated financial statements and related disclosures, or any changes resulting from the retrospective application to all periods reported.

In March 2016, the FASB issued ASU No. 2016-09, "Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting" ("ASU 2016-09"), which is intended to improve the accounting for stock-based payment transactions as part of the FASB's simplification initiative. The ASU changes five aspects of the accounting for stock-based payment award transactions that will affect public companies, including: (1) accounting for income taxes; (2) classification of excess tax benefits on the statement of cash flows; (3) forfeitures; (4) minimum statutory tax withholding requirements; and (5) classification of employee taxes paid on the statement of cash flows when an employer withholds shares for tax-withholding purposes. The inclusion of excess tax benefits and deficiencies as a component of our income tax provision will increase volatility within our provision for income taxes as the amount of excess tax benefits or deficiencies from stock-based compensation awards depends on our stock price at the date the awards vest or the date of option exercises. This guidance also requires excess tax benefits to be presented as an operating activity on the statement of cash flows and allows an entity to make an accounting policy election to either estimate expected forfeitures or to account for them as they occur.

We adopted ASU No. 2016-09 during the current fiscal year, which required us to reflect any adjustments as of April 1, 2017. We elected to account for forfeitures as they occur rather than estimating expected forfeitures. We recorded the cumulative impact of adoption through an increase in retained earnings of \$2.2 million, of which \$2.6 million related to deferred tax assets from certain federal and state research tax credit carryforwards attributable to excess tax benefits from stock-based compensation that had not been previously recognized, offset by \$0.4 million related to elimination of the forfeiture pool. We elected to prospectively adopt the effect on the statement of cash flows and accordingly, did not restate the Consolidated Statements of Cash Flows for fiscal 2017 and 2016, respectively.

Recent Accounting Pronouncements Not Yet Adopted –

In May 2017, the FASB issued ASU 2017-09, "Compensation-Stock Compensation (Topic 719): Scope of Modification Accounting" ("ASU 2017-09"). ASU 2017-09 clarifies when changes to the terms or conditions of a stock-based payment award must be accounted for as modifications. ASU 2017-09 will reduce diversity in practice and result in fewer changes to the terms of an award being accounted for as modifications. Under ASU 2017-09, an entity will not apply modification accounting to a stock-based payment award if the award's fair value, vesting conditions and classification as an equity or liability instrument are the same immediately before and after the change. ASU 2017-09 will be applied prospectively to awards modified on or after the adoption date. The guidance is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2017. ASU 2017-09 is effective for the Company beginning in fiscal 2019. The Company continues to evaluate the impact of the adoption of this guidance on its consolidated financial statements, but does not expect it to have a material impact.

In January 2017, the FASB issued ASU 2017-04, "Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment" ("ASU 2017-04"), which eliminates step two from the goodwill impairment test. Under ASU 2017-04, an entity should recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds its fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. ASU 2017-04 is effective for annual periods beginning after December 15, 2019 (fiscal 2021 for the Company), including interim periods within those fiscal years; earlier adoption is permitted for goodwill impairment tests performed on testing dates after January 1, 2017. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)" ("ASU 2016-02"), as a comprehensive new standard that amends various aspects of existing guidance for leases and requires additional disclosures about leasing arrangements. The new standard will require lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases except for short-term leases. For lessees, leases will continue to be classified as either operating or finance in the income statement. Lessor accounting is similar to the current model but updated to align with certain changes to the lessee model. Lessors will continue to classify leases as operating, direct financing or sales-type leases. Subsequently, the FASB has issued various ASU's to provide further clarification around certain aspects of Topic 842. ASU 2016-02 is effective for annual periods beginning after December 15, 2018 (fiscal

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2020 for the Company), including interim periods within those fiscal years, with early adoption permitted. We will adopt the new standard on April 1, 2019 using the modified retrospective approach. The Company is continuing to evaluate the impact of the adoption of this guidance on its consolidated financial statements and related disclosures.

In May 2014, the FASB issued update ASU 2014-09, Revenue from Contracts with Customers (Topic 606) and issued subsequent amendments to the initial guidance in August 2015, March 2016, April 2016, May 2016 and December 2016 within ASU 2015-14, ASU 2016-08, ASU 2016-10, ASU 2016-12 and ASU 2016-20, respectively. Topic 606 supersedes nearly all existing revenue recognition guidance under GAAP. The core principle of the new guidance is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance defines a five-step process to achieve this core principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than are required under existing GAAP, including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation, among others. Topic 606 also provides guidance on the recognition of costs related to obtaining customer contracts. Companies may adopt Topic 606 using a full retrospective or modified retrospective method. The Company adopted the standard on April 1, 2018 using the modified retrospective method.

During fiscal 2018, the Company completed its evaluation of Topic 606. Based on the evaluation, the Company does not expect it to have a material impact on its results of operations or cash flows in the periods after adoption. Most revenue streams will be recorded consistently under both the current standard and new standard; however, the Company noted the following impact:

Under the current standard, we expense costs related to the acquisition of revenue-generating contracts as incurred. Under the new standard, we will be required to capitalize incremental costs to acquire contracts and amortize them over the expected period of benefit, which we have determined as a range from two to five years.

At April 1, 2018, the Company expects to record the cumulative impact of Topic 606 through an increase in retained earnings of approximately \$12.5 million rather than retrospectively adjusting prior periods. The cumulative adjustment will primarily relate to the capitalization of certain costs incremental to contract acquisition.

Topic 606 also requires expanded disclosure regarding the nature, timing, and uncertainty of revenue transactions, and costs incurred to obtain customer contracts. The Company has evaluated these disclosure requirements and incorporated the collection of relevant data into its reporting process. These disclosures will be reflected beginning in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018.

The Company does not anticipate that the adoption of any other recent accounting pronouncements will have a material impact on the Company's consolidated financial position, results of operations or cash flows.

2. RESTRUCTURING, IMPAIRMENT AND OTHER CHARGES:

The following table summarizes the restructuring activity included in gains, losses and other items, net in the consolidated statements of operations for the fiscal years ended March 31, 2018 , 2017 and 2016 (dollars in thousands):

	Associate-related reserves	Lease accruals	Total
March 31, 2015	\$ 7,211	\$ 5,228	\$ 12,439
Restructuring charges and adjustments	8,630	3,002	11,632
Payments	(12,986)	(4,706)	(17,692)
March 31, 2016	\$ 2,855	\$ 3,524	\$ 6,379
Restructuring charges and adjustments	3,755	2,985	6,740
Payments	(4,210)	(2,201)	(6,411)
March 31, 2017	\$ 2,400	\$ 4,308	\$ 6,708
Restructuring charges and adjustments	3,832	2,564	6,396
Payments	(3,481)	(1,580)	(5,061)
March 31, 2018	\$ 2,751	\$ 5,292	\$ 8,043

Restructuring Plans

In fiscal 2018, the Company recorded a total of \$6.4 million in restructuring charges and adjustments included in gains, losses and other items, net in the consolidated statement of operations. The expense included severance and other associate-related charges of \$3.8 million , and lease accruals and adjustments of \$2.6 million .

The associate-related accruals of \$3.8 million related to the termination of associates in the United States and Europe. Of the amount accrued, \$2.2 million remained accrued as of March 31, 2018 . These costs are expected to be paid out in fiscal 2019. The lease accruals and adjustments of \$2.6 million result from the Company's exit from certain leased office facilities.

In fiscal 2017, the Company recorded a total of \$8.9 million in restructuring charges and adjustments included in gains, losses and other items, net in the consolidated statement of operations. The expense included severance and other associate-related charges of \$3.8 million , lease accruals and adjustments of \$3.0 million , and leasehold improvement write offs of \$2.1 million . The associate-related accruals of \$3.8 million were fully paid in fiscal 2018. The lease accruals and adjustments of \$3.0 million resulted from the Company's exit from certain leased office facilities (\$1.5 million), and adjustments to estimates related to the fiscal 2015 lease accruals (\$1.5 million).

In fiscal 2016, the Company recorded a total of \$12.0 million in restructuring charges and adjustments included in gains, losses and other items, net in the consolidated statement of operations. The expense included severance and other associate-related charges of \$8.6 million , Europe lease termination charges and accruals of \$3.0 million , and leasehold improvement write offs of \$0.4 million . The associate-related accruals of \$8.6 million related to the termination of associates in the United States, Europe, Brazil and Australia. Of the amount accrued for 2016, \$0.2 million remained accrued as of March 31, 2018 . These costs are expected to be paid out in fiscal 2019. The Europe lease termination charges and accruals of \$3.0 million were fully paid during fiscal 2016.

In fiscal 2015, the Company recorded a total of \$21.8 million in restructuring charges and adjustments included in gains, losses and other items, net in the consolidated statement of operations. The expense included severance and other associate-related charges of \$13.3 million , lease accruals of \$6.5 million , and the write-off of leasehold improvements of \$2.0 million . Of the associate-related accruals of \$13.3 million , \$0.3 million remained accrued as of March 31, 2018 . These amounts are expected to be paid out in fiscal 2019.

The fiscal 2015, 2017, and 2018 lease accruals described above relate to three floors, each vacated in a certain fiscal year, of one facility. Of the consolidated fiscal 2015, 2017, and 2018 facility lease restructuring charges of \$12.1 million , \$5.3 million remained accrued as of March 31, 2018 . The Company intends to sublease the facilities to the extent possible. The liabilities will be satisfied over the remainder of the leased properties' terms, which continue through November 2025. Actual sublease receipts may differ from the estimates originally made by the

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Company. Any future changes in the estimates or in the actual sublease income could require future adjustments to the liabilities, which would impact net earnings (loss) in the period the adjustment is recorded.

Gains, Losses and Other Items

Gains, losses and other items for each of the years presented are as follows (dollars in thousands):

	2018	2017	2016
Restructuring plan charges and adjustments	\$ 6,396	\$ 6,740	\$ 11,632
Other restructuring charges	—	2,125	381
Write-off of accumulated foreign currency translation in Brazil	—	1,315	—
Gain on disposition of assets	—	(2,986)	—
Acquisition-related costs	—	1,365	—
Other	(23)	(186)	119
	<u>\$ 6,373</u>	<u>\$ 8,373</u>	<u>\$ 12,132</u>

3. ACQUISITIONS:*Pacific Data Partners*

On February 14, 2018, the Company acquired all the outstanding units of Pacific Data Partners LLC ("PDP") in order to accelerate its ability to power people-based B2B marketing. The Company paid approximately \$4.5 million in cash, net of \$0.5 million funds held in escrow and \$0.2 million cash acquired. The escrow funds are expected to be delivered to the PDP sellers one year from the acquisition date. The Company has omitted pro forma disclosures related to this acquisition as the pro forma effect of this acquisition is not material. The results of operations of this acquisition are included in the Company's consolidated results beginning February 14, 2018.

The following table presents the purchase price allocation related to assets acquired and liabilities assumed (dollars in thousands):

	February 14, 2018
Assets acquired:	
Cash	\$ 228
Trade accounts receivable	224
Developed technology (Software, net)	2,000
Goodwill	3,260
Intangible assets (Other assets)	200
Total assets acquired	<u>5,912</u>
Accounts payable and accrued expenses	<u>(706)</u>
Net assets acquired	5,206
Less:	
Funds held in escrow	(500)
Cash acquired	(228)
Net cash paid	<u>\$ 4,478</u>

The fair values assigned to tangible and identifiable intangible assets acquired and liabilities assumed were based on calculations and valuations using management's estimates and assumptions and were based on the information that was available as of the date of acquisition.

In connection with the PDP acquisition, the Company assumed the outstanding performance compensation plan under the 2018 Equity Compensation Plan of Pacific Data Partners, LLC ("PDP PSU plan"). Under the PDP PSU plan, performance compensation will be paid to plan participants in four annual increments based on attainment of

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certain Connectivity B2B run rate revenue targets for the performance period covering April 1, 2018 to March 31, 2022. Each annual payout will be determined at the close of each fiscal year within the performance period, on a cumulative basis. The amount of each annual payout will be settled in shares of Company common stock. The number of shares of Company common stock issued to participants will be equal to 90% of the annual payout divided by the volume weighted average stock price for the 20 trading days prior to, and ending on, the end of each annual performance period, plus, 10% of the annual payout divided by the volume weighted average stock price for the 20 trading days prior to, and ending on, the date of the closing of the acquisition. Total performance attainment may result in combined payouts ranging from \$0.0 million to \$65.0 million .

The performance compensation paid under the PDP PSU plan will be recorded as non-cash stock-based compensation as it is attributable to post-combination service (see Note 12 - Stockholders' Equity). The non-cash stock-based compensation expense will be recognized over the requisite service and performance period based on expected attainment. 90% of the performance compensation will be settleable in a number of shares calculated using a variable 20 -day stock price factor, determined in future periods, and will be classified as a liability-based equity award. As of each reporting date, 90% of any recognized, but unpaid portions of the performance compensation plan will be recorded in other accrued expenses in the Consolidated Balance Sheet. The remaining 10% of the performance compensation will be classified as an equity-based equity award.

Through March 31, 2018 , the Company recognized a total of \$2.0 million in non-cash stock-based compensation expense in the consolidated statements of operations related to the PDP PSU plan.

Arbor and Circulate

The Company acquired all the outstanding shares of Arbor Technologies, Inc. ("Arbor") and Circulate.com, Inc. ("Circulate") on November 22, 2016 and November 29, 2016, respectively. Arbor and Circulate help publishers connect people-based data to the marketing ecosystem. Arbor and Circulate are included in the Connectivity segment, and increase the scale of the Company's omni-channel identity graph and network. The Company has included the financial results of Arbor and Circulate in the consolidated financial statements from the dates of acquisition. The consideration paid for the outstanding shares and vested stock options was approximately \$137.4 million , net of cash acquired of approximately \$9.5 million . The consideration paid for unvested stock options had an estimated fair value of \$9.2 million . These options are not part of the purchase price and will be expensed as non-cash stock compensation over the applicable vesting periods.

In connection with the Arbor acquisition, the Company agreed to pay \$38.3 million to certain key employees (see "Consideration Holdback" in note 12). The consideration holdback is payable over 30 equal, monthly increments and is settleable in shares of Company common stock. The number of shares to be issued monthly will vary depending on the market price of the shares on the date of issuance and will be recorded as non-cash stock compensation expense as the shares are issued. The consideration holdback is not part of the purchase price as vesting is dependent on continued employment of the key employees.

Following the closing of Arbor, the Company granted new awards of restricted stock units to select employees of Arbor to induce them to accept employment with the Company (the "Arbor Inducement Awards"). The Arbor Inducement Awards had a grant date fair value of \$10.4 million , and vest over three years with 34% of the total vesting on the first anniversary of the closing date and 8.25% vesting each three months thereafter, subject to the employee's continued service through each vesting date. Following the closing of Circulate, the Company granted new awards of restricted stock units to select employees of Circulate to induce them to accept employment with the Company (the "Circulate Inducement Awards"). The Circulate Inducement Awards had a grant date fair value of \$10.0 million . The Circulate Inducement Awards granted to certain key employees of Circulate vest over two years with 50% of the total vesting on the first anniversary of the closing date and 12.5% vesting each three months thereafter, subject to the employee's continued service through each vesting date and vesting acceleration upon a qualifying termination as set forth in the applicable employee's offer letter with the Company. The Circulate Inducement Awards granted to all other Circulate employees vest incrementally over four years with 25% of the total vesting on the first anniversary date of the closing, and 25% vesting each 12 months thereafter, subject to the employee's continued service through each vesting date.

On November 29, 2016, the Company delivered \$5.9 million of cash to an escrow agent according to the terms of the Circulate acquisition agreement. The cash was restricted as to withdrawal or use by the Company. The restricted cash was delivered to the Circulate sellers one year from the acquisition date, during fiscal 2018. The

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principal escrow amount was owned by the Company until funds were delivered to the Circulate sellers. All interest and earnings on the principal escrow amount remain property of the Company.

The following table summarizes the fair values of assets acquired and liabilities assumed as of the date of the acquisitions (dollars in thousands):

	November 22 and November 29, 2016
Assets acquired:	
Cash	\$ 9,495
Trade accounts receivable	3,352
Goodwill	105,670
Intangible assets (Other assets)	40,800
Other current and noncurrent assets	278
Total assets acquired	159,595
Deferred income taxes	(8,093)
Accounts payable and accrued expenses	(4,623)
Net assets acquired	146,879
Less:	
Cash acquired	(9,495)
Net cash paid	\$ 137,384

The excess of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired was recorded as goodwill and is primarily attributed to development of future technology and products, development of future customer relationships, and the Arbor and Circulate assembled workforces. The Company allocated the goodwill to the reporting unit that was expected to benefit from the acquired goodwill. Goodwill is not deductible for U.S. income tax purposes.

The Company recognized the assets and liabilities acquired based on estimates of their acquisition date fair values. The determination of the fair values of the acquired assets and liabilities assumed (and the related determination of the estimated lives of depreciable tangible and identifiable intangible assets) requires significant judgement. The Company believes that the information available at the date of acquisition provided a reasonable basis for estimating the fair values of the assets acquired and the liabilities assumed.

The amounts allocated to intangible assets in the table above included publisher relationships, developed technology, customer relationships, and trade name. Intangible assets will be amortized on a straight-line basis over the estimated useful lives of 1 to 6 years. The following table presents the components of intangible assets acquired and their estimated useful lives as of the acquisition date (dollars in thousands):

	Fair value	Useful life (in years)
Publisher relationships	\$ 23,800	6
Developed technology	9,300	2 to 4
Customer relationships	7,100	6
Trade name	600	1
Total intangible assets	\$ 40,800	

The Company has omitted disclosures of revenue and net loss of the acquired companies from the acquisition dates of November 22, 2016 and November 29, 2016, respectively, to March 31, 2017 as the amounts are not material.

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During the year ended March 31, 2017, the Company incurred \$1.4 million of acquisition costs related to the Arbor and Circulate acquisitions, which are included in gains, losses, and other items, net on the consolidated statement of operations (see Note 2 - Restructuring, Impairment and Other Charges).

The unaudited pro forma financial information in the table below summarizes the combined results of operations for Acxiom, Arbor and Circulate for the purposes of unaudited pro forma financial information disclosure as if the companies were combined as of the beginning of fiscal 2016. The unaudited pro forma financial information for all periods presented included the business combination accounting effects resulting from these acquisitions, including amortization charges from acquired intangible assets, stock-based compensation charges for unvested restricted stock-based awards and stock options assumed, if any, and the related tax effects as though the aforementioned companies were combined as of the beginning of fiscal 2016. The unaudited pro forma financial information as presented below is for informational purposes only and is not necessarily indicative of the results of operations that would have been achieved if the acquisitions had taken place at the beginning of fiscal 2016.

The unaudited pro forma financial information for the years ended March 31, 2017 and 2016, respectively, combined the historical results of Acxiom for the years ended March 31, 2017 and 2016 and the historical results of Arbor and Circulate for the years ended December 31, 2016 and 2015 (adjusted due to differences in reporting periods) and the effects of the pro forma adjustments listed above. The unaudited pro forma financial information was as follows (dollars in thousands, except per share data):

	2017	2016
Revenues	\$ 887,495	\$ 853,249
Net loss from continuing operations	\$ (17,025)	\$ (38,903)
Basic and diluted loss per share from continuing operations	\$ (0.22)	\$ (0.30)

Addressable Television Net Assets from Allant ("Allant")

On December 1, 2015, the Company acquired certain addressable television net assets from The Allant Group, Inc. The acquisition provides the Company additional consumer insight capabilities that enable clients to more effectively reach their television channel customer base and audiences. The Company paid approximately \$5.4 million in cash. The Company has omitted pro forma disclosures related to this acquisition as the pro forma effect of this acquisition is not material. The results of operation for the acquisition are included in the Company's consolidated results beginning December 1, 2015.

The following table presents the purchase price allocation related to assets acquired and liabilities assumed (dollars in thousands):

	December 1, 2015
Assets acquired:	
Trade accounts receivable	\$ 499
Goodwill	1,377
Developed technology (Software)	2,700
Other intangible assets (Other assets, net)	1,400
Net assets acquired	5,976
Accounts payable	(590)
Net cash paid	\$ 5,386

The fair values assigned to tangible and identifiable intangible assets acquired and liabilities assumed were based on calculations and valuations using management's estimates and assumptions and were based on the information that was available as of the date of acquisition.

4. DISCONTINUED OPERATIONS AND DISPOSITIONS:

Disposition of Impact email business

In fiscal 2017, the Company completed the sale of its Impact email business to Zeta Interactive for total consideration of \$22.0 million, including a \$4.0 million subordinated promissory note with interest accruing at a rate of 6% per annum. The note was paid in full in fiscal 2018. The Company also entered into a separate multi-year contract to provide Zeta Interactive with Connectivity and Audience Solutions services. Prior to the disposition, the Impact email business was included in the Marketing Services segment results.

The business did not meet the requirements of a discontinued business; therefore, all financial results are included in continuing operations. The Company recorded a gain on sale of \$0.3 million, included in gains, losses and other items, net. The transaction also generated a \$4.3 million income tax benefit.

Revenues and income (loss) from operations from the disposed Impact email business are shown below (dollars in thousands):

	2017	2016
Revenues	\$ 20,375	\$ 60,199
Income (loss) from operations	\$ (157)	\$ 10,105

IT Infrastructure Management business ("ITO")

On May 20, 2015, the Company announced it had entered into a definitive agreement to sell its ITO business to Charlesbank Capital Partners and M/C Partners. The sale was completed on July 31, 2015. Beginning in the first quarter of fiscal 2016, the Company began reporting the results of operations, cash flows, and the balance sheet amounts pertaining to ITO as a component of discontinued operations in the consolidated financial statements. Prior to the discontinued operations classification, the ITO business unit was included in the IT Infrastructure Management segment in the Company's segment results.

At the closing of the transaction, the Company received total consideration of \$131.0 million (\$140.0 million stated sales price less closing adjustments and transaction costs of \$9.0 million). In addition, the Company has the right to participate in distributions of the divested entity above a defined amount. The Company reported a gain of \$9.3 million on the sale which is included in earnings from discontinued operations, net of tax.

On July 31, 2015, the Company applied \$55.0 million of proceeds from the sale to repay outstanding Company indebtedness to comply with the Company's existing credit agreement (see Note 10 – Long-Term Debt). The Company allocated interest expense associated with the \$55.0 million repayment of Company indebtedness to the ITO discontinued operating business. Allocated interest expense was \$0.4 million for the fiscal year ended March 31, 2016. We used the remaining proceeds from the sale to fund expansion of its common stock repurchase program and for general corporate purposes.

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Summary results of operations of ITO for the fiscal year ended March 31, 2016 are segregated and included in earnings from discontinued operations, net of tax, in the consolidated statements of operations. The following table is a reconciliation of the major classes of line items constituting earnings from discontinued operations, net of tax (dollars in thousands):

	<u>2016</u>
Major classes of line items constituting earnings from discontinued operations, net of tax:	
Revenues	\$ 69,410
Cost of revenue	50,837
Gross profit	<u>18,573</u>
Operating expenses:	
Sales and marketing	1,192
General and administrative	6,053
Gain on sale of discontinued operations	(9,349)
Gains, losses and other items, net	367
Total operating expenses	<u>(1,737)</u>
Earnings from discontinued operations	20,310
Interest expense	(681)
Other, net	(230)
Earnings from discontinued operations before income taxes	19,399
Income taxes	3,598
Earnings from discontinued operations, net of tax	<u>\$ 15,801</u>

ITO was a provider of managed hosting and cloud infrastructure services, optimized for mid-tier enterprises. The Company entered into certain agreements with ITO in which support services, including data center co-location services, will be provided from the Company to ITO, and from ITO to the Company. Additionally, the Company entered into certain other agreements with ITO to provide or receive leased office space. The terms of these agreements range from several months to the longest of which continues through July 2020. The agreements generally provide cancellation provisions, without penalty, at various times throughout the term.

Cash inflows and outflows related to the agreements are included in cash flows from operating activities in the consolidated statements of cash flows. Revenues and expenses related to the agreements are included in income (loss) from operations in the consolidated statements of operations. The related cash inflows and outflows and revenues and expenses for the periods reported are shown below (dollars in thousands):

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Cash inflows	\$ 6,575	\$ 7,214	\$ 4,728
Cash outflows	\$ 1,976	\$ 4,140	\$ 4,165
Revenues	\$ 7,511	\$ 6,470	\$ 4,650
Expenses	\$ 1,770	\$ 3,284	\$ 4,617

5. OTHER CURRENT AND NONCURRENT ASSETS:

Other current assets consist of the following (dollars in thousands):

	March 31, 2018	March 31, 2017
Prepaid expenses and other	\$ 27,594	\$ 25,714
Escrow deposit (see Note 3 - Acquisitions)	—	5,880
Note receivable (see Note 4 – Discontinued Operations and Dispositions)	—	4,000
Assets of non-qualified retirement plan (see Note 6 - Other Accrued Expenses)	13,551	12,716
Other current assets	<u>\$ 41,145</u>	<u>\$ 48,310</u>

Other noncurrent assets consist of the following (dollars in thousands):

	March 31, 2018	March 31, 2017
Acquired intangible assets, net	\$ 33,922	\$ 43,884
Deferred data acquisition costs	1,036	1,116
Other miscellaneous noncurrent assets	6,510	6,443
Noncurrent assets	<u>\$ 41,468</u>	<u>\$ 51,443</u>

6. OTHER ACCRUED EXPENSES:

Other accrued expenses consist of the following (dollars in thousands):

	March 31, 2018	March 31, 2017
Accrued purchase consideration (see Note 3 - Acquisitions)	\$ —	\$ 5,880
Liabilities of non-qualified retirement plan (see Note 5 - Other Current and Noncurrent Assets)	13,551	12,716
Other accrued expenses	42,314	41,265
Other accrued expenses	<u>\$ 55,865</u>	<u>\$ 59,861</u>

7. GOODWILL AND INTANGIBLE ASSETS:

Goodwill by operating segment and activity for the years ended March 31, 2018 and 2017 was as follows (dollars in thousands):

	Marketing Services	Audience Solutions	Connectivity	Total
Balance at March 31, 2016	\$ 124,586	\$ 273,430	\$ 94,729	\$ 492,745
Acquisitions of Arbor and Circulate (see note 3)	—	—	105,670	105,670
Impact email disposition (see note 4)	(5,684)	—	—	(5,684)
Allant purchase accounting adjustments	—	18	—	18
Change in foreign currency translation adjustment	(12)	—	(6)	(18)
Balance at March 31, 2017	<u>\$ 118,890</u>	<u>\$ 273,448</u>	<u>\$ 200,393</u>	<u>\$ 592,731</u>
Acquisition of PDP (see note 3)	—	—	3,260	3,260
Arbor purchase accounting adjustments	—	—	(21)	(21)
Change in foreign currency translation adjustment	18	—	7	25
Balance at March 31, 2018	<u>\$ 118,908</u>	<u>\$ 273,448</u>	<u>\$ 203,639</u>	<u>\$ 595,995</u>

Year end balances in the table above are net of accumulated impairment losses of \$120.1 million at March 31, 2018 and 2017, respectively.

Goodwill by component included in each operating segment as of March 31, 2018 was:

	Marketing Services	Audience Solutions	Connectivity	Total
U.S.	\$ 110,910	\$ 273,448	\$ 200,072	\$ 584,430
APAC	7,998	—	3,567	11,565
Balance at March 31, 2018	<u>\$ 118,908</u>	<u>\$ 273,448</u>	<u>\$ 203,639</u>	<u>\$ 595,995</u>

The amounts allocated to intangible assets from acquisitions include developed technology, customer relationships, trade names, and publisher relationships. Amortization lives for those intangibles range from two years to ten years. The following table shows the amortization activity of intangible assets (dollars in thousands):

	2018	2017	2016
Developed technology, gross (Software)	\$ 54,150	\$ 52,150	\$ 42,850
Accumulated amortization	(43,533)	(29,775)	(17,950)
Net developed technology	<u>\$ 10,617</u>	<u>\$ 22,375</u>	<u>\$ 24,900</u>
Customer relationship/Trade name, gross (Other assets, net)	\$ 43,364	\$ 43,164	\$ 35,466
Accumulated amortization	(27,953)	(21,702)	(16,263)
Net customer/trade name	<u>\$ 15,411</u>	<u>\$ 21,462</u>	<u>\$ 19,203</u>
Publisher relationship, gross (Other assets, net)	\$ 23,800	\$ 23,800	\$ —
Accumulated amortization	(5,289)	(1,378)	—
Net publisher relationship	<u>\$ 18,511</u>	<u>\$ 22,422</u>	<u>\$ —</u>
Total intangible assets, gross	\$ 121,314	\$ 119,114	\$ 78,316
Total accumulated amortization	(76,775)	(52,855)	(34,213)
Total intangible assets, net	<u>\$ 44,539</u>	<u>\$ 66,259</u>	<u>\$ 44,103</u>

Intangible assets by operating segment as of March 31, 2018 was (dollars in thousands):

	Marketing Services	Audience Solutions	Connectivity	Total
Developed technology	—	600	10,017	10,617
Customer/Trade name	11	311	15,089	15,411
Publisher relationship	—	—	18,511	18,511
Balance at March 31, 2018	<u>\$ 11</u>	<u>\$ 911</u>	<u>\$ 43,617</u>	<u>\$ 44,539</u>

Total amortization expense related to intangible assets was \$23.9 million, \$18.6 million, and \$15.5 million in fiscal 2018, 2017, and 2016, respectively. As of March 31, 2018, estimated future amortization expenses related to purchases and other intangible assets were as follows (dollars in thousands):

Year ending March 31,	
2019	\$ 15,980
2020	11,950
2021	8,025
2022	5,150
2023	3,434
	<u>\$ 44,539</u>

8. SOFTWARE COSTS:

The Company recorded amortization expense related to internally developed computer software of \$28.4 million , \$27.5 million , and \$30.7 million for fiscal 2018 , 2017 and 2016 , respectively, including \$13.8 million , \$11.8 million , and \$10.0 million , respectively, related to internally developed software acquired as part of recent acquisitions (see Note 7 - Goodwill and Intangible Assets). Amortization expense in fiscal 2018 and fiscal 2016 also included \$1.0 million and \$1.8 million , respectively, of accelerated amortization expense resulting from adjusting the remaining estimated useful lives of certain capitalized software products which the Company no longer uses.

The Company recorded amortization expense related to purchased software licenses of \$1.7 million , \$3.0 million , and \$3.8 million in fiscal 2018 , 2017 and 2016 , respectively.

9. PROPERTY AND EQUIPMENT:

Property and equipment, some of which has been pledged as collateral for long-term debt, is summarized as follows (dollars in thousands):

	March 31, 2018	March 31, 2017
Land	\$ 5,398	\$ 5,398
Buildings and improvements	195,609	189,666
Data processing equipment	262,254	249,131
Office furniture and other equipment	28,005	32,086
	491,266	476,281
Less accumulated depreciation and amortization	334,733	320,307
	<u>\$ 156,533</u>	<u>\$ 155,974</u>

Depreciation expense on property and equipment was \$43.5 million , \$42.9 million and \$40.6 million for the fiscal years ended March 31, 2018 , 2017 and 2016 , respectively.

10. LONG-TERM DEBT:

Long-term debt consists of the following (dollars in thousands):

	March 31, 2018	March 31, 2017
Term loan credit agreement	\$ —	\$ 155,000
Revolving credit borrowings	230,000	70,000
Other debt and long-term liabilities	3,293	5,612
Total long-term debt	233,293	230,612
Less current installments	1,583	39,819
Less deferred debt financing costs	3,873	1,552
Long-term debt, excluding current installments and deferred debt financing costs	<u>\$ 227,837</u>	<u>\$ 189,241</u>

On June 20, 2017, the Company entered into a Sixth Amended and Restated Credit Agreement (the "restated credit agreement") as part of refinancing its prior credit agreement. On that day, the Company used an initial draw of \$230 million to pay off the outstanding \$225 million term and revolving loan balances, with interest, and fund \$4.0 million in fees related to the restated credit agreement. The fees are being amortized over the term of the agreement.

The Company's restated credit agreement provides for (1) revolving credit facility borrowings consisting of revolving loans, letters of credit participation, and swing-line loans (the "revolving loans") in an aggregate amount of \$600 million and (2) a provision allowing the Company to request an increase of the aggregate amount of the revolving loans in an amount not to exceed \$150 million . The restated credit agreement is secured by the accounts receivable of the Company and its domestic subsidiaries, as well as by the outstanding stock of certain subsidiaries of the Company. The restated credit agreement contains customary representations, warranties, affirmative and

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negative covenants, and default and acceleration provisions. The restated credit agreement matures, and is fully due and payable, on June 20, 2022 and allows for prepayments before maturity.

The revolving loan borrowings bear interest at LIBOR or at an alternative base rate plus a credit spread. At March 31, 2018, the revolving loan borrowing bears interest at LIBOR plus a credit spread of 2%. The weighted-average interest rate on revolving credit borrowings at March 31, 2018 was 3.9%. There were no material outstanding letters of credit at March 31, 2018 or March 31, 2017.

Under the terms of the restated credit agreement, the Company is required to maintain certain debt-to-cash flow and interest coverage ratios, among other restrictions. At March 31, 2018, the Company was in compliance with these covenants and restrictions.

The Company's future obligations, excluding interest, under its long-term debt at March 31, 2018 are as follows (dollars in thousands):

Year ending March 31,	
2019	\$ 1,583
2020	1,362
2021	348
2022	—
2023	230,000
	<u>\$ 233,293</u>

11. COMMITMENTS AND CONTINGENCIES:

Legal Matters

The Company is involved in various claims and legal proceedings. Management routinely assesses the likelihood of adverse judgments or outcomes to these matters, as well as ranges of probable losses, to the extent losses are reasonably estimable. The Company records accruals for these matters to the extent that management concludes a loss is probable and the financial impact, should an adverse outcome occur, is reasonably estimable. These accruals are reflected in the Company's consolidated financial statements. In management's opinion, the Company has made appropriate and adequate accruals for these matters, and management believes the probability of a material loss beyond the amounts accrued to be remote. However, the ultimate liability for these matters is uncertain, and if accruals are not adequate, an adverse outcome could have a material effect on the Company's consolidated financial condition or results of operations. The Company maintains insurance coverage above certain limits. There are currently no matters pending against the Company or its subsidiaries for which the potential exposure is considered material to the Company's consolidated financial statements.

Commitments

The Company leases data processing equipment, office furniture and equipment, land and office space under noncancellable operating leases. The Company has a future commitment for lease payments over the next 22 years of \$84.0 million.

Total rental expense on operating leases was \$15.9 million, \$15.9 million, and \$17.1 million for the fiscal years ended March 31, 2018, 2017 and 2016, respectively. Future minimum lease payments under all noncancellable operating leases for the five years ending March 31, 2023, are as follows: 2019, \$16.5 million; 2020, \$15.9 million; 2021, \$15.5 million; 2022, \$15.1 million; and 2023, \$8.7 million.

In connection with the Impact email disposition during fiscal 2017 (see Note 4 – Discontinued Operations and Dispositions), the Company assigned a facility lease to the buyer of the business. The Company guaranteed the facility lease as required by the asset disposition agreement. Should the assignee default, the Company would be required to perform under the terms of the facility lease, which runs through September 2021. At March 31, 2018, the Company's maximum potential future rent payments under this guarantee totaled \$2.1 million.

12. STOCKHOLDERS' EQUITY:

The Company has authorized 200 million shares of \$0.10 par value common stock and 1 million shares of \$1.00 par value preferred stock. The board of directors of the Company may designate the relative rights and preferences of the preferred stock when and if issued. Such rights and preferences could include liquidation preferences, redemption rights, voting rights and dividends, and the shares could be issued in multiple series with different rights and preferences. The Company currently has no plans for the issuance of any shares of preferred stock.

At March 31, 2018, the Company had outstanding 4,942 warrants to purchase shares of its common stock. The outstanding warrants carry an exercise price of \$13.24 and expire March 17, 2019.

On August 29, 2011, the board of directors adopted a common stock repurchase program. That program was subsequently modified and expanded, most recently on March 30, 2018. Under the modified common stock repurchase program, the Company may purchase up to \$500 million of its common stock through the period ending December 31, 2019. During the fiscal year ended March 31, 2018, the Company repurchased 3.3 million shares of its common stock for \$88.9 million. During the fiscal year ended March 31, 2017, the Company repurchased 1.3 million shares of its common stock for \$30.5 million. During the fiscal year ended March 31, 2016, the Company repurchased 2.6 million shares of its common stock for \$52.8 million. Through March 31, 2018, the Company has repurchased 20.1 million shares of its stock for \$374.6 million, leaving remaining capacity of \$125.4 million under the stock repurchase program.

The Company paid no dividends on its common stock for any of the years reported.

Share-based Compensation Plans

The Company has stock option and equity compensation plans for which a total of 34.5 million shares of the Company's common stock have been reserved for issuance since the inception of the plans. At March 31, 2018, there were a total of 6.6 million shares available for future grants under the plans.

Stock Option Activity of Continuing Operations

In fiscal 2017, as part of the Company's acquisition of Arbor (see Note 3 - Acquisitions), the Company issued 285,339 replacement stock options having a per share weighted-average fair value and exercise price of \$25.85 and \$1.27, respectively, to Arbor employees who had outstanding unvested stock options to purchase Arbor stock. The fair value of the replacement options was determined using a customized binomial lattice model with the following assumptions: dividend yield of 0.0% since Acxiom is currently not paying dividends and there are no plans to pay dividends; risk-free interest rates from 2.24% to 2.32%, based on the rate of U.S. Treasury securities with a term equal to the remaining term of each option; remaining terms of each option from 8.6 to 9.9 years; expected volatility of 38%, based on both the historical volatility of Acxiom stock, as well as the implied volatility of traded Acxiom options; and a suboptimal exercise multiple of 1.4, based on actual historical exercise activity of Acxiom options.

The number of shares and exercise price of each replacement option were determined by converting Arbor options into equivalent Acxiom options by multiplying the number of shares subject to Arbor options by the exchange ratio of .41998 and by dividing the exercise price for each Arbor option by the exchange ratio of .41998. Once the value of each replacement option was determined, the total fair value of \$7.4 million, net of any forfeitures, will be expensed by the Company over the remaining vesting period of each option.

Also in fiscal 2017, as part of the Company's acquisition of Circulate, the Company issued 73,164 replacement stock options having a per share weighted-average fair value and exercise price of \$24.80 and \$2.30, respectively, to Circulate employees who had outstanding unvested stock options to purchase Circulate stock. The total fair value of \$1.8 million, net of any forfeitures, will be expensed by the Company over the remaining vesting period of each option.

In fiscal 2016, the Company granted 445,785 stock options, having a per-share weighted-average fair value of \$6.48. This valuation was determined using a customized binomial lattice approach with the following weighted-average assumptions: dividend yield of 0.0% since Acxiom is currently not paying dividends and there are no plans to pay dividends; risk-free interest rate of 2.2%, based on the rate of U.S. Treasury securities with a term equal to the life of the options; expected option life of 4.5 years, an output of the lattice model; expected volatility of 40%, based on both the historical volatility of Acxiom stock, as well as the implied volatility of traded Acxiom options; and a suboptimal exercise multiple of 1.4, determined using actual historical exercise activity of Acxiom options.

Stock option activity during the year ended March 31, 2018 was:

	Number of shares	Weighted-average exercise price per share	Weighted-average remaining contractual term (in years)	Aggregate Intrinsic value (in thousands)
Outstanding at March 31, 2017	3,033,071	\$ 13.14		
Performance units converted to options	299,641	\$ 21.32		
Exercised	(661,931)	\$ 13.89		\$ 8,568
Forfeited or cancelled	(105,494)	\$ 20.25		
Outstanding at March 31, 2018	2,565,287	\$ 13.61	5.5	\$ 23,538
Exercisable at March 31, 2018	1,995,309	\$ 13.60	5.0	\$ 18,382

The aggregate intrinsic value for options exercised in fiscal 2018, 2017, and 2016 was \$8.6 million, \$9.8 million, and \$10.7 million, respectively. The aggregate intrinsic value at period end represents total pre-tax intrinsic value (the difference between Acxiom's closing stock price on the last trading day of the period and the exercise price for each in-the-money option) that would have been received by the option holders had option holders exercised their options on March 31, 2018. This amount changes based upon changes in the fair market value of Acxiom's stock.

A summary of stock options outstanding and exercisable as of March 31, 2018 was:

Range of exercise price per share	Options outstanding			Options exercisable	
	Options outstanding	Weighted-average remaining contractual life	Weighted-average exercise price per share	Options exercisable	Weighted-average exercise price per share
\$ 0.61 — \$ 9.99	619,749	6.1 years	\$ 1.68	434,021	\$ 1.79
\$ 10.00 — \$ 19.99	1,229,616	4.7 years	\$ 14.96	1,043,930	\$ 14.47
\$ 20.00 — \$ 24.99	696,370	6.6 years	\$ 21.31	497,806	\$ 21.32
\$ 25.00 — \$ 32.85	19,552	5.6 years	\$ 32.85	19,552	\$ 32.85
	2,565,287	5.5 years	\$ 13.61	1,995,309	\$ 13.60

Total expense related to stock options was approximately \$5.0 million in fiscal 2018, \$6.9 million in fiscal 2017, and \$9.8 million in fiscal 2016. Of the fiscal 2018, 2017 and 2016 expense, \$1.1 million, \$4.3 million and \$6.7 million, respectively, relates to LiveRamp replacement stock options. Of the fiscal 2018 expense, \$2.7 million relates to Arbor and Circulate replacement stock options. Future expense for all options is expected to be approximately \$6.2 million in total over the next three years.

Performance Stock Option Unit Activity

In fiscal 2017, the Company granted 633,604 performance-based stock option units with a fair value at the date of grant of \$4.9 million, determined using a Monte Carlo simulation model. All the units granted in fiscal 2017 vest and become exercisable in three equal tranches, each being subject to attainment of performance criteria and a subsequent service period established by the compensation committee of the board of directors ("compensation committee"). Each of the three tranches may vest in a number of stock options, from zero to 300% of the initial award, each having a weighted-average exercise price of \$21.40, based on the attainment of certain revenue growth and operating margin targets for the years ending March 31, 2017, 2018, and 2019 respectively. Each tranche is subject to a service period following the respective performance periods, such that each tranche will cliff vest in two separate 50% increments over two years beginning with the compensation committee meeting that immediately follows the end of the respective performance period.

Performance stock option unit activity during the year ended March 31, 2018 was:

	Number of shares	Weighted-average exercise price per share	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (in thousands)
Outstanding at March 31, 2017	555,123	\$ 21.41	2.1	
Performance units converted to options	(183,322)	\$ 21.41		
Forfeited or cancelled	(42,397)	\$ 21.32		
Outstanding at March 31, 2018	329,404	\$ 21.42	1.6	\$ 446
Exercisable at March 31, 2018	—	\$ —	—	\$ —

Of the performance stock option units outstanding at March 31, 2018, 164,702 reached maturity of the relevant performance period at March 31, 2018. The units are expected to vest at an approximate 0% attainment level during the subsequent service period, resulting in cancellation of the units.

Total expense related to performance stock option units was \$0.5 million in fiscal 2018 and \$1.3 million in fiscal 2017. Future expense for these performance stock option units is expected to be approximately \$1.5 million over the next three years.

Stock Appreciation Right ("SAR") Activity

During fiscal 2015, the Company granted 245,404 performance-based SARs with a fair value at the date of grant of \$0.5 million and having an exercise price of \$40. All of the performance-based SARs granted in fiscal 2015 vest subject to attainment of performance criteria established by the compensation committee. The SAR units reached maturity of the relevant performance period on March 31, 2017. The units achieved a 100% performance attainment level. However, application of the vesting multiplier resulted in zero shares granted and cancellation of all the units during fiscal 2018.

SAR activity during the year ended March 31, 2018 was:

	Number of shares	Weighted-average exercise price per share	Weighted-average remaining contractual term (in years)	Aggregate intrinsic value (in thousands)
Outstanding at March 31, 2017	245,404	\$ 40.00	—	
Forfeited or cancelled	(245,404)	\$ 40.00		
Outstanding at March 31, 2018	—	\$ —	—	\$ —
Exercisable at March 31, 2018	—	\$ —	—	\$ —

Total expense related to SARs in fiscal 2017 and 2016 was approximately \$0.2 million in each period.

Restricted Stock Unit Activity

Non-vested time-vesting restricted stock units activity during the year ended March 31, 2018 was:

	Number of shares	Weighted-average fair value per share at grant date	Weighted-average remaining contractual term (in years)
Outstanding at March 31, 2017	3,307,577	\$ 22.57	2.45
Granted	1,794,915	\$ 26.22	
Vested	(1,236,644)	\$ 22.58	
Forfeited or cancelled	(416,847)	\$ 23.54	
Outstanding at March 31, 2018	3,449,001	\$ 24.35	2.32

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During fiscal 2018, the Company granted time-vesting restricted stock units covering 1,794,915 shares of common stock with a fair value at the date of grant of \$47.1 million. Of the restricted stock units granted in the current period, 1,463,285 vest over four years, 106,571 vest over three years, 174,368 vest over two years, and 50,691 vest over one year.

During fiscal 2017, the Company granted time-vesting restricted stock units covering 2,309,183 shares of common stock with a fair value at the date of grant of \$55.4 million, of which units covering 768,710 shares, with a fair value at grant date of \$20.0 million, were granted to former Arbor and Circulate employees subsequent to the acquisitions (see Note 3 - Acquisitions). Of the restricted stock units granted in the current period, 1,454,340 vest in equal annual increments over four years, 398,079 partially cliff vest at the one-year anniversary and then over equal quarterly increments during the subsequent two years, 408,534 partially cliff vest at the one-year anniversary and then over equal quarterly increments during the subsequent year, and 48,230 vest in one year.

During fiscal 2016, the Company granted time-vesting restricted stock units covering 1,427,561 shares of common stock with a fair value at the date of grant of \$27.0 million. Of the restricted stock units granted in the current period, 1,041,572 vest in equal annual increments over four years, 70,799 vest in equal annual increments over two years, 72,650 vest in one year, and 242,540 vest in equal quarterly increments starting 15 months after the date of grant.

Valuation of time-vesting restricted stock units for all periods presented is equal to the quoted market price for the shares on the date of grant. The total fair value of time-vesting restricted stock units vested in fiscal 2018, 2017, and 2016 was \$52.1 million, \$23.1 million, and \$17.6 million, respectively and is measured as the quoted market price of the Company's common stock on the vesting date for the number of shares vested.

Non-vested performance-based restricted stock units activity during the year ended March 31, 2018 was:

	Number of shares	Weighted-average fair value per share at grant date	Weighted-average remaining contractual term (in years)
Outstanding at March 31, 2017	732,711	\$ 20.89	1.13
Granted	425,880	\$ 26.24	
Additional earned performance shares	359,206	\$ 18.96	
Vested	(781,622)	\$ 19.00	
Forfeited or cancelled	(53,412)	\$ 22.64	
Outstanding at March 31, 2018	682,763	\$ 25.23	1.54

During fiscal 2018, the Company granted performance-based restricted stock units covering 425,880 shares of common stock having a fair value at the date of grant of \$11.2 million. Of the performance-based restricted stock units granted in fiscal 2018, 221,746 units - having a fair value at the date of grant of \$6.2 million, determined using a Monte Carlo simulation model - vest subject to attainment of performance criteria established by the compensation committee of the board of directors ("compensation committee") and continuous employment through the vesting date. The 221,746 units may vest in a number of shares from zero to 200% of the award, based on the total shareholder return of Acxiom common stock compared to total shareholder return of a group of peer companies ("TSR") established by the compensation committee for the period from April 1, 2017 to March 31, 2020.

Of the performance-based restricted stock units granted in the current period, 87,184 units - having a fair value at the date of grant of \$2.1 million, based on the quoted market price for the shares on the date of grant - vest over two periods, each being subject to attainment of performance criteria established by the compensation committee and continuous employment through the vesting date. At the end of the first year, the performance units may vest in a number of shares, from zero to 75% of the initial award. At the end of the second year, the performance units may vest in a number of shares, from zero to 150% of the initial award, less the number of shares awarded at completion of year one. The units will vest based on the attainment of certain revenue growth initiatives for the period from October 1, 2017 to September 30, 2019.

The remaining 116,950 performance-based restricted stock units granted in the current period - having a fair value at the date of grant of \$2.9 million, based on the quoted market price for the shares on the date of grant - vest in three equal tranches, each being subject to attainment of performance criteria established by the compensation

committee and continuous employment through the vesting date. Each of the three tranches may vest in a number of shares, from zero to 300% of the initial award, based on the attainment of certain revenue growth and operating margin targets for the years ending March 31, 2018, 2019, and 2020, respectively. The first tranche reaching maturity at March 31, 2018 achieved an approximate 53% attainment. As a result, approximately 18,868 shares will vest and approximately 16,551 shares will be cancelled during the first quarter of fiscal 2019.

During fiscal 2017, the Company granted performance-based restricted stock units covering 263,835 shares of common stock with a fair value at the date of grant of \$6.6 million, determined using a Monte Carlo simulation model. Of the performance-based restricted stock units granted in fiscal 2017, 9,416 units represent award modifications that included 14,349 corresponding cancelled units. The remaining 254,419 performance-based restricted stock units, having a fair value at the date of grant of \$6.3 million, vest subject to attainment of performance criteria established by the compensation committee. Those units may vest in a number of shares from zero to 200% of the award, based on the total shareholder return of Acxiom common stock compared to total shareholder return of a group of peer companies ("TSR") established by the compensation committee of the board of directors for the period from April 1, 2016 to March 31, 2019.

During fiscal 2016, the Company granted performance-based restricted stock units covering 367,807 shares of common stock with a fair value at the date of grant of \$6.8 million. All the performance-based restricted stock units granted in fiscal 2017 vest subject to attainment of performance criteria established by the compensation committee. The units granted in the current period may vest in a number of shares from zero to 200% of the award, based on the attainment of an earnings-per-share target for fiscal 2018, with a modifier based on the total shareholder return of Acxiom common stock compared to total shareholder return of a group of peer companies established by the compensation committee for the period from April 1, 2015 to March 31, 2018. The value of the performance-based restricted stock units is determined using a Monte Carlo simulation model.

During fiscal 2018, 781,622 performance-based restricted stock units vested. Of the fiscal 2018 performance-based restricted stock units vested, 252,760 related to a performance period ended March 31, 2017. During fiscal 2018, 157,985 units vested at a 160% attainment level based on performance results approved by the compensation committee, resulting in issuance of 252,760 shares of common stock, of which 94,775 are included in additional earned performance shares referenced in the table above. Of the fiscal 2018 performance-based restricted stock units vested, 528,862 related to a performance period ended March 31, 2018. 264,431 units vested at 200% attainment level based on performance results approved by the compensation committee, resulting in issuance of 528,862 shares of common stock, of which 264,431 are included in the additional earned performance shares referenced in the table above. There were no performance-based restricted stock units vested in fiscal 2017 and 2016.

The expense related to restricted stock in fiscal 2018, 2017, and 2016 was \$39.1 million, \$33.3 million, and \$19.4 million, respectively. Future expense for restricted stock units is expected to be approximately \$35.0 million in fiscal 2019, \$25.2 million in fiscal 2020, \$13.1 million in fiscal 2021 and \$2.5 million in fiscal 2022.

Other Performance Unit Activity

During fiscal 2016, the Company granted 323,080 performance-based units, having a fair value at the date of grant of \$0.9 million. These performance-based units vest subject to attainment of performance criteria established by the compensation committee. The units may vest in a number of units up to 100% of the award, based on the attainment of certain Company common stock share price targets for the period from July 1, 2015 to June 30, 2017. At March 31, 2017, 284,618 of these performance-based units remained outstanding. The units reached maturity of the relevant performance period on June 30, 2017. The units achieved an approximate 9% performance attainment level, resulting in issuance of 24,573 shares of common stock and cancellation of 260,045 units during fiscal 2018.

During fiscal 2015, the Company granted 312,575 performance-based units with a fair value at the date of grant of \$1.6 million. All the other performance-based units granted in fiscal 2015 vest subject to attainment of performance criteria established by the compensation committee.

Of the units granted in fiscal 2015, 201,464 may vest in a number of units up to 100% of the award, based on the attainment of certain revenue targets for the period from April 1, 2014 to March 31, 2017. These performance-based stock units reached maturity of the relevant performance period on March 31, 2017. The units achieved 100% performance attainment level. However, application of the share price adjustment factor resulted in zero shares granted and cancellation of all the units during fiscal 2018.

The remaining 111,111 units granted in fiscal 2015 may vest in a number of units up to 100% of the award, based on the attainment of certain revenue targets for the period from April 1, 2015 to March 31, 2018. These performance-based stock units reached maturity of the relevant performance period on March 31, 2018. The units achieved 100% performance attainment level. However, application of the share price factor resulted in an approximate 59% reduction in shares granted, in the first quarter of fiscal 2019.

Other performance unit activity during the year ended March 31, 2018 was:

	Number of shares	Weighted average fair value per share at grant date	Weighted-average remaining contractual term (in years)
Outstanding at March 31, 2017	597,193	\$ 4.14	1.30
Vested	(24,573)	\$ 2.94	
Forfeited or cancelled	(461,509)	\$ 3.92	
Outstanding at March 31, 2018	<u>111,111</u>	<u>\$ 5.33</u>	—

The expense related to other performance units in fiscal 2018, 2017 and 2016 was \$0.3 million, \$1.0 million, and \$0.9, respectively. There is no future expense related to the units outstanding at March 31, 2018.

Consideration Holdback

As part of the Company's acquisition of Arbor in fiscal 2017, \$38.3 million of the acquisition consideration otherwise payable with respect to shares of restricted Arbor common stock held by certain key employees was subject to holdback by the Company pursuant to agreements with those employees (each, a "Holdback Agreement"). The consideration holdback will vest in 30 equal, monthly increments following the date of close, subject to the Arbor key employees' continued employment through each monthly vesting date. At each vesting date, 1/30th of the \$38.3 million holdback consideration will vest and be settled in shares of Company common stock. The number of shares will be based on the then current market price of the Company common stock.

Total expense related to the Holdback Agreement was approximately \$15.3 million and \$5.1 million in fiscal 2018 and 2017, respectively. As a result, 578,071 and 184,214 shares were issued to the Arbor key employees in fiscal 2018 and fiscal 2017, respectively. Future expense for consideration holdback is expected to be approximately \$15.3 million in fiscal 2019 and \$2.6 million in fiscal 2020.

Pacific Data Partners Assumed Performance Plan

In connection with the PDP acquisition in fiscal 2018, the Company assumed the outstanding performance compensation plan under the 2018 Equity Compensation Plan of Pacific Data Partners, LLC ("PDP PSU plan"). Under the PDP PSU plan, performance compensation will be paid to plan participants in four annual increments based on attainment of certain Connectivity B2B run rate revenue targets for the performance period covering April 1, 2018 to March 31, 2022. Each annual payout will be determined at the close of each fiscal year within the performance period, on a cumulative basis. The amount of each annual payout will be settled in shares of Company common stock. The number of shares of Company common stock issued to participants will be equal to 90% of the annual payout divided by the volume weighted average stock price for the 20 trading days prior to, and ending on, the end of each annual performance period, plus, 10% of the annual payout divided by the volume weighted average stock price for the 20 trading days prior to, and ending on, the date of the closing of the acquisition. Total performance attainment may result in combined payouts ranging from zero to \$65.0 million.

The performance compensation paid under the PDP PSU plan will be recorded as non-cash stock-based compensation since it is attributable to post-combination service. The non-cash stock-based compensation expense will be recognized over the requisite service and performance period based on expected attainment. 90% of the performance compensation will be settleable in a number of shares calculated using a variable 20-day stock price factor, determined in future periods, and will be classified as a liability-based equity award. As of each reporting date, 90% of any recognized, but unpaid portions of the performance compensation plan will be recorded in other accrued expenses in the Consolidated Balance Sheet. The remaining 10% of the performance compensation will be classified as an equity-based equity award.

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Through March 31, 2018, the Company recognized a total of \$2.0 million in non-cash stock-based compensation expense in the consolidated statements of operations related to the PDP PSU plan. Future expense for the PDP PSU plan is expected to be approximately \$15.8 million in fiscal 2019, \$15.7 million in fiscal 2020, \$15.8 million in fiscal 2021, and \$15.7 million in fiscal 2022, based on expectations of full attainment. At March 31, 2018, the recognized, but unpaid, portion balance in other accrued expenses in the Consolidated Balance Sheet was \$1.2 million.

Qualified Employee Stock Purchase Plan

In addition to the share-based plans, the Company maintains a qualified employee stock purchase plan ("ESPP") that permits substantially all employees to purchase shares of common stock at a discount from the market price. At March 31, 2018, there were approximately 0.6 million shares available for issuance under the ESPP.

During the combined fiscal years of 2018, 2017, and 2016, 275,980 shares were purchased under the plan. The total expense to the Company, representing the discount to the market price, for fiscal 2018, 2017 and 2016 was approximately \$0.4 million, \$0.4 million, and \$0.2 million, respectively.

Accumulated Other Comprehensive Income

The accumulated balances for each component of other comprehensive income was (dollars in thousands):

	March 31, 2018	March 31, 2017
Foreign currency translation	\$ 10,767	\$ 7,999
	<u>\$ 10,767</u>	<u>\$ 7,999</u>

13. INCOME TAXES:

Total income tax expense (benefit) was allocated as follows (dollars in thousands):

	2018	2017	2016
Earnings (loss) from continuing operations	\$ (22,771)	\$ 4,534	\$ (11,632)
Earnings from discontinued operations	—	—	3,598
Stockholders' equity:			
Tax shortfall (excess tax benefits) from share-based compensation	—	(2,183)	293
	<u>\$ (22,771)</u>	<u>\$ 2,351</u>	<u>\$ (7,741)</u>

Income tax expense (benefit) attributable to earnings (loss) from continuing operations consists of (dollars in thousands):

	2018	2017	2016
Current:			
U.S. Federal	\$ (6,334)	\$ 9,778	\$ (2,410)
Non-U.S.	616	472	535
State	(79)	3,102	1,907
	<u>(5,797)</u>	<u>13,352</u>	<u>32</u>
Deferred:			
U.S. Federal	(19,113)	(3,680)	(3,789)
Non-U.S.	549	405	(3,220)
State	1,590	(5,543)	(4,655)
	<u>(16,974)</u>	<u>(8,818)</u>	<u>(11,664)</u>
Total	<u>\$ (22,771)</u>	<u>\$ 4,534</u>	<u>\$ (11,632)</u>

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Earnings (loss) before income tax attributable to U.S. and non-U.S. continuing operations consists of (dollars in thousands):

	2018	2017	2016
U.S.	\$ (2,552)	\$ 7,936	\$ (6,952)
Non-U.S.	3,261	706	(13,328)
Total	<u>\$ 709</u>	<u>\$ 8,642</u>	<u>\$ (20,280)</u>

Earnings (loss) before income taxes, as shown above, are based on the location of the entity to which such earnings (loss) are attributable. However, since such earnings (loss) may be subject to taxation in more than one country, the income tax provision shown above as U.S. or non-U.S. may not correspond to the earnings (loss) shown above.

Below is a reconciliation of expected income tax expense (benefit) computed by applying the blended U.S. federal statutory rate of 31.5% for fiscal 2018, and the U.S. federal statutory rate of 35.0% for fiscal 2017 and fiscal 2016, respectively, to earnings (loss) before income taxes to actual income tax expense (benefit) from continuing operations (dollars in thousands):

	2018	2017	2016
Computed expected income tax (benefit)	\$ 223	\$ 3,025	\$ (7,098)
Increase (reduction) in income taxes resulting from:			
State income taxes, net of federal benefit	1,203	(1,586)	(1,796)
Research and other tax credits	(5,015)	(2,285)	(4,027)
Effect of federal rate change on deferred taxes	(24,565)	—	—
Nondeductible expenses	1,028	1,156	661
Acxiom Impact disposition	—	(4,502)	—
Stock-based compensation	3,590	3,308	1,857
Non-U.S. subsidiaries taxed at other rates	246	614	2,468
Adjustment to valuation allowances	—	2,896	(3,585)
Acquisitions costs	—	478	—
Foreign income inclusion	84	473	—
Other, net	435	957	(112)
	<u>\$ (22,771)</u>	<u>\$ 4,534</u>	<u>\$ (11,632)</u>

On December 22, 2017, the U.S. enacted significant tax law changes following the passage of H.R. 1, "An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018" (the "Tax Act") (previously known as "The Tax Cuts and Jobs Act"). The Tax Act included significant changes to existing tax law, including a permanent reduction to the U.S. federal corporate income tax rate from 35% to 21%, a one-time repatriation tax on deferred foreign income ("Transition Tax"), and numerous other changes to business-related deductions.

The permanent reduction to the U.S. federal corporate income tax rate from 35% to 21% became effective January 1, 2018 (the "Effective Date"). Because the Effective Date did not fall on the first day of our fiscal year, we are required to apply a blended tax rate for the entire fiscal year based on a weighted daily average rate. As a result of the Tax Act, our U.S. federal statutory corporate income tax rate is 31.5% for the fiscal year ended March 31, 2018.

The Company recorded a \$24.6 million benefit for the remeasurement of net deferred tax liabilities to reflect the reduced tax rate that will apply when these deferred taxes are settled or realized in future periods. While the Company was able to make a reasonable estimate of the impact of the reduction to the corporate tax rate, its rate may be affected by other analyses related to the Tax Act, including, but not limited to, the state tax effect of adjustments made to federal temporary differences. In addition, due to the complexity of the new global intangible low-taxed income ("GILTI") tax rules, we are continuing to evaluate this provision of the Tax Act and the application of ASC 740. Under GAAP, the Company is allowed to make an accounting policy choice to either (i) treat taxes due on future U.S. inclusions in taxable income related to GILTI as a current-period expense when incurred, or (ii) factor

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in such amounts into the measurement of deferred taxes. The Company has not made a policy decision regarding whether to record deferred taxes on GILTI. We will continue to analyze the full effects of the Tax Act on our consolidated financial statements and expect to complete our analysis by our quarter ending December 31, 2018.

In fiscal 2017, the Company incurred a tax loss on the Acxiom Impact disposition, resulting in a capital loss carryforward. Based on management's assessment of realizability, a valuation allowance was established against the related deferred tax asset. The state income tax benefit resulting from the Acxiom Impact disposition, net of related valuation allowances, is reflected above in State income taxes, net of federal benefit.

Due to changes in management's assessment of the realizability of deferred tax assets in certain foreign jurisdictions, the Company released \$3.6 million in valuation allowances in fiscal 2016.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at March 31, 2018 and 2017 are presented below (dollars in thousands). In accordance with income tax accounting standards, as of March 31, 2018, the Company has not recognized deferred income taxes on approximately \$20.7 million of undistributed earnings of foreign subsidiaries that are indefinitely reinvested outside the respective parent's country. Calculation of the deferred income tax related to these earnings is not practicable.

	2018	2017
Deferred tax assets:		
Accrued expenses	\$ 6,681	\$ 9,517
Deferred revenue	491	1,837
Net operating loss carryforwards	51,068	50,414
Stock-based compensation	10,884	19,854
Nonqualified deferred compensation	3,217	4,672
Capital loss carryforward	2,099	3,414
Tax credit carryforwards	13,427	10,403
Other	234	(791)
Total deferred tax assets	88,101	99,320
Less valuation allowance	(49,719)	(47,074)
Net deferred tax assets	38,382	52,246
Deferred tax liabilities:		
Prepaid expenses	\$ (4,111)	\$ (1,192)
Capitalized software costs	(7,343)	(11,582)
Property and equipment	(4,837)	(9,800)
Intangible assets	(42,281)	(77,785)
Accrued expenses	(7,828)	—
Total deferred tax liabilities	(66,400)	(100,359)
Net deferred tax liabilities	\$ (28,018)	\$ (48,113)

At March 31, 2018, the Company has net operating loss carryforwards of approximately \$21.5 million and \$55.4 million for U.S. federal and state income tax purposes, respectively. Of the net operating loss carryforwards, \$4.8 million will not expire, and the remaining carryforwards expire in various amounts and will completely expire if not used by 2037. The Company has a capital loss carryforward of \$8.3 million, which will expire if not used by 2022. The Company has foreign net operating loss carryforwards of approximately \$142.2 million. Of this amount, \$141.6 million do not have expiration dates. The remainder expires in various amounts and will completely expire if not used by 2027. The Company has federal and state credit carryforwards of \$7.5 million and \$22.7 million, respectively. Of the credit carryforwards, \$8.5 million will not expire, and the remainder will expire in various amounts and will completely expire if not used by 2038.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income of the proper character during the periods in which those temporary differences become deductible.

Based upon the Company's history of profitability and taxable income and the reversal of taxable temporary differences in the U.S., management believes that apart from the U.S. federal capital loss carryforward and various carryforwards in certain states it is more likely than not the Company will realize the benefits of the deductible temporary differences. The Company has established valuation allowances against \$0.9 million of deferred tax assets related to the U.S. federal capital loss carryforward and \$4.0 million of deferred tax assets related to loss carryforwards in the states where activity does not support the deferred tax asset.

Based upon the Company's history of losses in certain non-U.S. jurisdictions, the Company has not recorded a benefit for current foreign losses in these jurisdictions. In addition, Management believes it is not more likely than not the Company will realize the benefits of certain foreign loss carryforwards and has established valuation allowances in the amount of \$44.8 million against deferred tax assets in such jurisdictions. No valuation allowance has been established against deferred tax assets in non-U.S. jurisdictions in which historical profits and forecasted continuing profits exist. The earnings of subsidiaries in such jurisdictions and the differences in income taxes computed using the U.S. statutory tax rate and the effective tax rate in such jurisdictions are not significant.

The following table sets forth changes in the total gross unrecognized tax benefits for the fiscal years ended March 31, 2018, 2017 and 2016 (dollars in thousands):

	2018	2017	2016
Balance at beginning of period	\$ 12,870	\$ 10,906	\$ 9,711
Increases related to prior year tax positions	1,134	307	1,717
Decreases related to prior year tax positions	(208)	(466)	(1,227)
Increases related to current year tax positions	3,172	2,123	2,035
Settlements with taxing authorities	—	—	(1,330)
Lapse of statute of limitations	(1,553)	—	—
Balance at end of period	\$ 15,415	\$ 12,870	\$ 10,906

Gross unrecognized tax benefits as of March 31, 2018 was \$15.4 million, of which up to \$12.5 million would reduce the Company's effective tax rate in future periods if and when realized. The Company reports accrued interest and penalties related to unrecognized tax benefits in income tax expense. The combined amount of accrued interest and penalties related to tax positions on tax returns was approximately \$0.5 million as of March 31, 2018. There was no material change in accrued interest and penalties during fiscal 2018. The Company anticipates a reduction of \$2.3 million of unrecognized tax benefits within the next 12 months, as a result of a lapse of the statute of limitations.

The Company files a consolidated U.S. federal income tax return and tax returns in various state and local jurisdictions. The Company's subsidiaries also file tax returns in various foreign jurisdictions in which they operate. In the U.S., the statute of limitations for Internal Revenue Service examinations remains open for the Company's federal income tax returns for fiscal years after 2014. The status of state and local and foreign tax examinations varies by jurisdiction. The Company does not anticipate any material adjustments to its financial statements resulting from tax examinations currently in progress.

14. RETIREMENT PLANS:

The Company has a qualified 401(k) retirement savings plan which covers substantially all U.S. employees. The Company also offers a supplemental nonqualified deferred compensation plan ("SNQDC Plan") for certain highly-compensated employees. The Company matches 50% of the first 6% of employee's annual aggregate contributions. The Company may also contribute additional amounts to the plans at the discretion of the board of directors.

Company contributions for the above plans amounted to approximately \$7.1 million, \$6.5 million, and \$6.1 million in fiscal years 2018, 2017, and 2016, respectively. Included in both other current assets and other accrued liabilities are the assets and liabilities of the SNQDC Plan in the amount of \$13.6 million and \$12.7 million at March 31, 2018 and 2017, respectively.

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The Company has one small defined benefit pension plan covering certain employees in Germany. Both the projected benefit obligation and accumulated benefit obligation were \$0.4 million as of March 31, 2018 and 2017, respectively. There were no plan assets as of either March 31, 2018 or March 31, 2017, resulting in an excess of benefit obligations over plan assets of \$0.4 million at March 31, 2018 and 2017, respectively.

15. FOREIGN OPERATIONS:

The Company attributes revenue to each geographic region based on the location of the Company's operations. The following table shows financial information by geographic area for the years 2018, 2017 and 2016 (dollars in thousands):

Revenue

	2018	2017	2016
United States	\$ 834,635	\$ 807,387	\$ 770,043
Foreign			
Europe	\$ 66,589	\$ 55,427	\$ 52,562
APAC	16,182	17,433	25,138
Other	—	—	2,345
All Foreign	\$ 82,771	\$ 72,860	\$ 80,045
	<u>\$ 917,406</u>	<u>\$ 880,247</u>	<u>\$ 850,088</u>

Long-lived assets excluding financial instruments (dollars in thousands):

	March 31,	
	2018	2017
United States	\$ 824,673	\$ 843,127
Foreign		
Europe	\$ 8,990	\$ 9,096
APAC	15,245	13,796
All Foreign	\$ 24,235	\$ 22,892
	<u>\$ 848,908</u>	<u>\$ 866,019</u>

16. FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, trade receivables, unbilled and notes receivable, short-term borrowings and trade payables - The carrying amount approximates fair value because of the short maturity of these instruments.

Long-term debt - The interest rate on the revolving credit agreement is adjusted for changes in market rates and therefore the carrying value approximates fair value. The estimated fair value of other long-term debt was determined based upon the present value of the expected cash flows considering expected maturities and using interest rates currently available to the Company for long-term borrowings with similar terms. At March 31, 2018, the estimated fair value of long-term debt approximates its carrying value.

Under applicable accounting standards financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. The Company assigned assets and liabilities to the hierarchy in the accounting standards, which is Level 1 - quoted prices in active markets for identical assets or liabilities, Level 2 - significant other observable inputs and Level 3 - significant unobservable inputs.

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The following table presents the balances of assets measured at fair value as of March 31, 2018 and 2017 (dollars in thousands):

As of March 31, 2018	Level 1	Level 2	Level 3	Total
Assets:				
Other current assets	\$ 13,551	\$ —	\$ —	\$ 13,551
Total assets	\$ 13,551	\$ —	\$ —	\$ 13,551

As of March 31, 2017	Level 1	Level 2	Level 3	Total
Assets:				
Other current assets	\$ 12,716	\$ —	\$ —	\$ 12,716
Total assets	\$ 12,716	\$ —	\$ —	\$ 12,716

17. SEGMENT INFORMATION:

The Company reports segment information consistent with the way management internally disaggregates its operations to assess performance and to allocate resources.

Revenues and cost of revenue are generally directly attributed to the segments. Certain revenue contracts are allocated among the segments based on the relative value of the underlying products and services. Cost of revenue, excluding non-cash stock compensation expense and purchased intangible asset amortization, is directly charged in most cases and allocated in certain cases based upon proportional usage.

Operating expenses, excluding non-cash stock compensation expense and purchased intangible asset amortization, are attributed to the segment groups as follows:

- Research and development expenses are primarily directly recorded to each segment group based on identified products supported.
- Sales and marketing expenses are primarily directly recorded to each segment group based on products supported and sold.
- General and administrative expenses are generally not allocated to the segments unless directly attributable.
- Gains, losses and other items, net are not allocated to the segment groups.

We do not track our assets by operating segments. Consequently, it is not practical to show assets by operating segment.

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The following table presents information by business segment (dollars in thousands):

	2018	2017	2016
Revenues:			
Marketing Services	\$ 379,047	\$ 410,840	\$ 449,772
Audience Solutions	327,358	322,065	297,846
Connectivity	211,001	147,342	102,470
Total segment revenues	<u>\$ 917,406</u>	<u>\$ 880,247</u>	<u>\$ 850,088</u>
Gross profit ⁽¹⁾:			
Marketing Services	\$ 139,185	\$ 140,647	\$ 152,258
Audience Solutions	202,235	198,186	167,715
Connectivity	140,885	88,251	61,199
Total segment gross profit	<u>\$ 482,305</u>	<u>\$ 427,084</u>	<u>\$ 381,172</u>
Income from operations ⁽¹⁾:			
Marketing Services	\$ 83,304	\$ 80,622	\$ 74,371
Audience Solutions	124,192	123,238	109,598
Connectivity	18,399	5,333	(3,298)
Total segment income from operations	<u>\$ 225,895</u>	<u>\$ 209,193</u>	<u>\$ 180,671</u>
Depreciation and amortization:			
Marketing Services	\$ 6,885	\$ 7,549	\$ 9,988
Audience Solutions	12,553	13,286	12,909
Connectivity	28,772	21,906	19,932
Total depreciation and amortization	<u>\$ 48,210</u>	<u>\$ 42,741</u>	<u>\$ 42,829</u>

⁽¹⁾Gross profit and Income from operations reflect only the direct and allocable controllable costs of each segment and do not include allocations of corporate expenses (primarily general and administrative expenses) and gains, losses, and other items, net. Additionally, gross profit and income from operations do not include non-cash stock compensation expense and purchased intangible asset amortization.

The following table reconciles total segment gross profit to gross profit and total segment income from operations to income from operations (dollars in thousands):

	2018	2017	2016
Total segment gross profit	\$ 482,305	\$ 427,084	\$ 381,172
Less:			
Purchased intangible asset amortization	23,920	18,644	15,466
Non-cash stock compensation	6,416	5,879	2,150
Accelerated amortization	999	—	1,850
Gross profit	<u>\$ 450,970</u>	<u>\$ 402,561</u>	<u>\$ 361,706</u>
Less:			
Total segment income from operations	\$ 225,895	\$ 209,193	\$ 180,671
Less:			
Corporate expenses (principally general and administrative)	120,770	117,342	125,994
Gains, losses and other items, net	6,373	8,373	12,132
Impairment of goodwill and other	—	—	6,829
Purchased intangible asset amortization	23,920	18,644	15,466
Non-cash stock compensation	63,234	49,145	31,463
Accelerated amortization	999	—	1,850
Income (loss) from operations	<u>\$ 10,599</u>	<u>\$ 15,689</u>	<u>\$ (13,063)</u>

18. UNAUDITED SELECTED QUARTERLY FINANCIAL DATA:

The following tables contain selected unaudited statement of operations information for each quarter of 2018 and 2017. The following information reflects all normal recurring adjustments necessary for a fair presentation of the information for the periods presented. The operating results for any quarter are not necessarily indicative of results for any future period. Unaudited quarterly results are as follows:

	Quarter ended June 30, 2017	Quarter ended September 30, 2017	Quarter ended December 31, 2017	Quarter ended March 31, 2018
(dollars in thousands except per-share amounts)				
Revenue	\$ 212,514	\$ 225,240	\$ 234,871	\$ 244,781
Gross profit	98,554	110,168	118,951	123,297
Income (loss) from operations	(5,707)	453	11,058	4,795
Net earnings (loss)	(1,300)	(3,336)	22,941	5,175
Basic earnings (loss) per share:				
Net earnings (loss)	(0.02)	(0.04)	0.29	0.07
Diluted earnings (loss) per share:				
Net earnings (loss)	(0.02)	(0.04)	0.28	0.06

	Quarter ended June 30, 2016	Quarter ended September 30, 2016	Quarter ended December 31, 2016	Quarter ended March 31, 2017
(dollars in thousands except per-share amounts)				
Revenue	\$ 214,801	\$ 217,267	\$ 223,312	\$ 224,867
Gross profit	91,982	97,162	106,844	106,573
Income (loss) from operations	8,162	7,120	9,115	(8,709)
Net earnings (loss)	3,976	7,140	1,073	(8,081)
Basic earnings (loss) per share:				
Net earnings (loss)	0.05	0.09	0.01	(0.10)
Diluted earnings (loss) per share:				
Net earnings (loss)	0.05	0.09	0.01	(0.10)

Some earnings (loss) per share amounts may not add due to rounding.

**AMENDED AND RESTATED
2005 EQUITY COMPENSATION PLAN
OF
ACXIOM CORPORATION**

1. Establishment and Purpose. This Amended and Restated 2005 Equity Compensation Plan of Acxiom Corporation (the "Plan") was originally established under the name of the 2000 Associate Stock Option Plan of Acxiom Corporation ("Company"). The Plan has been amended from time to time and hereby is amended and restated as set forth herein, effective February 13, 2018, for awards issued on or after that date. The purpose of the Plan is to further the growth and development of the Company and any of its present or future Subsidiaries and Affiliated Companies (as defined below) by allowing certain Associates (as defined below) to acquire or increase equity ownership in the Company, thereby offering such Associates a proprietary interest in the Company's business and a more direct stake in its continuing welfare, and aligning their interests with those of the Company's stockholders. The Plan is also intended to assist the Company in attracting and retaining talented Associates, who are vital to the continued development and success of the Company.

2. Definitions. The following capitalized terms, when used in the Plan, have the following meanings:

(a) "Act" means the Securities Exchange Act of 1934, as amended and in effect from time to time.

(b) "Affiliated Company" means any corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity in which the Company or any of its Subsidiaries has an ownership interest.

(c) "Associate" means any employee, officer (whether or not also a director), director, affiliate, independent contractor or consultant of the Company, a Subsidiary or an Affiliated Company who renders those types of services which tend to contribute to the success of the Company, its Subsidiaries or its Affiliated Companies, or which may reasonably be anticipated to contribute to the future success of the Company, its Subsidiaries or its Affiliated Companies.

(d) "Award" means the grant, pursuant to the Plan, of any Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit Award, Performance Awards, Performance Share, Performance Unit, Qualified Performance-Based Award, or Other Stock Unit Award. The terms and conditions applicable to an Award shall be set forth in applicable Grant Documents.

(e) "Award Agreement" means any written or electronic agreement, contract, or other document or instrument evidencing any Award granted by the Committee or the Board hereunder, which may, but need not, be executed or acknowledged by both the Company and the Participant.

(f) "Board" means the Board of Directors of the Company.

(g) "Code" means the Internal Revenue Code of 1986, as amended and in effect from time to time.

(h) "Common Stock" means the common stock, par value \$.10 per share, of the Company or any security into which such common stock may be changed by reason of any transaction or event of the type described in Section 16 of the Plan.

(i) "Committee" means the Compensation Committee of the Board (as well as any successor to the Compensation Committee and any Company officers to whom authority has been lawfully delegated by the Compensation Committee). All of the members of the Committee, which may not be less than two, are intended at all times to qualify as "outside directors" within the meaning of Section 162(m) of the Code and "Non-Employee Directors"

within the meaning of Rule 16b-3, and each of whom is "independent" as set forth in the applicable rules and regulations of the Securities and Exchange Commission and/or Nasdaq or any stock exchange upon which the Shares may be listed in the future; provided, however, that the failure of a member of such Committee to so qualify shall not be deemed to invalidate any Award granted by such Committee.

- (j) "Covered Associate" shall mean a "covered employee" within the meaning of Section 162(m)(3) of the Code, or any successor provision thereto.
- (k) "Date of Grant" means the date specified by the Committee or the Board, as applicable, on which a grant of an Award will become effective.
- (l) "Exercise Period" means the period during which an Option shall vest and become exercisable by a Participant (or his or her representatives or transferees) as specified in Section 6(c) below.
- (m) "Exercise Price" means the purchase price per share payable upon exercise of an Option.
- (n) "Fair Market Value" means, as of any applicable determination date or for any applicable determination period, the closing price of the Company's Common Stock as reported by Nasdaq (or any other stock exchange upon which the Common Stock may be listed for trading).
- (o) "Grant Documents" means any written or electronic Award Agreement, memorandum, notice, and/or other document or instrument evidencing the terms and conditions of the grant of an Award by the Committee or the Board under the Plan, which may, but need not, be executed or acknowledged by both the Company and the Participant.
- (p) "Incentive Stock Option" means an Option intended to be and designated as an "Incentive Stock Option" within the meaning of Section 422 of the Code.
- (q) "Legal Requirements" means any laws, or any rules or regulations issued or promulgated by the Internal Revenue Service (including Section 422 of the Code), the Securities and Exchange Commission, the National Association of Securities Dealers, Inc., Nasdaq (or any other stock exchange upon which the Common Stock may be listed for trading), or any other governmental or quasi-governmental agency having jurisdiction over the Company, the Common Stock or the Plan.
- (r) "Non-Qualified Stock Option" means any Option that is not an Incentive Stock Option.
- (s) "Option" means an option granted to a Participant pursuant to the Plan to acquire a certain number of Shares at such price(s) and during such period(s) and under such other terms and conditions as the Committee or Board shall determine from time to time.
- (t) "Other Stock Unit Award" means any right granted to a Participant by the Committee or Board pursuant to Section 10 hereof.
- (u) "Participant" means an Associate who is selected by the Committee or the Board to receive an Award under the Plan.
- (v) "Performance Award" means any Award of Performance Shares or Performance Units pursuant to Section 9 hereof.
- (w) "Performance Goals" means the pre-established objective performance goals established by the Committee for each Performance Period. The Performance Goals may be based upon the performance of the Company (or a division, organization or other business unit thereof), a Subsidiary, an Affiliated Company, or of an individual Participant, using one or more of the Performance Measures selected by the Committee in its discretion.

Performance Goals may be set at a specific level, or may be expressed as a relative percentage to the comparable measure at comparison companies or a defined index. Performance Goals shall, to the extent applicable, be based upon generally accepted accounting principles, but shall be adjusted by the Committee to take into account the effect of the following: changes in accounting standards that may be required by the Financial Accounting Standards Board after the Performance Goal is established; realized investment gains and losses; extraordinary, unusual, non-recurring, or infrequent items; "non-GAAP financial measures" that have been included in the Company's quarterly earnings releases and disclosed to investors in accordance with SEC regulations; and other items as the Committee determines to be required so that the operating results of the Company (or a division, organization or other business unit thereof), a Subsidiary or an Affiliated Company shall be computed on a comparative basis from Performance Period to Performance Period. Determinations made by the Committee shall be based on relevant objective information and/or financial data, and shall be final and conclusive with respect to all affected parties.

(x) "Performance Measures" means one or more of the following criteria, on which Performance Goals may be based: (a) earnings (either in the aggregate or on a per-Share basis, reflecting dilution of Shares as the Committee deems appropriate and, if the Committee so determines, net of or including dividends) before or after interest and taxes ("EBIT") or before or after interest, taxes, depreciation, and amortization ("EBITDA"); (b) gross or net revenue or changes in annual revenues; (c) cash flow(s) (including operating, free or net cash flows); (d) financial return ratios; (e) total stockholder return, stockholder return based on growth measures or the attainment by the Shares of a specified value for a specified period of time, (f) Share price, or Share price appreciation; (g) earnings growth or growth in earnings per Share; (h) return measures, including return or net return on assets, net assets, equity, capital, investment, or gross sales; (i) adjusted pre-tax margin; (j) pre-tax profits; (k) operating margins; (l) operating profits; (m) operating expenses; (n) dividends; (o) net income or net operating income; (p) growth in operating earnings or growth in earnings per Share; (q) value of assets; (r) market share or market penetration with respect to specific designated products or product groups and/or specific geographic areas; (s) aggregate product price and other product measures; (t) expense or cost levels, in each case, where applicable, determined either on a company-wide basis or in respect of any one or more specified divisions; (u) reduction of losses, loss ratios or expense ratios; (v) reduction in fixed costs; (w) operating cost management; (x) cost of capital; (y) debt reduction; (z) productivity improvements; (aa) satisfaction of specified business expansion goals or goals relating to acquisitions or divestitures; (bb) customer satisfaction based on specified objective goals or a Company-sponsored customer survey; or (cc) Associate diversity goals.

Performance Measures may be applied on a pre-tax or post-tax basis, and may be based upon the performance of the Company (or a division, organization or other business unit thereof), a Subsidiary, an Affiliated Company, or of an individual Participant. The Committee may, at time of grant, in the case of an Award intended to be a Qualified Performance-Based Award, and in the case of other grants, at any time, provide that the Performance Goals for such Award may include or exclude items to measure specific objectives, such as losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions or divestitures, foreign exchange impacts, and any unusual nonrecurring gain or loss.

(y) "Performance Period" means that period established by the Committee or the Board at the time any Award is granted or at any time thereafter during which any performance goals specified by the Committee or the Board with respect to such Award are to be measured.

(z) "Performance Share" means any grant pursuant to Section 9 hereof of a right to receive the value of a Share, or a portion or multiple thereof, which value may be paid to the Participant by delivery of such property as the Committee or Board shall determine, including, without limitation, cash, Shares, or any combination thereof, upon achievement of such performance goals during the Performance Period as the Committee or the Board shall establish at the time of such grant or thereafter.

- (aa) "Performance Unit" means any grant pursuant to Section 9 hereof of a right to receive the value of property other than a Share, or a portion or multiple thereof, which value may be paid to the Participant by delivery of such property as the Committee or Board shall determine, including, without limitation, cash, Shares, or any combination thereof, upon achievement of such Performance Goals during the Performance Period as the Committee or the Board shall establish at the time of such grant or thereafter.
- (bb) "Qualified Performance-Based Award" means an Award to a Covered Associate who is a salaried employee of the Company or to an Associate that the Committee determines may be a Covered Associate at the time the Company would be entitled to a deduction for such Award, which Award is intended to provide "qualified performance-based compensation" within the meaning of Code Section 162(m).
- (cc) "Restricted Stock" means any Share issued with the restriction that the holder may not sell, transfer, pledge, or assign such Share and with such other restrictions as the Committee or the Board, in their sole discretion, may impose (including, without limitation, any forfeiture condition or any restriction on the right to vote such Share, and the right to receive any cash dividends on unvested shares), which restrictions may lapse separately or in combination at such time or times, in installments or otherwise, as the Committee or the Board may deem appropriate.
- (dd) "Restricted Stock Award" means an award of Restricted Stock or Restricted Stock Units under Section 8 hereof.
- (ee) "Restricted Stock Unit" means a right awarded to a Participant that, subject to Section 8(c), may result in the Participant's ownership of Shares upon, but not before, the lapse of restrictions related thereto.
- (ff) "Restriction Period" means the period of time specified by the Committee or Board pursuant to Sections 8 and 10 below.
- (gg) "Rule 16b-3" means Rule 16b-3 under Section 16 of the Act, as such Rule may be in effect from time to time.
- (hh) "Shares" means the shares of Common Stock of the Company, \$.10 par value, as may be adjusted in accordance with Section 16 of the Plan.
- (ii) "Stock Appreciation Right" means the right pursuant to an Award granted under Section 7 of the Plan, to surrender to the Company all (or a portion) of such right and, if applicable, a related Option, and receive cash or shares of Common Stock in accordance with the provisions of Section 7.
- (jj) "Strike Price" shall have the meaning set forth for such term in Section 7(b) of the Plan.
- (kk) "Subsidiary" means any corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity in which the Company owns or controls, directly or indirectly, not less than 50% of the total combined voting power or equity interests represented by all classes of stock, membership or other interests issued by such corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity.
- (ll) "Substitute Awards" shall mean Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, by a company acquired by the Company or with which the Company combines.
- (mm) "UK Addendum" means the addendum set forth on Schedule A.

3. Administration. The Plan shall be administered by the Committee and the Board. Except as otherwise provided herein, each of the Committee or the Board has the full authority and discretion to administer the Plan, and to take any action that is necessary or advisable in connection with the administration of the Plan including, without limitation, the authority and discretion to:

- (a) select the Associates eligible to become Participants under the Plan;
- (b) determine whether and to what extent Awards are to be granted;
- (c) determine the number of Shares to be covered by each grant;
- (d) determine the terms and conditions, not inconsistent with the terms of the Plan, of any grant hereunder (including, but not limited to, the term of the Award, the Exercise Price or Strike Price and any restriction, limitation, procedure, or deferral related thereto, provisions relating to the effect upon the Award of a Participant's cessation of employment, acceleration of vesting, forfeiture provisions regarding an Award and/or the profits received by any Participant from receiving an Award of exercising an Option or Stock Appreciation Right, and any other terms and conditions regarding any Award, based in each case upon such guidelines and factors as the Committee or Board shall determine from time to time in their sole discretion);
- (e) determine whether, to what extent and under what circumstances grants under the Plan are to be made and operate, whether on a tandem basis or otherwise, with other grants or awards (whether equity or cash based) made by the Company under or outside of the Plan; and
- (f) delegate to one or more officers of the Company the right to grant Awards under the Plan, provided that such delegation is made in accordance with the provisions of applicable state and federal laws.

Each of the Committee and the Board shall have the authority to adopt, alter and repeal such rules, guidelines and practices governing the Plan as it shall from time to time deem advisable; to interpret the terms and provisions of the Plan and any Award granted under thereunder (and any Grant Documents relating thereto); and to otherwise supervise the administration of the Plan.

Each of the Committee and the Board shall also have the authority to provide, in their discretion, for the rescission, forfeiture, cancellation or other restriction of any Award granted under the Plan, or for the forfeiture, rescission or repayment to the Company by a Participant or former Participant of any profits or gains related to any Award granted hereunder, or other limitations, upon the occurrence of such prescribed events and under such circumstances as the Committee or the Board shall deem necessary and reasonable for the benefit of the Company; provided, however, that this provision shall have no application after a Change in Control Event (as defined below in Section 11) has occurred.

All decisions made by the Committee and the Board pursuant to the provisions of the Plan shall be made in the Committee's or Board's sole discretion and shall be final and binding on all persons including the Company and any Participant. No member of the Committee or Board will be liable for any such action taken or omitted to be taken or determination made in good faith.

Notwithstanding any provision of the Plan to the contrary, the Committee shall have the exclusive authority and discretion to award, administer or otherwise take any action required or permitted to be taken with respect to Qualified Performance-Based Awards or under any provisions of the Plan with respect to Awards that are intended to comply with the requirements of Section 162(m) of the Code.

4. Shares Subject to the Plan.

(a) The total number of Shares ("Total Shares") which may be issued pursuant to the Plan shall not exceed 28,425,000 Shares; provided, that the Total Shares shall be increased to 32,875,000 Shares, subject to the approval of the Company's stockholders within one year of June 21, 2017. Such Shares may consist, in whole or in part, of authorized and unissued shares or treasury shares, as determined in the discretion of the Committee or the Board. Notwithstanding anything to the contrary in this Section 4, in no event will more than the Total Shares be cumulatively available for Awards of Incentive Stock Options under the Plan.

(b) If any Award made under the Plan is forfeited, any Option (and the related Stock Appreciation Right, if any), or any Stock Appreciation Right not related to an Option terminates, expires or lapses without being exercised, or any Stock Appreciation Right is exercised for cash, the Shares subject to such Awards that are, as a result, not delivered to the Participant shall again be available for delivery in connection with Awards. If a Stock Appreciation Right is exercised, the total number of Shares against which the Stock Appreciation Right was measured, not merely the number of Shares issued, will be deemed delivered for purposes of determining the maximum number of Shares available for delivery under the Plan. If the Exercise Price of any Option is satisfied by delivering Shares to the Company (by either actual delivery or by attestation), the total number of Shares exercised, not merely the number of Shares delivered or attested to, shall be deemed delivered for purposes of determining the maximum number of Shares available for delivery pursuant to Awards under the Plan. To the extent any Shares subject to an Award are not delivered to a Participant because such Shares are used to satisfy an applicable tax withholding obligation, such Shares that are not delivered shall be deemed delivered and shall not thereafter be available for delivery in connection with Awards.

(c) Shares available for issuance or reissuance under the Plan will be subject to adjustment as provided in Section 16 below.

5. Eligible Participants. All Associates shall be eligible to receive Awards and thereby become Participants in the Plan, regardless of such Associate's prior participation in the Plan or any other benefit plan of the Company, provided that (1) only Associates who are employees of the Company or a Subsidiary may receive Incentive Stock Options; and (2) for any Performance Period for which Awards are intended to be Qualified Performance-Based Awards to eligible classes of Associates as set forth in Section 14, the Committee shall designate the Associates eligible to be granted Awards no later than the 90th day after the start of the fiscal year (or in the case of a Performance Period based upon a time period other than a fiscal year, no later than the date on which 25% of the Performance Period has elapsed). No executive officer named in the Summary Compensation Table of the Company's then current Proxy Statement shall be eligible to receive in excess of 400,000 Options or Stock Appreciation Rights in any one-year period.

6. Options.

(a) Grant of Options. The Committee, the Board or their authorized designees may from time to time authorize grants of Options to any Participant upon such terms and conditions as the Committee or Board may determine in accordance with the provisions set forth in the Plan. Each grant will specify, among other things, the number of Shares to which it pertains; the Exercise Price; the form of payment to be made by the Participant for the Shares purchased upon exercise of any Option; the required period or periods (if any) of continuous service by the Participant with the Company, a Subsidiary or an Affiliated Company and/or any other conditions to be satisfied before the Options or installments thereof will vest and become exercisable. Options granted under the Plan may be either Non-Qualified Options or Incentive Stock Options.

Notwithstanding any provision of the Plan to the contrary, the aggregate Fair Market Value (as determined on the Date of Grant) of the Common Stock with respect to which Incentive Stock Options granted are exercisable for the first time by any Participant during any calendar year (under all plans of the Company and its Subsidiaries) shall not exceed the

maximum amount specified by Section 422 of the Code, as amended from time to time (currently \$100,000).

Each Option granted under this Plan will be evidenced by Grant Documents delivered to the Participant containing such further terms and provisions, not inconsistent with the Plan, as the Committee or Board may approve in their discretion.

(b) Exercise Price.

(i) The Exercise Price for each share of Common Stock purchasable under any Option shall be not less than 100% of the Fair Market Value per share on the Date of Grant as the Committee or Board shall specify. All such Exercise Prices shall be subject to adjustment as provided for in Section 16 hereof.

(ii) If any Participant to whom an Incentive Stock Option is to be granted under the Plan is on the Date of Grant the owner of stock (as determined under Section 425(d) of the Code) possessing more than 10% of the total combined voting power of all classes of stock of the Company or any one of its Subsidiaries or Affiliated Companies, then the Exercise Price per share of Common Stock subject to such Incentive Stock Option shall not be less than 110% of the Fair Market Value of one Share on the Date of Grant.

(c) Exercise Period. Subject to Section 11 hereof, the period during which an Option shall vest and become exercisable by a Participant (or his or her representative(s) or transferee(s)) whether during or after employment or following death, retirement or disability (the "Exercise Period") shall be such period of time as may be designated by the Committee or the Board as set forth in the Committee's or Board's applicable rules, guidelines and practices governing the Plan and/or in the Grant Documents executed in connection with such Option. If the Committee or Board provides, in their sole discretion, that any Option is exercisable only in installments, the Committee or Board may waive or accelerate such installment exercise provisions at any time at or after grant in whole or in part, based upon such factors as the Committee or Board shall determine, in their sole discretion.

The maximum duration of any Incentive Stock Option granted under the Plan shall be ten (10) years from the Date of Grant (and no such Incentive Stock Option shall be exercisable after the expiration of such (10) year period), unless the Incentive Stock Option is granted to a Participant who, at the time of the grant, owns stock representing more than 10% of the voting power of all classes of stock of the Company, in which case the term may not exceed five (5) years from the Date of Grant. The duration of Non-Qualified Stock Options shall be for such period as determined by the Committee or Board in its sole discretion, not to exceed ten years.

(d) Exercise of Option. Subject to Section 11 hereof, an Option may be exercised by a Participant at any time and from time to time during the Exercise Period by giving written notice of such exercise to the Company specifying the number of shares of Common Stock to be purchased by the Participant. Such notice shall be accompanied by payment of the Exercise Price in accordance with subsection (e) below.

(e) Payment for Shares. Full payment of the Exercise Price for the Shares purchased upon exercise of an Option, together with the amount of any tax or excise due in respect of the sale and issue thereof, may be made in one of the following forms of payment:

(i) Cash, by check or electronic funds transfer;

(ii) Pursuant to procedures approved by the Company, through the sale (or margin) of Shares acquired upon exercise of the Option through a broker-dealer to whom the Participant has submitted an irrevocable notice of exercise and irrevocable instructions to deliver promptly to the Company the amount of sale (or if applicable

margin loan) proceeds sufficient to pay for the Exercise Price, together with, if requested by the Company, the amount of federal, state, local or foreign withholding taxes payable by reason of such exercise;

(iii) By delivering previously-owned shares of Common Stock owned by the Participant for a period of at least six months having a Fair Market Value on the date upon which the Participant exercises his or her Option equal to the Exercise Price, or by delivering a combination of cash and shares of Common Stock equal to the aggregate Exercise Price;

(iv) By authorizing the Company to withhold a number of shares of Common Stock otherwise issuable to the Participant upon exercise of an Option having an aggregate Fair Market Value on the date upon which the Participant exercises his or her Option equal to the aggregate Exercise Price; or

(v) By any combination of the foregoing.

Provided, however, that the payment methods described in clause (iv) immediately above shall not be available to a Participant without the prior consent of either the Committee or its authorized designee(s), or if at any time the Company is prohibited from purchasing or acquiring Shares under applicable Legal Requirements. The Committee or the Board may permit a Participant to exercise an Option and defer the issuance of any Shares, subject to such rules and procedures as the Committee or Board may establish.

The Company will issue no certificates for Shares until full payment of the Exercise Price has been made, and a Participant shall have none of the rights of a stockholder until certificates for the Shares purchased are issued; provided however, that for purposes of this Section 6, full payment shall be deemed to have been received by the Company upon evidence of delivery to a broker-dealer of the irrevocable instructions contemplated by clause (ii) immediately above.

No dividends, dividend equivalents or other similar payments shall be payable in respect of an unvested Option.

(f) Withholding Taxes. The Company may require a Participant exercising a Non-Qualified Stock Option or Stock Appreciation Right granted hereunder to reimburse the Company (or the entity which employs the Participant) for taxes required by any government to be withheld or otherwise deducted and paid by such corporation in respect of the issuance of the Shares. Such withholding requirements may be satisfied by any one of the following methods:

(i) A Participant may deliver cash in an amount which would satisfy the withholding requirement;

(ii) A Participant may deliver previously-owned Shares (based upon the Fair Market Value of the Common Stock on the date of exercise) in an amount which would satisfy the withholding requirement; or

(iii) With the prior consent of either the Committee or the Board, or its authorized designees, a Participant may request that the Company (or the entity which employs the Participant) withhold from the number of Shares otherwise issuable to the Participant upon exercise of an Option such number of Shares (based upon the Fair Market Value of the Common Stock on the date of exercise) as is necessary to satisfy the withholding requirement.

(g) Conditions to Exercise of Options. The Committee or the Board may, in their discretion, require as conditions to the exercise of Options or Stock Appreciation Rights and the issuance of shares thereunder either (a) that a registration statement under the Securities Act of 1933, as amended, with respect to the Options or Stock Appreciation Rights and the

shares to be issued upon the exercise thereof, containing such current information as is required by the Rules and Regulations under said Act, shall have become, and continue to be, effective; or (b) that the Participant or his or her transferee(s) (i) shall have represented, warranted and agreed, in form and substance satisfactory to the Company, both that he or she is acquiring the Option or Stock Appreciation Right and, at the time of exercising the Option or Stock Appreciation Right, that he or she is acquiring the shares for his/her own account, for investment and not with a view to or in connection with any distribution; (ii) shall have agreed to restrictions on transfer, in form and substance satisfactory to the Company; and (iii) shall have agreed to an endorsement which makes appropriate reference to such representations, warranties, agreements and restrictions both on the option and on the certificate representing the shares.

(h) Use of Proceeds. Proceeds realized from the sale of Common Stock pursuant to Options granted hereunder shall constitute general funds of the Company.

(i) Minimum Vesting Period. The minimum vesting period applicable to any Option shall be one (1) year from the date of grant.

7. Stock Appreciation Rights.

(a) When granted, Stock Appreciation Rights may, but need not be, identified with a specific Option (including any Option granted on or before the Date of Grant of the Stock Appreciation Rights) in a number equal to or different from the number of Stock Appreciation Rights so granted. If Stock Appreciation Rights are identified with Shares subject to an Option, then, unless otherwise provided in the applicable Grant Documents, the Participant's associated Stock Appreciation Rights shall terminate upon the expiration, termination, forfeiture or cancellation of such Option or the exercise of such Option.

(b) The Strike Price of any Stock Appreciation Right shall (i) for any Stock Appreciation Right that is identified with an Option, equal the Exercise Price of such Option, or (ii) for any other Stock Appreciation Right, be not less than 100% of the Fair Market Value of a Share of Common Stock on the Date of Grant as the Committee or Board shall specify. The duration of any Stock Appreciation Right shall be for such period as determined by the Committee or Board in its sole discretion, not to exceed ten years.

(c) Subject to Section 11 hereof, (i) each Stock Appreciation Right which is identified with any Option grant shall vest and become exercisable by a Participant as and to the extent, including the minimum vesting period provided in Section 6(i), that the related Option with respect to which such Stock Appreciation Right is identified may be exercised; and (ii) each other Stock Appreciation Right shall vest and become exercisable by a Participant, whether during or after employment or following death, retirement or disability, at such time or times as may be designated by the Committee or Board as set forth in the applicable rules, guidelines and practices governing the Plan and/or the Grant Documents executed in connection with such Stock Appreciation Right; provided, however, that the minimum vesting period applicable to any such other Stock Appreciation Right shall be one (1) year from the date of grant.

(d) Subject to Section 11 hereof, Stock Appreciation Rights may be exercised by a Participant by delivery to the Company of written notice of intent to exercise a specific number of Stock Appreciation Rights. Unless otherwise provided in the applicable Grant Documents, the exercise of Stock Appreciation Rights which are identified with Shares of Common Stock subject to an Option shall result in the cancellation or forfeiture of such Option to the extent of the exercise of such Stock Appreciation Right.

(e) The benefit to the Participant for each Stock Appreciation Right exercised shall be equal to (i) the Fair Market Value of a Share of Common Stock on the date of exercise, minus (ii) the Strike Price of such Stock Appreciation Right. Such benefit shall be payable in cash, except that the Committee or Board may provide in the applicable rules, guidelines and practices governing the Plan and/or the Grant Documents that benefits may be paid wholly

or partly in Shares of Common Stock. No dividends, dividend equivalents or other similar payments shall be payable in respect of an unvested Stock Appreciation Right.

8. Restricted Stock Awards.

(a) Issuance. A Restricted Stock Award shall be subject to restrictions imposed by the Committee or the Board during a period of time specified by the Committee or Board (the "Restriction Period"). Restricted Stock Awards may be issued hereunder to Participants for no cash consideration or for such minimum consideration as may be required by applicable law, either alone or in addition to other Awards granted under the Plan. The provisions of Restricted Stock Awards need not be the same with respect to each Participant.

(b) Restricted Stock.

(i) The Company may grant Restricted Stock to those Associates the Committee or the Board may select in their sole discretion. Each Award of Restricted Stock shall have those terms and conditions that are expressly set forth in or are required by the Plan and the Grant Documents as the Committee or the Board may determine in their discretion.

(ii) While any restriction applies to any Participant's Restricted Stock, (a) the Participant shall receive the proceeds of the Restricted Stock in any stock split, reverse stock split, recapitalization, or other change in the capital structure of the Company, which proceeds shall automatically and without need for any other action become Restricted Stock and be subject to all restrictions then existing as to the Participant's Restricted Stock; (b) the Participant shall be entitled to vote the Restricted Stock during the Restriction Period; and (c) no dividends, dividend equivalents or other similar payments shall be payable in respect of such Restricted Stock.

(iii) The Restricted Stock will be delivered to the Participant subject to the understanding that while any restriction applies to the Restricted Stock, the Participant shall not have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any shares of Restricted Stock or any interest therein. As a result of the retention of rights in the Restricted Stock by the Company, except as required by any applicable law, neither any shares of the Restricted Stock nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Participant, whether as the direct or indirect result of any action of the Participant or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

(iv) Unless other provisions are specified in the Grant Documents or Plan guidelines which may be adopted by the Committee or the Board from time to time, any Restricted Stock held by the Participant at the time the Participant ceases to be an Associate for any reason shall be forfeited by the Participant to the Company and automatically re-conveyed to the Company.

(v) The Committee or the Board may withhold, in accordance with Section 17(f) hereof, any amounts necessary to collect any withholding taxes upon any taxable event relating to Restricted Stock.

(vi) The making of an Award of Restricted Stock and delivery of any Restricted Stock is subject to compliance by the Company with all applicable Legal Requirements. The Company need not issue or transfer Restricted Stock pursuant to the Plan unless the Company's legal counsel has approved all legal matters in connection with the delivery of the Restricted Stock.

(vii) The Restricted Stock will be book-entry Shares only unless the Committee or the Board decides to issue certificates to evidence any shares of Restricted Stock. The Company may place stop-transfer instructions with respect to all Restricted Stock on its stock transfer records.

(viii) At the time of grant of Restricted Stock (or at such earlier or later time as the Committee or the Board determines to be appropriate in light of the provisions of Code Section 409A), the Committee or the Board may permit a Participant of an Award of Restricted Stock to defer receipt of his or her Restricted Stock in accordance with rules and procedures established by the Committee or the Board. Alternatively, the Committee or the Board may, in their discretion and at the times provided above, permit an individual who would have been a Participant with respect to an Award of Restricted Stock, to elect instead to receive an equivalent Award of Restricted Stock Units, and the Committee or the Board may permit the Participant to elect to defer receipt of Shares under the Restricted Stock Units in accordance with Section 8(c)(viii).

(ix) The minimum Restriction Period applicable to any Award of Restricted Stock that is not subject to performance conditions restricting the grant size, the transfer of the shares, or the vesting of the award shall be two (2) years from the date of grant; provided, however, that a Restriction Period of less than two (2) years may be approved under the Plan for such Awards with respect to up to a total of 100,000 Shares.

(c) Restricted Stock Units.

(i) The Company may grant Restricted Stock Units to those Associates as the Committee or the Board may select in its sole discretion. Restricted Stock Units represent the right to receive Shares in the future, at such times, and subject to such conditions as the Committee or the Board shall determine. The restrictions imposed shall take into account potential tax treatment under Code Section 409A.

(ii) Until the Restricted Stock Unit is released from restrictions and any Shares subject thereto are delivered to the Participant, the Participant shall not have any beneficial ownership in any Shares subject to the Restricted Stock Unit, nor shall the Participant have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Restricted Stock Unit or any interest therein. Except as required by any law, no Restricted Stock Unit nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Participant, whether as the direct or indirect result of any action of the Participant or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

(iii) Upon the lapse of the restrictions, the Participant holder of Restricted Stock Units shall, except as noted below, be entitled to receive, as soon as administratively practical, (a) that number of Shares subject to the Award that are no longer subject to restrictions, (b) cash in an amount equal to the Fair Market Value of the number of Shares subject to the Award that are no longer subject to restrictions, or (c) any combination of Shares and cash, as the Committee or the Board shall determine in their sole discretion, or shall have specified at the time the Award was granted.

(iv) Restricted Stock Units and the entitlement to Shares, cash, or any combination thereunder will be forfeited and all rights of a Participant to such Restricted Stock Units and the Shares thereunder will terminate if the applicable restrictions are not satisfied.

(v) A Participant holder of Restricted Stock Units is not entitled to any rights of a holder of the Shares (e.g., voting rights), prior to the receipt of such Shares pursuant to the Plan. No dividends, dividend equivalents or other similar payments shall be payable in respect of an outstanding Restricted Stock Unit.

(vi) The Committee or the Board may withhold, in accordance with Section 17(f) hereof, any amounts necessary to collect any withholding taxes upon any taxable event relating to any Restricted Stock Units.

(vii) The granting of Restricted Stock Units and the delivery of any Shares is subject to compliance by the Company with all applicable Legal Requirements.

(viii) At the time of grant of Restricted Stock Units (or at such earlier or later time as the Committee or the Board determines to be appropriate in light of the provisions of Code Section 409A), the Committee or the Board may permit a Participant to elect to defer receipt of the Shares or cash to be delivered upon lapse of the restrictions applicable to the Restricted Stock Units in accordance with rules and procedures that may be established from time to time by the Committee or the Board. Such rules and procedures shall take into account potential tax treatment under Code Section 409A, and may provide for payment in Shares or cash.

(ix) The minimum Restriction Period applicable to any Award of Restricted Stock Units shall be one (1) year from the date of grant, provided, however, that a Restriction Period of less than one (1) year may be approved under the Plan for such Awards with respect to up to a total of 100,000 Shares.

9. Performance Awards.

(a) Grant. The Company may grant Performance Awards to Associates on any terms and conditions the Committee or the Board deem desirable. Each Award of Performance Awards shall have those terms and conditions that are expressly set forth in, or are required by, the Plan and the Grant Documents.

(b) Performance Goals. The Committee or the Board may set Performance Goals which, depending on the extent to which they are met during a Performance Period, will determine the number of Performance Shares or Performance Units that will be delivered to a Participant at the end of the Performance Period. The Performance Goals may be set at threshold, target, and maximum performance levels, and the number of Performance Shares or Performance Units to be delivered may be tied to the degree of attainment of the various performance levels specified under the various Performance Goals during the Performance Period, which may not be less than one year. No payment shall be made with respect to a Performance Award if any specified threshold performance level is not attained.

(c) Beneficial Ownership. A Participant receiving a Performance Award shall not have any beneficial ownership in any Shares subject to such Award until Shares are delivered in satisfaction of the Award, nor shall the Participant have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Performance Award or any interest therein. Except as required by any law, neither the Performance Award nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Participant, whether as the direct or indirect result of any action of the Participant or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

(d) Determination of Achievement of Performance Awards. The Committee or the Board shall, promptly after the date on which the necessary financial, individual or other information

for a particular Performance Period becomes available, determine and certify the degree to which each of the Performance Goals have been attained.

(e) Payment of Performance Awards. After the applicable Performance Period has ended, a recipient of a Performance Award shall be entitled to payment based on the performance level attained with respect to the Performance Goals applicable to the Performance Award. Performance Awards shall be settled as soon as practicable after the Committee or Board determines and certifies the degree of attainment of Performance Goals for the Performance Period. Subject to the terms and conditions of the Grant Documents, payment to a Participant with respect to a Performance Award may be made (a) in Shares, (b) in cash, or (c) any combination of Shares and cash, as the Committee or the Board may determine at any time in their sole discretion.

(f) Limitation on Rights/Withholding. A recipient of a Performance Award is not entitled to any rights of a holder of the Shares (e.g. voting rights), prior to the receipt of such Shares pursuant to the Plan. No dividends, dividend equivalents or other similar payments shall be payable in respect of an outstanding Performance Award. The Committee or the Board may withhold, in accordance with Section 17(f) hereof, any amounts necessary to collect any withholding taxes upon any taxable event relating to Performance Awards.

10. Other Stock Unit Awards. Other Awards of Shares and other Awards that are valued in whole or in part by reference to, or are otherwise based on, Shares or other property ("Other Stock Unit Awards") may be granted hereunder to Participants, either alone or in addition to other Awards granted under the Plan. Other Stock Unit Awards may be paid in Shares, cash or any other form of property as the Committee or the Board may determine. Subject to the provisions of the Plan, the Committee or the Board shall have sole and complete authority to determine the Associates to whom such Awards shall be made, the times at which such Awards shall be made, the number of Shares to be granted pursuant to such Awards, and all other terms and conditions of such Awards. The provisions of Other Stock Unit Awards need not be the same with respect to each Participant. For any Award or Shares subject to any Award made under this Section 10, the vesting of which is conditioned only on the passage of time, such Restriction Period shall be a minimum of two (2) years for full vesting. Shares (including securities convertible into Shares) subject to Awards granted under this Section 10 may be issued for no cash consideration or for such minimum consideration as may be required by applicable law. No dividends, dividend equivalents or other similar payments shall be payable in respect of an outstanding Other Stock Unit Award.

11. Change in Control. Notwithstanding any other provision of the Plan to the contrary, upon the occurrence of a transaction involving the consummation of a reorganization, merger, consolidation or similar transaction involving the Company (other than a reorganization, merger, consolidation or similar transaction in which the Company's shareholders immediately prior to such transaction own more than 50% of the combined voting power entitled to vote in the election of directors of the surviving corporation), a sale of all or substantially all of its assets, the liquidation or dissolution of the Company, the acquisition of a significant percentage, which shall be no less than beneficial ownership (within the meaning of Rule 13d-3 under the Act) of 20%, of the voting power of the Company, (each a "Change in Control Event"), which shall not include preliminary transaction activities such as receipt of a letter of interest, receipt of a letter of intent or an agreement in principle, each outstanding Award will be treated as the Committee or Board may determine (subject to the provisions of the following paragraph), without a Participant's consent, including, without limitation, that (A) Awards will be assumed, or substantially equivalent Awards will be substituted, by the acquiring or succeeding corporation (or affiliate thereof), with appropriate adjustments as to the number and kind of shares and prices; (B) upon written or electronic notice to a Participant, that the Participant's Awards will terminate upon or immediately prior to the consummation of such Change in Control Event; (C) that, to the extent the Committee or Board may determine, in whole or in part prior to or upon consummation of such Change in Control Event, (i) Options and Stock Appreciation Rights may become immediately exercisable; (ii) restrictions and deferral limitations applicable to any Restricted Stock or Restricted Stock Unit Award may become free of all restrictions and limitations and become fully vested and transferable; (iii) all Performance Awards may be considered to be prorated, and any deferral or other restriction may lapse and such Performance Awards may be immediately settled or distributed (provided, for purposes of clarification, that any Performance Award converted into an Award that provides for service-based vesting will be treated in accordance with clause (ii) of this subsection 11(C)); and (iv) the restrictions and deferral limitations and other conditions applicable to any Other Stock Unit Awards or any other Awards granted under the Plan may lapse and such Other Stock Unit Awards or such other Awards may become free of all restrictions, limitations or conditions and become fully vested and transferable to the full extent of the Award not previously forfeited or vested; (D) the termination of an Award in exchange for an amount equal to the excess of the fair market value of the Shares subject

to the Award immediately prior to the occurrence of such transaction (which shall be no less than the value being paid for such Shares pursuant to such transaction as determined by the Committee or Board) over the Exercise Price or Strike Price, if applicable, of such Award, with such amount payable in cash, in one or more of the kinds of property payable in such transaction, or in a combination thereof, as the Committee or Board in their discretion shall determine, or (E) any combination of the foregoing. In taking any of the actions permitted by this Section 11, the Committee or Board will not be obligated to treat all Awards, all Awards held by a Participant, or all Awards of the same type, similarly. Notwithstanding the definition of Change in Control Event above in this Section 11, to the extent required to avoid the adverse tax consequences under Section 409A of the Code, a Change in Control Event shall be deemed to occur only to the extent it also meets the requirements for a change in control event for purposes of Section 409A of the Code.

In the event that the successor corporation does not assume or substitute for the Award (or portion thereof), (i) Options and Stock Appreciation Rights will vest and become immediately exercisable; (ii) restrictions and deferral limitations applicable to any Restricted Stock or Restricted Stock Unit Award will become free of all restrictions and limitations and become fully vested and transferable; (iii) all Performance Awards will be considered to be prorated, and any deferral or other restriction will lapse and such Performance Awards will be immediately settled or distributed; and (iv) the restrictions and deferral limitations and other conditions applicable to any Other Stock Unit Awards or any other Awards granted under the Plan will lapse and such Other Stock Unit Awards or such other Awards will become free of all restrictions, limitations or conditions and become fully vested and transferable to the full extent of the Award not previously forfeited or vested. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control Event, the Committee or Board will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Committee or Board in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this Section 11, an Award will be considered assumed if, following the Change in Control Event, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control Event, the consideration (whether stock, cash, or other securities or property) received in the Change in Control Event by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control Event is not solely common stock of the successor corporation or its parent entity, the Committee or Board may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of any other Award, for each Share subject to such Award, to be solely common stock of the successor corporation or its parent entity equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control Event.

Notwithstanding anything in this Section 11 to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more Performance Goals will not be considered assumed if the Company or its successor modifies any of such Performance Goals without the Participant's consent; provided, however, a modification to such Performance Goals only to reflect the successor corporation's post-Change in Control Event corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

12. Clawback. All Awards granted pursuant to this Plan are subject to the Company's "clawback policy" as may be in effect at the time.

13. Transferability of Awards.

(a) Incentive Stock Options granted under the Plan shall not be transferred by a Participant, except by will or by the laws of descent and distribution.

(b) Other Awards (subject to the limitations in paragraph (c) below) granted under the Plan may be transferred by a Participant to: (i) the Participant's family members (whether related by blood, marriage, or adoption and including a former spouse); (ii) trust(s) in which the Participant's family members have a greater than 50% beneficial interest; (iii) trusts, including but not limited to charitable remainder trusts, or similar vehicles established for estate planning and/or charitable giving purposes; and (iv) family partnerships and/or family limited liability companies which are controlled by the Participant or the Participant's family members, such transfers being permitted to occur by gift or pursuant to a domestic relation order, or, only in the case of transfers to the entities described in clauses (i), (ii) and (iii)

immediately above, for value. The Committee or Board, or their authorized designees may, in their sole discretion, permit transfers of Awards to other persons or entities upon the request of a Participant; provided, however, that such Awards may not be transferred to a third party financial institution for value, including as collateral. Subsequent transfers of previously transferred Awards may only be made to one of the permitted transferees named above, unless the subsequent transfer has been approved by the Committee or the Board, or their authorized designee(s). Otherwise, such transferred Awards may be transferred only by will or the laws of descent and distribution.

(c) Notwithstanding the foregoing, if at the time any Option is transferred as permitted under this Section 13, a corresponding Stock Appreciation Right has been identified as being granted in tandem with such Option, then the transfer of such Option shall also constitute a transfer of the corresponding Stock Appreciation Right, and such Stock Appreciation Right shall not be transferable other than as part of the transfer of the Option to which it relates.

(d) Concurrently with any transfer, the transferor shall give written notice to the Plan's then-current Plan administrator of the name and address of the transferee, the number of Shares being transferred, the Date of Grant of the Awards being transferred, and such other information as may reasonably be required by the administrator. Following a transfer, any such Awards shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. The provisions of the Plan and applicable Grant Documents shall continue to be applied with respect to the original Participant, and such Awards shall be exercisable by the transferee only to the extent that they could have been exercised by the Participant under the terms of the original Grant Documents. The Company disclaims any obligation to provide notice to a transferee of any termination or expiration of a transferred Award.

14. Code Section 162(m) Provisions and Award Limitations.

(a) Notwithstanding any other provision of the Plan, (i) to the extent Awards to salaried employees (each an "eligible employee" for purposes of Code Section 162(m) and the Treasury Regulations thereunder with regard to stockholder approval of the material terms of the Performance Goals) are intended to be Qualified Performance-Based Awards; or (ii) if the Committee determines at the time any Award is granted to a salaried employee who is, or who may be as of the end of the tax year in which the Company would claim a tax deduction in connection with such Award, a Covered Associate, then the Committee may provide that this Section 14 is applicable to such Award.

(b) If an Award is subject to this Section 14, then the lapsing of restrictions thereon and the distribution of cash, Shares or other property pursuant thereto, as applicable, shall be subject to the achievement or attainment of one or more objective Performance Goals as determined by the Committee, using one or more Performance Measures also as determined by the Committee. Such Performance Goals shall be established by the Committee no later than 90 days after the beginning of the Performance Period to which the Performance Goals pertain and while the attainment of the Performance Goals is substantially uncertain, and in any event no later than the date on which 25% of the Performance Period has elapsed.

(c) Notwithstanding any provision of this Plan (other than Section 11 or 15), with respect to any Award that is subject to this Section 14, the Committee may adjust downwards, but not upwards, the amount payable pursuant to such Award, and the Committee may not waive the achievement of the applicable Performance Goals except in the case of the death or disability of the Participant.

(d) The Committee shall have the power to impose such other restrictions on Awards subject to this Section 14 as it may deem necessary or appropriate to ensure that such Awards satisfy all requirements for "performance-based compensation" within the meaning of Section 162(m)(4)(C) of the Code, or any successor provision thereto. Whenever the Committee determines that it is advisable to grant or pay Awards that do not qualify as Qualified

Performance-Based Awards, the Committee may make grants or payments without satisfying the requirements of Code Section 162(m).

(e) Notwithstanding any provision of this Plan other than Section 16, commencing with calendar year 2005, (i) no Participant may be granted in any twelve (12) month period an aggregate amount of Options and/or Stock Appreciation Rights with respect to more than 400,000 Shares, and (ii) no Participant may be granted in any twelve (12) month period an aggregate amount of Restricted Stock Awards, Restricted Stock Unit Awards, Performance Awards or Other Stock Unit Awards, with respect to more than 400,000 Shares (or cash amounts based on the value of more than 400,000 Shares).

(f) Notwithstanding any provision of this Plan other than Section 16, commencing with calendar year 2015, no non-employee director of the Company may be granted in any twelve (12) month period an aggregate amount of equity having a value of more than \$400,000 on the date of grant, under this Plan or any other equity compensation plan sponsored by the Company.

15. Alteration, Termination, Discontinuance, Suspension, and Amendment.

(a) The Committee or the Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without (i) stockholder approval if such approval is necessary to qualify for or comply with any tax or regulatory requirement for which or with which the Committee or Board deems it necessary or desirable to qualify or comply; or (ii) the consent of the affected Participant, if such action would impair the rights of such Participant under any outstanding Award. Notwithstanding anything to the contrary herein, the Committee or the Board may make technical amendments to the Plan as may be necessary so as to have the Plan conform to any Legal Requirements in any jurisdiction within or outside the United States, so long as stockholder approval of such technical amendments is not required.

(b) The Committee or Board may amend the terms of any outstanding Award, prospectively or retroactively, except to the extent that such action would cause an Award subject to Section 14 not to qualify for the exemption from the limitation on deductibility imposed by Section 162(m)(4)(c) of the Code, and except that no such amendment shall impair the rights of any Participant without his or her consent. Subject to the requirements of paragraph (c) below, the Committee or Board may, without the consent of the Participant, amend any Grant Documents evidencing an Option or Stock Appreciation Right granted under the Plan, or otherwise take action, to accelerate the time or times at which an Option or Stock Appreciation Right may be exercised; to waive any other condition or restriction applicable to an Award or to the exercise of an Option or Stock Appreciation Right; to amend the definition of a change in control of the Company (if such a definition is contained in such Grant Documents) to expand the events that would result in a change in control and to add a change in control provision to such Grant Documents (if such provision is not contained in such Grant Documents); and may amend any such Grant Documents in any other respect with the consent of the Participant.

(c) If an amendment would (i) materially increase the benefits to participants under the Plan, (ii) increase the aggregate number of Shares that may be issued under the Plan, or (iii) materially modify the requirements for participation in the Plan by materially increasing the class or number of persons eligible to participate in the Plan, then such amendment shall be subject to stockholder approval.

(d) If required by any Legal Requirement, any amendment to the Plan or any Award will also be submitted to and approved by the requisite vote of the stockholders of the Company. If any Legal Requirement requires the Plan to be amended, or in the event any Legal Requirement is amended or supplemented (e.g., by addition of alternative rules) to permit the Company to remove or lessen any restrictions on or with respect to an Award, the Board and the Committee each reserve the right to amend the Plan or any Grant Documents

evidencing an Award to the extent of any such requirement, amendment or supplement, and all Awards then outstanding will be subject to such amendment.

(e) Notwithstanding any provision of the Plan to the contrary, the Committee or the Board may not, without prior approval of the stockholders of the Company, reprice any outstanding Option and/or Stock Appreciation Rights by either lowering the Exercise Price thereof or canceling such outstanding Option and/or Stock Appreciation Rights in consideration of a grant having a lower Exercise Price or in exchange for awards or cash considerations. This paragraph 15(e) is intended to prohibit the repricing of "underwater" Options without prior stockholder approval and shall not be construed to prohibit the adjustments provided for in Section 16 hereof.

(f) The Plan may be terminated at any time by action of the Board. The termination of the Plan will not adversely affect the terms of any outstanding Award.

16. Adjustment of Shares: Effect of Certain Transactions. Notwithstanding any other provision of the Plan to the contrary, in the event of any change affecting the Shares subject to the Plan or any Award (through merger, consolidation, reorganization, recapitalization, dividend or other distribution (whether in the form of cash, Shares, other securities or other property), stock split, split-up, split-off, spin-off, combination of shares, exchange of shares, issuance of rights to subscribe, or other change in capital structure of the Company), appropriate adjustments or substitutions shall be made by the Committee or the Board as to the (i) Total Shares subject to the Plan, (ii) maximum number of Shares for which Awards may be granted to any one Associate, (iii) number of Shares and price per Share subject to outstanding Awards, and (iv) class of shares of stock that may be delivered under the Plan and/or each outstanding Award, as shall be equitable to prevent dilution or enlargement of rights under previously granted Awards. The determination of the Committee or Board as to these matters shall be conclusive; provided, however, that (i) any such adjustment with respect to an Incentive Stock Option and any related Stock Appreciation Right shall comply with the rules of Section 424(a) of the Code; and (ii) in no event shall any adjustment be made which would disqualify any Incentive Stock Option granted hereunder as an Incentive Stock Option for purposes of Section 422 of the Code.

17. General Provisions.

(a) No Associate or Participant shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Associates or Participants under the Plan.

(b) Except to the extent that such action would cause an Award subject to Section 14 not to qualify for the exemption from the limitation on deductibility imposed by Section 162(m)(4)(c) of the Code, the Committee or Board shall be authorized to make adjustments in performance award criteria or in the terms and conditions of other Awards in recognition of unusual or nonrecurring events affecting the Company or its financial statements or changes in applicable laws, regulations or accounting principles. The Committee or Board may correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry it into effect. In the event the Company shall assume outstanding employee benefit awards or the right or obligation to make future such awards in connection with the acquisition of or combination with another corporation or business entity, the Committee or Board may, in their discretion, make such adjustments in the terms of Awards under the Plan as it shall deem appropriate.

(c) All certificates for Shares delivered under the Plan pursuant to any Award shall be subject to such stock transfer orders and other restrictions as the Committee or Board may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Shares are then listed, and any applicable state or Federal securities law, and the Committee or Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(d) No Award granted hereunder shall be construed as an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Committee or the Board in their sole discretion has determined that any such offer, if made, would be in compliance

with all applicable requirements of the U.S. Federal securities laws and any other Legal Requirements to which such offer, if made, would be subject.

(e) The Committee or the Board shall be authorized to establish procedures pursuant to which the payment of any Award may be deferred.

(f) The Company shall be authorized to withhold from any Award granted or payment due under the Plan the amount of withholding taxes due in respect of an Award or payment hereunder and to take such other action as may be necessary in the opinion of the Plan administrator to satisfy all obligations for the payment of such taxes, not to exceed the statutory minimum withholding obligation. The Committee or Board shall be authorized to establish procedures for election by Participants to satisfy such obligations for the payment of such taxes (i) by delivery of or transfer of Shares to the Company, (ii) with the consent of the Committee or the Board, by directing the Company to retain Shares otherwise deliverable in connection with the Award, (iii) by payment in cash of the amount to be withheld, or (iv) by withholding from any cash compensation otherwise due to the Participant.

(g) Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to stockholder approval if required, and such arrangements may be either generally applicable or applicable only in specific cases.

(h) The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the state of Delaware and applicable Federal law.

(i) If any provision of this Plan is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any Award under any law deemed applicable by the Committee or the Board, such provision shall be construed or deemed amended to conform to applicable law, or if it cannot be construed or deemed amended without, in the determination of the Committee or the Board, materially altering the intent of the Plan, it shall be stricken, and the remainder of the Plan shall remain in full force and effect.

(j) Awards may be granted to Participants who are foreign nationals or employed outside the United States, or both, on such terms and conditions different from those applicable to Awards to Employees employed in the United States as may, in the judgment of the Committee or the Board, be necessary or desirable in order to recognize differences in local law or tax policy. The Committee or Board also may impose conditions on the exercise or vesting of Awards in order to minimize the Company's obligations with respect to tax equalization for Associates on assignments outside their home country.

(k) No Award shall be granted or exercised if the grant of the Award or the exercise and the issuance of shares or other consideration pursuant thereto would be contrary to the Legal Requirements of any duly constituted authority having jurisdiction.

(l) The Plan will not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary or Affiliated Company, nor will it interfere in any way with any right the Company or any Subsidiary or Affiliated Company would otherwise have to terminate a Participant's employment or other service at any time.

(m) Employees and directors of the Company and its Subsidiaries who are based in the United Kingdom may be granted Awards pursuant to the terms of the UK Addendum. Grants made pursuant to the UK Addendum shall be subject to the terms and conditions of the Plan, unless otherwise provided in the UK Addendum.

Schedule A

UK Addendum

1. Purpose and eligibility

The purpose of this addendum to the Plan (the "**UK Addendum**") is to enable the Board to grant Awards to certain employees and directors of Acxiom Corporation (the "**Company**") and its Subsidiaries who are based in the United Kingdom. Awards (which will be unapproved for UK tax purposes) may only be granted under the UK Addendum to employees and directors of the Company and its Subsidiaries. Awards granted pursuant to the UK Addendum are granted pursuant to an "**employees' share scheme**" for the purposes of the Financial Services and Markets Act 2000.

2. Definitions

Definitions are as contained in Section 2 of the Plan, with the following additions, amendments or substitutions:

- (a) The definition of "**Associate**" shall be deleted and the word "**Employee**" shall be substituted therefor throughout the Plan.
- (b) "**Control**" (for the purposes of the definition of "**Subsidiary**", below) has the meaning contained in section 995 Income Tax Act 2007.
- (c) "**Employee**" shall mean any employee or director of the Company or its Subsidiaries.
- (d) "**HMRC**" means the UK HM Revenue & Customs.
- (e) "**ITEPA**" means the Income Tax (Earnings and Pensions) Act 2003.
- (f) "**PAYE**" means the UK Pay-As-You-Earn income tax withholding system governed by the Income Tax (PAYE) Regulations 2003.
- (g) "**Service**" means service as an Employee, subject to such further limitations as may be set forth in the applicable Stock Option Agreement or Restricted Share Agreement. Service shall be deemed to continue during a bona fide leave of absence approved by the Company in writing if and to the extent that continued crediting of Service for purposes of the Plan is expressly required by the terms of such leave or by applicable law, as determined by the Company. The Company determines which leaves count toward Service, and when Service terminates for all purposes under the Plan.
- (h) The definition of "**Subsidiary**" shall be restated in its entirety as follows: "**Subsidiary**" shall mean a company (wherever incorporated) which for the time being is under the Control of the Company.

3. Terms

Awards granted pursuant to the UK Addendum shall be governed by the terms of the Plan, subject to any such amendments set out below and as are necessary to give effect to Section 1 of the UK Addendum, and by the terms of the individual Award Agreement entered into between the Company and the Participant.

4. Participation

For the purpose of granting awards pursuant to the Plan to UK Employees only, the Plan shall be amended by the substitution of the word "Employee" for the word "Associate" throughout.

5. Non-transferability of Awards

An Award granted pursuant to the UK Addendum may not be transferred other than by the laws of intestacy on death of the Participant.

6. Withholding obligations

- 6.1 The Participant shall be accountable for any income tax and, subject to the following provisions, national insurance liability which is **chargeable** on any assessable income deriving from the exercise of, or other dealing in, the Award. In respect of such assessable income the Participant shall indemnify the Company and

(at the direction of the Company) any Subsidiary which is or may be treated as the employer of the Participant in respect of the following (together, the "**Tax Liabilities**"):

- (a) any income tax liability which falls to be paid to HMRC by the Company (or the relevant employing Subsidiary) under the PAYE system as it applies to income tax under ITEPA and the PAYE regulations referred to in it; and
- (b) any national insurance liability which falls to be paid to HMRC by the Company (or the relevant employing Subsidiary) under the PAYE system as it applies for national insurance purposes under the Social Security Contributions and Benefits Act 1992 and regulations referred to in it, such national insurance liability being the aggregate of:
 - (i) all the Employee's primary Class 1 national insurance contributions; and
 - (ii) all the employer's secondary Class 1 national insurance contributions.

6.2 Pursuant to the indemnity referred to in clause 6.1, the Participant shall make such arrangements as the Company requires to meet the cost of the Tax Liabilities, including at the direction of the Company any of the following:

- (a) making a cash payment of an appropriate amount to the relevant company whether by cheque, banker's draft or deduction from salary in time to enable the company to remit such amount to HMRC before the 14th day following the end of the month in which the event giving rise to the Tax Liabilities occurred; or
- (b) appointing the Company as agent and/or attorney for the sale of sufficient Shares acquired pursuant to the exercise of, or other dealing in, the Award to cover the Tax Liabilities and authorising the payment to the relevant company of the appropriate amount (including all reasonable fees, commissions and expenses incurred by the relevant company in relation to such sale) out of the net proceeds of sale of the Shares;
- (c) entering into an election whereby the employer's liability for secondary Class 1 national insurance contributions is transferred to the Participant on terms set out in the election and approved by HMRC.

7. **Section 431 Election**

Where the Shares to be acquired on the exercise of, or other dealing in, the Award are considered to be "restricted securities" for the purposes of the UK tax legislation (such determination to be at the sole discretion of the Company), it is a condition of exercise or acquisition of the Shares that the Participant if so directed by the Company enter into a joint election with the Company or, if different, the relevant Subsidiary employing the Participant pursuant to section 431 ITEPA electing that the market value of the Shares to be acquired on the exercise of, or other dealing in, the Award be calculated as if the Shares were not "**restricted securities**".

Adopted by the Compensation Committee on

February 14, 2012

**2018 EQUITY COMPENSATION PLAN
OF
PACIFIC DATA PARTNERS LLC**

1. Establishment and Purpose. This 2018 Equity Compensation Plan of Pacific Data Partners LLC (the "Plan") was established in order to facilitate the proposed acquisition of Pacific Data Partners LLC (the "Company") by Acxiom Corporation ("Parent"), through its wholly-owned subsidiary, LiveRamp, Inc. (the "Acquiror") (the "Acquisition"). The Plan is effective as of immediately prior to the closing of the Acquisition and conditioned upon the consummation of the Acquisition. The expectation is that upon closing of the Acquisition that Parent will assume all Awards granted under the Plan. The purpose of the Plan is to enhance the value of the Acquisition for Parent and Acquiror and concurrently provide meaningful incentives for the Company's majority owners to cause the Company following the closing of the Acquisition to achieve substantial performance goals.

2. Definitions. The following capitalized terms, when used in the Plan, have the following meanings:

(a) "Act" means the Securities Exchange Act of 1934, as amended and in effect from time to time.

(b) "Affiliated Company" means any corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity in which the Company or any of its Subsidiaries has an ownership interest.

(c) "Associate" means any employee, officer (whether or not also a Manager), Manager, affiliate, independent contractor or consultant of the Company, a Subsidiary or an Affiliated Company who renders those types of services which tend to contribute to the success of the Company, its Subsidiaries or its Affiliated Companies, or which may reasonably be anticipated to contribute to the future success of the Company, its Subsidiaries or its Affiliated Companies.

(d) "Award" means the grant, pursuant to the Plan, of any Restricted Unit Award, Performance Awards or Other Class A Unit Award. The terms and conditions applicable to an Award shall be set forth in applicable Grant Documents.

(e) "Award Agreement" means any written or electronic agreement, contract, or other document or instrument evidencing any Award granted by the Committee or the Board hereunder, which may, but need not, be executed or acknowledged by both the Company and the Participant.

(f) "Board" means (i) prior to the closing of the Acquisition, the Managers, and (ii) following the closing of the Acquisition, the Board of Directors of Parent (as well as any successor to the Board of Directors of Parent).

(g) "Class A Units" shall have the same meaning as set forth in the Operating Agreement, or any security into which such Class A Units may be changed by reason of any transaction or event of the type described in Section 13 of the Plan. Following the closing of the Acquisition, references to Class A Units will mean the common stock of Parent, par value \$0.10 per share, or any security into which such common stock may be changed by reason of any transaction or event of the type described in Section 13 of the Plan ("Common Stock").

(h) "Code" means the Internal Revenue Code of 1986, as amended and in effect from time to time.

- (i) "Committee" means (i) prior to the closing of the Acquisition, the Compensation Committee of the Managers (as well as any successor to the Compensation Committee and any Company officers to whom authority has been lawfully delegated by the Compensation Committee), and (ii) following the closing of the Acquisition, the Compensation Committee of the Board of Directors of Parent (as well as any successor to the Compensation Committee and any officers of Parent to whom authority has been lawfully delegated by the Compensation Committee of the Board of Directors of Parent).
- (j) "Date of Grant" means the date specified by the Committee or the Board, as applicable, on which a grant of an Award will become effective, but in all instances will occur prior to the closing of the Acquisition.
- (k) "Fair Market Value" means the per unit fair market value of the Class A Units as established in good faith by the Board. Following the closing of the Acquisition, "Fair Market Value" will mean, as of any applicable determination date or for any applicable determination period, the closing price of the Common Stock as reported by Nasdaq (or any other stock exchange upon which the Common Stock may be listed for trading).
- (l) "Grant Documents" means any written or electronic Award Agreement, memorandum, notice, and/or other document or instrument evidencing the terms and conditions of the grant of an Award by the Committee or the Board under the Plan, which may, but need not, be executed or acknowledged by both the Company and the Participant.
- (m) "Legal Requirements" means any laws, or any rules or regulations issued or promulgated by the Internal Revenue Service, the Securities and Exchange Commission, the Financial Industry Regulatory Authority, Nasdaq (or any other stock exchange upon which the Class A Units or, following the closing of the Acquisition, Common Stock, may be listed for trading), or any other governmental or quasi-governmental agency having jurisdiction over the Company or the Plan.
- (n) "Managers" shall have the same meaning as set forth in the Operating Agreement.
- (o) "Operating Agreement" means the Amended and Restated Limited Liability Company Agreement of Pacific Data Partners LLC effective as of March 1, 2017.
- (p) "Other Class A Unit Award" means any right granted to a Participant by the Committee or Board pursuant to Section 8 hereof.
- (q) "Participant" means an Associate who is selected by the Committee or the Board to receive an Award under the Plan.
- (r) "Performance Award" means any Award of Performance Class A Units or Performance Units pursuant to Section 7 hereof.
- (s) "Performance Goals" means the pre-established objective performance goals established by the Committee for each Performance Period in a Grant Document. The Performance Goals may be based upon the performance of the Company (or a division, organization or other business unit thereof), a Subsidiary, an Affiliated Company, or of an individual Participant, using one or more of the Performance Measures selected by the Committee in its discretion. Performance Goals may be set at a specific level, or may be expressed as a relative percentage to the comparable measure at comparison companies or a defined index. Performance Goals shall, to the extent applicable, be based upon generally accepted accounting principles, but shall be adjusted by the Committee to take into account the effect of the following: changes in accounting standards that may be required
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by the Financial Accounting Standards Board after the Performance Goal is established; realized investment gains and losses; extraordinary, unusual, non-recurring, or infrequent items; "non-GAAP financial measures" that have been included in the Company's quarterly earnings releases and disclosed to investors in accordance with SEC regulations; and other items as the Committee determines to be required so that the operating results of the Company (or a division, organization or other business unit thereof), a Subsidiary or an Affiliated Company shall be computed on a comparative basis from Performance Period to Performance Period. Determinations made by the Committee shall be based on relevant objective information and/or financial data, and shall be final and conclusive with respect to all affected parties.

(t) "Performance Measures" means one or more of the following criteria, on which Performance Goals may be based: (a) earnings (either in the aggregate or on a per-unit basis, reflecting dilution of Class A Units as the Committee deems appropriate and, if the Committee so determines, net of or including dividends) before or after interest and taxes ("EBIT") or before or after interest, taxes, depreciation, and amortization ("EBITDA"); (b) gross or net revenue or changes in annual revenues; (c) cash flow(s) (including operating, free or net cash flows); (d) financial return ratios; (e) total stockholder return, stockholder return based on growth measures or the attainment by the Class A Units of a specified value for a specified period of time, (f) Class A Unit price, or Class A Unit price appreciation; (g) earnings growth or growth in earnings per Class A Unit; (h) return measures, including return or net return on assets, net assets, equity, capital, investment, or gross sales; (i) adjusted pre-tax margin; (j) pre-tax profits; (k) operating margins; (l) operating profits; (m) operating expenses; (n) dividends; (o) net income or net operating income; (p) growth in operating earnings or growth in earnings per Class A Unit; (q) value of assets; (r) market share or market penetration with respect to specific designated products or product groups and/or specific geographic areas; (s) aggregate product price and other product measures; (t) expense or cost levels, in each case, where applicable, determined either on a company-wide basis or in respect of any one or more specified divisions; (u) reduction of losses, loss ratios or expense ratios; (v) reduction in fixed costs; (w) operating cost management; (x) cost of capital; (y) debt reduction; (z) productivity improvements; (aa) satisfaction of specified business expansion goals or goals relating to acquisitions or divestitures; (bb) customer satisfaction based on specified objective goals or a Company-sponsored customer survey; or (cc) Associate diversity goals.

Performance Measures may be applied on a pre-tax or post-tax basis, and may be based upon the performance of the Company (or a division, organization or other business unit thereof), a Subsidiary, an Affiliated Company, or of an individual Participant. The Committee may, at any time, provide that the Performance Goals for such Award may include or exclude items to measure specific objectives, such as losses from discontinued operations, extraordinary gains or losses, the cumulative effect of accounting changes, acquisitions or divestitures, foreign exchange impacts, and any unusual nonrecurring gain or loss.

(u) "Performance Period" means that period established by the Committee or the Board at the time any Award is granted or at any time thereafter during which any performance goals specified by the Committee or the Board with respect to such Award are to be measured.

(v) "Performance Class A Unit" means any grant pursuant to Section 7 hereof of a right to receive the value of a Class A Unit, or a portion or multiple thereof, which value may be paid to the Participant by delivery of such property as the Committee or Board shall determine, including, without limitation, cash, Class A Units, or any combination thereof, upon achievement of such performance goals during the Performance Period as the Committee or the Board shall establish at the time of such grant or thereafter.

(w) "Performance Unit" means any grant pursuant to Section 7 hereof of a right to receive the value of property other than a Class A Unit, or a portion or multiple thereof, which value may be paid to the Participant by delivery of such property as the Committee or Board shall determine, including, without limitation, cash, Class A Units, or any combination thereof, upon achievement of such Performance Goals during the Performance Period as the Committee or the Board shall establish at the time of such grant or thereafter.

(x) "Restricted Unit" means a right awarded to a Participant that, subject to Section 6, may result in the Participant's ownership of Class A Units upon, but not before, the lapse of restrictions related thereto.

(y) "Restriction Period" means the period of time specified by the Committee or Board pursuant to Sections 6 and 8 below.

(z) "Rule 16b-3" means Rule 16b-3 under Section 16 of the Act, as such Rule may be in effect from time to time.

(aa) "Subsidiary" means any corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity in which the Company owns or controls, directly or indirectly, not less than 50% of the total combined voting power or equity interests represented by all classes of stock, membership or other interests issued by such corporation, limited liability company, partnership, limited liability partnership, joint venture or other entity.

3. Administration. The Plan shall be administered by the Committee and the Board. Except as otherwise provided herein, each of the Committee or the Board has the full authority and discretion to administer the Plan, and to take any action that is necessary or advisable in connection with the administration of the Plan including, without limitation, the authority and discretion to:

(a) select the Associates eligible to become Participants under the Plan;

(b) determine whether and to what extent Awards are to be granted;

(c) determine the number of Class A Units to be covered by each grant;

(d) determine the terms and conditions, not inconsistent with the terms of the Plan, of any grant hereunder (including, but not limited to, the term of the Award and any restriction, limitation, procedure, or deferral related thereto, provisions relating to the effect upon the Award of a Participant's cessation of employment, acceleration of vesting, forfeiture provisions regarding an Award and/or the profits received by any Participant from receiving an Award, and any other terms and conditions regarding any Award, based in each case upon such guidelines and factors as the Committee or Board shall determine from time to time in their sole discretion);

(e) determine whether, to what extent and under what circumstances grants under the Plan are to be made and operate, whether on a tandem basis or otherwise, with other grants or awards (whether equity or cash based) made by the Company under or outside of the Plan; and

(f) delegate to one or more officers of the Company the right to grant Awards under the Plan, provided that such delegation is made in accordance with the provisions of applicable state and federal laws.

Each of the Committee and the Board shall have the authority to adopt, alter and repeal such rules, guidelines and practices governing the Plan as it shall from time to time deem advisable; to interpret the terms and provisions of the Plan and any Award granted thereunder (and any Grant Documents relating thereto); and to otherwise supervise the administration of the Plan.

Each of the Committee and the Board shall also have the authority to provide, in their discretion, for the rescission, forfeiture, cancellation or other restriction of any Award granted under the Plan, or for the forfeiture, rescission or repayment to the Company by a Participant or former Participant of any profits or gains related to any Award granted hereunder, or other limitations, upon the occurrence of such prescribed events and under such circumstances as the Committee or the Board shall deem necessary and reasonable for the benefit of the Company; provided, however, that this provision shall have no application after a Change in Control Event (as defined below in Section 9) has occurred.

All decisions made by the Committee and the Board pursuant to the provisions of the Plan shall be made in the Committee's or Board's sole discretion and shall be final and binding on all persons including the Company and any Participant. No member of the Committee or Board will be liable for any such action taken or omitted to be taken or determination made in good faith.

4. Class A Units Subject to the Plan.

(a) A number of Class A Units ("Total Class A Units") will be reserved under, and may be issued pursuant to, the Plan necessary to satisfy any obligations with respect to outstanding Awards granted under the Plan. Following the closing of the Acquisition, Common Stock may consist, in whole or in part, of authorized and unissued shares or treasury shares, as determined in the discretion of the Committee or the Board.

(b) To the extent any Class A Units subject to an Award are not delivered to a Participant because such Class A Units are used to satisfy an applicable tax withholding obligation, such Class A Units that are not delivered shall be deemed delivered and shall not thereafter be available for delivery in connection with Awards.

(c) Class A Units available for issuance or reissuance under the Plan will be subject to adjustment as provided in Section 13 below.

5. Eligible Participants. All Associates shall be eligible to receive Awards and thereby become Participants in the Plan, regardless of such Associate's prior participation in the Plan or any other benefit plan.

6. Restricted Unit Awards.

(a) Issuance. A Restricted Unit Award shall be subject to restrictions imposed by the Committee or the Board during a period of time specified by the Committee or Board (the "Restriction Period"). Restricted Unit Awards may be issued hereunder to Participants for no cash consideration or for such minimum consideration as may be required by applicable law, either alone or in addition to other Awards granted under the Plan. The provisions of Restricted Unit Awards need not be the same with respect to each Participant.

(b) Restricted Units.

(i) The Company may grant Restricted Units to those Associates as the Committee or the Board may select in its sole discretion. Restricted Units represent the right to receive Class A Units in the future, at such times, and subject to such conditions as the Committee or the Board shall determine. The restrictions imposed shall take into account potential tax treatment under Code Section 409A.

(ii) Until the Restricted Unit is released from restrictions and any Class A Units subject thereto are delivered to the Participant, the Participant shall not have any beneficial ownership in any Class A Units subject to the

Restricted Unit, nor shall the Participant have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Restricted Unit or any interest therein. Except as required by any law, no Restricted Unit nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Participant, whether as the direct or indirect result of any action of the Participant or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

(iii) Upon the lapse of the restrictions, the Participant holder of Restricted Units shall, except as noted below, be entitled to receive, as soon as administratively practical, (a) that number of Class A Units subject to the Award that are no longer subject to restrictions, (b) cash in an amount equal to the Fair Market Value of the number of Class A Units subject to the Award that are no longer subject to restrictions, or (c) any combination of Class A Units and cash, in the case of (a) - (c) as the Committee or the Board shall determine in their sole discretion, or shall have specified at the time the Award was granted.

(iv) Restricted Units and the entitlement to Class A Units, cash, or any combination thereunder will be forfeited and all rights of a Participant to such Restricted Units and the Class A Units thereunder will terminate if the applicable restrictions are not satisfied.

(v) A Participant holder of Restricted Units is not entitled to any rights of a holder of the Class A Units (e.g., voting rights), prior to the receipt of such Class A Units pursuant to the Plan. No dividends, dividend equivalents or other similar payments shall be payable in respect of an outstanding Restricted Unit.

(vi) The Committee or the Board may withhold, in accordance with Section 14(f) hereof, any amounts necessary to collect any withholding taxes upon any taxable event relating to any Restricted Units.

(vii) The granting of Restricted Units and the delivery of any Class A Units is subject to compliance by the Company with all applicable Legal Requirements.

(viii) At the time of grant of Restricted Units (or at such earlier or later time as the Committee or the Board determines to be appropriate in light of the provisions of Code Section 409A), the Committee or the Board may permit a Participant to elect to defer receipt of the Class A Units or cash to be delivered upon lapse of the restrictions applicable to the Restricted Units in accordance with rules and procedures that may be established from time to time by the Committee or the Board. Such rules and procedures shall take into account potential tax treatment under Code Section 409A, and may provide for payment in Class A Units or cash.

7. Performance Awards.

(a) Grant. The Company may grant Performance Awards to Associates on any terms and conditions the Committee or the Board deem desirable. Each Award of Performance Awards shall have those terms and conditions that are expressly set forth in, or are required by, the Plan and the Grant Documents.

(b) Performance Goals. The Committee or the Board may set Performance Goals which, depending on the extent to which they are met during a Performance Period, will determine the number of Performance Class A Units or Performance Units that will be delivered to a Participant at the end of the Performance Period. The Performance Goals may be set at threshold, target, and maximum performance levels, and the number of Performance Class A Units or Performance Units to be delivered may be tied to the degree of attainment of the various performance levels specified under the various Performance Goals during the Performance Period. No payment shall be made with respect to a Performance Award if any specified threshold performance level is not attained.

(c) Beneficial Ownership. A Participant receiving a Performance Award shall not have any beneficial ownership in any Class A Units subject to such Award until Class A Units are delivered in satisfaction of the Award, nor shall the Participant have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any Performance Award or any interest therein. Except as required by any law, neither the Performance Award nor any interest therein shall be subject in any manner to any forced or involuntary sale, transfer, conveyance, pledge, hypothecation, encumbrance, or other disposition or to any charge, liability, debt, or obligation of the Participant, whether as the direct or indirect result of any action of the Participant or any action taken in any proceeding, including any proceeding under any bankruptcy or other creditors' rights law. Any action attempting to effect any transaction of that type shall be void.

(d) Determination of Achievement of Performance Awards. The Committee or the Board shall, promptly after the date on which the necessary financial, individual or other information for a particular Performance Period becomes available, determine and certify the degree to which each of the Performance Goals have been attained.

(e) Payment of Performance Awards. After the applicable Performance Period has ended, a recipient of a Performance Award shall be entitled to payment based on the performance level attained with respect to the Performance Goals applicable to the Performance Award. Performance Awards shall be settled as soon as practicable after the Committee or Board determines and certifies the degree of attainment of Performance Goals for the Performance Period. Subject to the terms and conditions of the Grant Documents, payment to a Participant with respect to a Performance Award may be made (a) in Class A Units, (b) in cash, or (c) any combination of Class A Units and cash, in the case of (a) - (c) as the Committee or the Board may determine at any time in their sole discretion.

(f) Limitation on Rights/Withholding. A recipient of a Performance Award is not entitled to any rights of a holder of the Class A Units (e.g. voting rights), prior to the receipt of such Class A Units pursuant to the Plan. No dividends, dividend equivalents or other similar payments shall be payable in respect of an outstanding Performance Award. The Committee or the Board may withhold, in accordance with Section 14(f) hereof, any amounts necessary to collect any withholding taxes upon any taxable event relating to Performance Awards.

8. Other Unit Awards. Other Awards of Class A Units and other Awards that are valued in whole or in part by reference to, or are otherwise based on, Class A Units or other property ("Other Class A Unit Awards") may be granted hereunder to Participants, either alone or in addition to other Awards granted under the Plan. Other Class A Unit Awards may be paid in Class A Units, cash or any other form of property as the Committee or the Board may determine. Subject to the provisions of the Plan, the Committee or the Board shall have sole and complete authority to determine the Associates to whom such Awards shall be made, the times at which such Awards shall be made, the number of Class A Units to be granted pursuant to such Awards, and all other terms and conditions of such Awards. The provisions of Other Class A Unit Awards need not be the same with respect to each Participant. For any Award or Class A Units subject to any Award

made under this Section 8, the vesting of which is conditioned only on the passage of time, such Restriction Period shall be a minimum of two (2) years for full vesting. Class A Units (including securities convertible into Class A Units) subject to Awards granted under this Section 8 may be issued for no cash consideration or for such minimum consideration as may be required by applicable law. No dividends, dividend equivalents or other similar payments shall be payable in respect of an outstanding Other Class A Unit Award.

9. Change in Control. Upon the closing of the Acquisition, Awards granted hereunder will be assumed by Parent. Following the closing of the Acquisition, and notwithstanding any other provision of the Plan to the contrary, a "Change in Control Event" will occur upon the consummation of one or a series of related transactions effecting: (i) the acquisition by a Third Party of at least a majority of the outstanding voting power of Parent (by means of any stock acquisition, merger or similar transaction), other than any transaction where the holders of the Parent voting securities immediately prior thereto retain beneficial ownership of securities that represent immediately after such transaction more than fifty percent (50%) of the total combined voting power of the entity that survives such transaction or the parent of the entity that survives such transaction; or (ii) the sale to a Third Party of all or substantially all of the assets of Parent; provided, that, for the avoidance of doubt, a Change in Control Event shall not include any internal reorganization (including the sale of one or more businesses), spin-off, separation or other similar corporate restructuring of Parent or any of its Subsidiaries. "Third Party" means any person not affiliated with Parent or any of its Subsidiaries prior to the transaction. For avoidance of doubt, a Change in Control Event shall not include preliminary transaction activities such as receipt of a letter of interest, receipt of a letter of intent or an agreement in principle. In connection with a Change in Control Event, each outstanding Award will be assumed, or substantially equivalent Awards will be substituted, by the acquiring or succeeding corporation (or affiliate thereof). Notwithstanding the definition of Change in Control Event above in this Section 9, to the extent required to avoid the adverse tax consequences under Section 409A of the Code, a Change in Control Event shall be deemed to occur only to the extent it also meets the requirements for a change in control event for purposes of Section 409A of the Code.

In the event that the successor corporation does not assume or substitute for the Award (or portion thereof), the Award will be treated as set forth in the applicable Award Agreement.

For the purposes of this Section 9, an Award will be considered assumed if, following the Change in Control Event, the Award confers the right to purchase or receive, for each share of Common Stock subject to the Award immediately prior to the Change in Control Event, the consideration (whether stock, cash, or other securities or property) received in the Change in Control Event by holders of Common Stock for each share of Common Stock held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Common Stock); provided, however, that if such consideration received in the Change in Control Event is not solely common stock of the successor corporation or its parent entity, the Committee or Board may, with the consent of the successor corporation, provide for the consideration to be received upon the payout of any Award, for each share of Common Stock subject to such Award, to be solely common stock of the successor corporation or its parent entity equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control Event.

Notwithstanding anything in this Section 9 to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more Performance Goals will not be considered assumed if the Company or its successor modifies any of such Performance Goals without the Participant's written consent; provided, however, a modification to such Performance Goals only to reflect the successor corporation's post-Change in Control Event corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

10. Clawback. All Awards granted pursuant to this Plan are subject to the Company's "clawback policy" as may be in effect at the time.

11. Transferability of Awards.

(a) Awards granted under the Plan may be transferred by a Participant to: (i) the Participant's family members (whether related by blood, marriage, or adoption and including a former spouse); (ii) trust(s) in which the Participant's family members have a greater than 50% beneficial interest; (iii) trusts, including but not limited to charitable remainder trusts, or similar vehicles established for estate planning and/

or charitable giving purposes; and (iv) family partnerships and/or family limited liability companies which are controlled by the Participant or the Participant's family members, such transfers being permitted to occur by gift or pursuant to a domestic relation order, or, only in the case of transfers to the entities described in clauses (i), (ii) and (iii) immediately above, for value. The Committee or Board, or their authorized designees may, in their sole discretion, permit transfers of Awards to other persons or entities upon the request of a Participant; provided, however, that such Awards may not be transferred to a third party financial institution for value, including as collateral. Subsequent transfers of previously transferred Awards may only be made to one of the permitted transferees named above, unless the subsequent transfer has been approved by the Committee or the Board, or their authorized designee(s). Otherwise, such transferred Awards may be transferred only by will or the laws of descent and distribution.

(b) Concurrently with any transfer, the transferor shall give written notice to the Plan's then-current Plan administrator of the name and address of the transferee, the number of Class A Units being transferred, the Date of Grant of the Awards being transferred, and such other information as may reasonably be required by the administrator. Following a transfer, any such Awards shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer. The provisions of the Plan and applicable Grant Documents shall continue to be applied with respect to the original Participant, and such Awards shall be exercisable by the transferee only to the extent that they could have been exercised by the Participant under the terms of the original Grant Documents. The Company disclaims any obligation to provide notice to a transferee of any termination or expiration of a transferred Award.

12. Alteration, Termination, Discontinuance, Suspension, and Amendment.

(a) The Committee or the Board may amend, alter, suspend, discontinue or terminate the Plan or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without (i) approval of the Members if such approval is necessary to qualify for or comply with any tax or regulatory requirement for which or with which the Committee or Board deems it necessary or desirable to qualify or comply; or (ii) the consent of the affected Participant, if such action would impair the rights of such Participant under any outstanding Award. Notwithstanding anything to the contrary herein, the Committee or the Board may make technical amendments to the Plan as may be necessary so as to have the Plan conform to any Legal Requirements in any jurisdiction within or outside the United States, so long as approval of the Members of such technical amendments is not required.

(b) The Committee or Board may amend the terms of any outstanding Award, prospectively or retroactively, except that no such amendment shall impair the rights of any Participant without his or her consent. Subject to the requirements of paragraph (c) below, the Committee or Board may, without the consent of the Participant, amend any Grant Documents under the Plan or otherwise take action to waive any condition or restriction applicable to an Award; to amend the definition of a change in control of the Company (if such a definition is contained in such Grant Documents) to expand the events that would result in a change in control and to add a change in control provision to such Grant Documents (if such provision is not contained in such Grant Documents); and may amend any such Grant Documents in any other respect with the consent of the Participant.

(c) If an amendment would (i) materially increase the benefits to participants under the Plan, (ii) increase the aggregate number of Class A Units that may be issued under the Plan, or (iii) materially modify the requirements for participation in the Plan by materially increasing the class or number of persons eligible to participate in the Plan, then such amendment shall be subject to approval of the Members.

(d) If required by any Legal Requirement, any amendment to the Plan or any Award will also be submitted to and approved by the requisite vote of the Members of the Company. If any Legal Requirement requires the Plan to be amended, or in the event any Legal Requirement is amended or supplemented (e.g., by addition of alternative rules) to permit the Company to remove or lessen any restrictions on or with respect to an Award, the Board and the Committee each reserve the right to amend the Plan or any Grant Documents evidencing an Award to the extent of any such requirement, amendment or supplement, and all Awards then outstanding will be subject to such amendment.

(e) The Plan may be terminated at any time by action of the Board. The termination of the Plan will not adversely affect the terms of any outstanding Award.

13. Adjustment of Class A Units; Effect of Certain Transactions. Notwithstanding any other provision of the Plan to the contrary, in the event of any change affecting the Class A Units subject to the Plan or any Award (through merger, consolidation, reorganization, recapitalization, dividend or other distribution (whether in the form of cash, Class A Units, other securities or other property), stock split, split-up, split-off, spin-off, combination of units, exchange of units, issuance of rights to subscribe, or other change in capital structure of the Company), appropriate adjustments or substitutions shall be made by the Committee or the Board as to the (i) Total Class A Units subject to the Plan, (ii) maximum number of Class A Units for which Awards may be granted to any one Associate, (iii) number of Class A Units and price per Class A Unit subject to outstanding Awards, and (iv) class of units or other securities that may be delivered under the Plan and/or each outstanding Award, as shall be equitable to prevent dilution or enlargement of rights under previously granted Awards. The determination of the Committee or Board as to these matters shall be conclusive.

14. General Provisions.

(a) No Associate or Participant shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Associates or Participants under the Plan.

(b) The Committee or Board shall be authorized to make adjustments in performance award criteria or in the terms and conditions of other Awards in recognition of unusual or nonrecurring events affecting the Company or its financial statements or changes in applicable laws, regulations or accounting principles. The Committee or Board may correct any defect, supply any omission, or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem desirable to carry it into effect. In the event the Company shall assume outstanding employee benefit awards or the right or obligation to make future such awards in connection with the acquisition of or combination with another corporation or business entity, the Committee or Board may, in their discretion, make such adjustments in the terms of Awards under the Plan as it shall deem appropriate.

(c) All certificates for Class A Units delivered under the Plan pursuant to any Award shall be subject to such stock transfer orders and other restrictions as the Committee or Board may deem advisable under the rules, regulations, and other requirements of the Securities and Exchange Commission, any stock exchange upon which the Class A Units are then listed, and any applicable state or Federal securities law, and the Committee or Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(d) No Award granted hereunder shall be construed as an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Committee or the Board in their sole discretion has determined that any such offer, if made, would be in compliance with all applicable requirements of the U.S. Federal securities laws and any other Legal Requirements to which such offer, if made, would be subject.

(e) The Committee or the Board shall be authorized to establish procedures pursuant to which the payment of any Award may be deferred.

(f) The Company shall be authorized to withhold from any Award granted or payment due under the Plan the amount of withholding taxes due in respect of an Award or payment hereunder and to take such other action as may be necessary in the opinion of the Plan administrator to satisfy all obligations for the payment of such taxes, not to exceed the statutory minimum withholding obligation. The Committee or Board shall be authorized to establish procedures for election by Participants to satisfy such obligations for the payment of such taxes (i) by delivery of or transfer of Class A Units to the Company, (ii) with the consent of the Committee or the Board, by directing the Company to retain Class A Units otherwise deliverable in connection with the Award, (iii) by payment in cash of the amount to be withheld, or (iv) by withholding from any cash compensation otherwise due to the Participant.

(g) Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to approval of the Members if required, and such arrangements may be either generally applicable or applicable only in specific cases.

(h) The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with the laws of the state of Delaware and applicable Federal law.

(i) If any provision of this Plan is or becomes or is deemed invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any Award under any law deemed applicable by the Committee or the Board, such provision shall be construed or deemed amended to conform to applicable law, or if it cannot be construed or deemed amended without, in the determination of the Committee or the Board, materially altering the intent of the Plan, it shall be stricken, and the remainder of the Plan shall remain in full force and effect.

(j) Awards may be granted to Participants who are foreign nationals or employed outside the United States, or both, on such terms and conditions different from those applicable to Awards to Employees employed in the United States as may, in the judgment of the Committee or the Board, be necessary or desirable in order to recognize differences in local law or tax policy. The Committee or Board also may impose conditions on the exercise or vesting of Awards in order to minimize the Company's obligations with respect to tax equalization for Associates on assignments outside their home country.

(k) No Award shall be granted or exercised if the grant of the Award or the exercise and the issuance of units or other consideration pursuant thereto would be contrary to the Legal Requirements of any duly constituted authority having jurisdiction.

(l) The Plan will not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary or Affiliated Company, nor will it interfere in any way with any right the Company or any Subsidiary or Affiliated Company would otherwise have to terminate a Participant's employment or other service at any time.

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT, originally dated as of July 26, 2014, (the "Agreement"), by and between Acxiom Corporation, a Delaware corporation (the "Company") and Scott E. Howe (the "Executive"), is hereby amended and restated as of February 14, 2018 (the "Restatement Date").

WHEREAS, the Company desires to continue the employment of the Executive as Chief Executive Officer and President of the Company and the Executive desires to continue to hold such positions under the terms and conditions of this Agreement; and

WHEREAS, the parties desire to enter into this Agreement setting forth the terms and conditions of the employment relationship between the Executive and the Company.

NOW, THEREFORE, intending to be legally bound hereby, the parties agree as follows:

1. **Employment**. The Company hereby continues to employ the Executive and the Executive hereby continues to accept employment with the Company upon the terms and subject to the conditions set forth herein.

2. **Term**.

(a) Subject to termination pursuant to Section 9, the term of the employment by the Company of the Executive pursuant to this Agreement (as the same may be extended, the "Term") will commence on July 26, 2014 (the "Effective Date") and terminate on July 25, 2017. The Term was most recently extended on July 26, 2017.

(b) Commencing on July 26, 2017 and on each subsequent anniversary thereof, the Term will be automatically extended for a period of one (1) additional year following the expiration of the applicable Term unless the Company or the Executive elect not to extend the Term by notifying the other party of such non-renewal in writing not later than one hundred and eighty (180) days before any such date (the "Notice of Non-Renewal").

3. **Position**. During the Term, the Executive will serve as Chief Executive Officer and President of the Company, performing duties commensurate with such positions, and will perform such additional duties as the Board of Directors of the Company (the "Board") will determine. The Executive will report directly to the Board. The Executive agrees to serve, without any additional compensation, as a director of the Company and as a member of the board of directors and/or as an officer of any subsidiary of the Company. If the Executive's employment is terminated for any reason, whether such termination is voluntary or involuntary, the Executive will resign as a director of the Company (and as a director and/or officer of any of its subsidiaries), such resignation to be effective no later than the date of termination of the Executive's employment with the Company.

4. **Duties**. During the Term, the Executive will devote his full time and attention during normal business hours to the business and affairs of the Company and its subsidiaries (the "Business"); provided, however, that the Executive will be permitted to devote reasonable periods of time to charitable and community activities, so long as such activities do not interfere with the performance of the Executive's responsibilities under this Agreement. In addition, following notice and with the consent of the Board (not to be unreasonably withheld), Executive shall be permitted to serve on the Boards of Directors (or similar governing bodies) of up to three other for-profit entities, only one of which may have publicly traded securities, provided such services do not materially interfere with Executive's ability to serve as Chief Executive Officer of the Company. The Company acknowledges and agrees that the Company's Board of Directors has consented in accordance with this Section 4 to Executive's service on the Boards of Directors listed on Exhibit A hereto.

5. Salary and Bonus .

(a) For purposes of this Agreement, the "Initial Fiscal Year" will mean the period commencing on April 1, 2014 and ending on March 31, 2015. A "Fiscal Year" will mean the Initial Fiscal Year and any other fiscal year of the Company during the Term of the Agreement.

(b) During the Initial Fiscal Year, the Company will pay the Executive a base salary at an annual rate of \$650,000. During the Term of this Agreement, within 90 days following the end of each Fiscal Year, the Board (or the Compensation Committee of the Board (the "Compensation Committee")) will, in good faith, review the Executive's annual base salary and may increase (but not decrease) such amount as it may deem advisable (such annual rate of salary, as the same may be increased, the "Base Salary"). The Base Salary will be payable to the Executive in substantially equal installments in accordance with the Company's normal payroll practices.

(c) During each Fiscal Year, the Executive will be eligible for a target cash bonus opportunity of 100% of then-current Base Salary and a maximum cash bonus opportunity of 200% of then-current Base Salary. The Executive's entitlement to such cash bonus, if any, will be determined promptly by the independent members of the Board (or by the Compensation Committee) based on the terms of the executive bonus program then in effect, including the Board's (or the Compensation Committee's) good faith determination as to whether predetermined performance targets of the Company have been achieved following a review of the Company's year-end audited financial statements. All such performance targets will be determined by the independent members of the Board (or by the Compensation Committee) after consulting with Executive. Payments will be made in accordance with the terms of the relevant plan, or, if different, in accordance with the terms of this Agreement.

(d) Promptly following the date hereof, the Company will reimburse the Executive for reasonable legal expenses up to an amount of \$25,000 incurred by him in connection with the drafting and negotiation of this Agreement.

6. Long-Term Incentive Awards .

(a) During the Term of this Agreement, within 90 days following the end of each Fiscal Year, the independent members of the Board of Directors (or the Compensation Committee) will in good faith consider the grant of long-term equity incentive awards to the Executive.

(b) Notwithstanding any provision to the contrary in any equity incentive plan or related award agreement relating to any equity incentive award granted to the Executive, solely with respect to the Executive (i) any definition of competitive business activities (including "any activity which competes with any activity of the Company and/or its subsidiaries and affiliated companies" or acting "in competition with or acting against the interests of the Company") shall be deemed to be the activities that would result in a violation of Section 12(b) hereof, (ii) the activities that would be deemed to constitute "disclosing or misusing any confidential information or material concerning the Company" shall be deemed to be the activities that would result in a violation of Section 7 of the Axiom Corporation Associate Agreement; (iii) the activities that would be deemed to constitute "any attempt, directly or indirectly, to solicit the trade or business of any current or prospective customer of the Company" shall be deemed to be the activities that would result in a violation of Section 12(a)(i) hereof, (iv) the activities that would be deemed to constitute "any attempt, directly or indirectly, to induce any associate of the Company to be employed or perform services elsewhere" shall be deemed to be the activities that would result in a violation of Section 12(a)(ii) hereof; and (v) any forfeiture provisions contained therein requiring the payment of proceeds of equity gains to the Company shall refer solely to the amount of after-tax proceeds actually received by the Executive. In determining after-tax proceeds in clause (v) of this Section 6(b), any tax deduction or loss arising from such forfeiture will be taken into account.

(c) The parties intend that any equity incentive awards contemplated by this Section 6 and the payments and benefits provided thereunder be exempt from or comply with the requirements of Section 409A of the Code to the maximum extent possible, whether pursuant to the short-term deferral exception described in Treasury Regulation Section 1.409A-1(b)(4), the exclusion applicable to stock options under Treasury Regulation Section 1.409A-1(b)(5), or otherwise. Notwithstanding any other provision of this Agreement or any other plan or agreement to the contrary, all equity incentive awards contemplated by this Section 6 shall be interpreted, operated, and administered in a manner consistent with such intentions.

7. Vacation, Holidays and Sick Leave; Life Insurance . During the Term, the Executive will be entitled to paid vacation in accordance with the Company's standard vacation accrual policies for its senior executive officers as may be in effect from time to time; provided, that the Executive will during each Fiscal Year be entitled to at least four (4) weeks of such vacation. During the Term, the Executive will also be entitled to participate in all applicable Company employee benefits plans as may be in effect from time to time for the Company's senior executive officers.

8. Business Expenses . The Executive will be reimbursed for all reasonable business expenses incurred by **him** in connection with his employment following timely submission by the Executive of receipts and other documentation in accordance with the Company's normal expense reimbursement policies.

9. Termination of Employment . The Executive's employment by the Company pursuant to this Agreement will not be terminated before the end of the Term hereof, except as set forth in this Section 9 .

(a) By Mutual Consent . The Executive's employment pursuant to this Agreement may be terminated at any time by the mutual written agreement of the Company and the Executive.

(b) Death . The Executive's employment pursuant to this Agreement will be terminated upon the death of the Executive, in which event the Executive's spouse or heirs will receive (i) all Base Salary and benefits to be paid or provided to the Executive under this Agreement through the Date of Termination (as defined in Section 9(i) hereof), (ii) any other unpaid benefits (including death benefits) to which they are entitled under any plan, policy or program of the Company applicable to the Executive as of the Date of Termination, (iii) in the event the Date of Termination occurs after the completion of any Fiscal Year, but prior to the date any cash bonus related to such Fiscal Year has been determined or paid to the Executive, the amount of any cash bonus related to such Fiscal Year ending before the Date of Termination that the Executive would have otherwise been entitled to had Executive not terminated, and (iv) the amount of any target cash bonus for the Fiscal Year in which the Date of Termination occurs, pro-rated based on the portion of the applicable Fiscal Year that the Executive worked for the Company. The amounts referred to in clauses (i) through (iii) above will be paid to the Executive when the same would have been paid to the Executive (whether or not the Term will have expired during such period), and the amount referred to in clause (iv) will be paid to the Executive within sixty (60) days following the Date of Termination.

(c) Disability . The Executive's employment pursuant to this Agreement may be terminated by delivery of written notice to the Executive by the Company (a "Notice of Termination ") in the event that the Executive is unable to perform the essential functions of his regular duties and responsibilities, with or without reasonable accommodation, due to a Disability that has lasted (or can reasonably be expected to last) for a period of ninety (90) consecutive days, or for a total of ninety (90) days or more in any consecutive one hundred and eighty (180) day period. "Disability " means a physical or mental impairment of Executive as certified in a written statement from a licensed physician selected or approved in good faith by the Board (or any committee of the Board comprised solely of independent directors). If the Executive's employment is terminated pursuant to this Section 9(c) , the Executive will be entitled to receive (i) all Base Salary and benefits to be paid or provided to the Executive under this Agreement through the Date of Termination, (ii) any other unpaid benefits (including disability benefits) to which he is otherwise entitled under any plan, policy or program of the Company applicable to the Executive as of the Date of Termination, (iii) in the event

the Date of Termination occurs after the completion of any Fiscal Year, but prior to the date any cash bonus related to such Fiscal Year has been determined or paid to the Executive, the amount of any cash bonus related to such Fiscal Year ending before the Date of Termination that the Executive would have otherwise been entitled to had Executive not terminated, and (iv) the amount of any target cash bonus for the Fiscal Year in which the Date of Termination occurs, pro-rated based on the portion of the applicable Fiscal Year that the Executive worked for the Company. The amounts referred to in clauses (i) through (iii) above will be paid to the Executive when the same would have been paid to the Executive (whether or not the Term will have expired during such period), and the amount referred to in clause (iv) will be paid to the Executive within sixty (60) days following the Date of Termination.

(d) By the Company for Cause. The Executive's employment pursuant to this Agreement may be terminated by delivery of a Notice of Termination upon the occurrence of any of the following events (each of which will constitute "Cause" for termination): (i) the willful failure by the Executive to substantially perform his duties or follow the reasonable and lawful instructions of the Board; provided, that the Executive will be allowed to cure such failure within thirty (30) days of delivery to the Executive by the Company of written demand for performance, which such written demand will specifically identify the manner in which the Company believes he has not substantially performed his duties; (ii) the engaging by the Executive in intentional misconduct, or the Executive's gross negligence, that is materially injurious to the Company, monetarily or otherwise; (iii) the conviction of, or pleading guilty or nolo contendere to, any felony; or (iv) the Executive's material breach of the provisions of this Agreement (including, but not limited to, Section 12) or of any material employment policy of the Company, which, if curable, is not cured within thirty (30) days of delivery to the Executive by the Company of written notice thereof, which such notice shall specify in reasonable detail the manner in which the Company believes the Executive has breached this Agreement. If the Executive's employment is terminated pursuant to this Section 9(d), the Executive will be entitled to receive all Base Salary and benefits to be paid or provided to the Executive under this Agreement through the Date of Termination, any other unpaid benefits to which he is otherwise entitled under any plan, policy or program of the Company applicable to the Executive as of the Date of Termination and no more.

(e) By the Company Without Cause. The Executive's employment pursuant to this Agreement may be terminated by the Company at any time without Cause by delivery of a Notice of Termination. If the Executive's employment is terminated pursuant to this Section 9(e), the Executive will be entitled to receive (i) all Base Salary and benefits to be paid or provided to the Executive under this Agreement through the Date of Termination, (ii) in the event the Date of Termination occurs after the completion of any Fiscal Year, but prior to the date any cash bonus related to such Fiscal Year has been determined or paid to the Executive, the amount of any cash bonus related to such Fiscal Year ending before the Date of Termination that the Executive would have otherwise been entitled to had Executive not terminated, (iii) a bonus payment based on the extent to which the performance goals relating to such bonus are ultimately achieved, pro-rated based on the portion of the Fiscal Year that the Executive worked for the Company, and payable on the date when such bonus otherwise would have been paid absent termination of employment, (iv) an amount equal to two hundred percent (200%) of the sum of (A) the Executive's Base Salary at the then-current rate of Base Salary plus (B) his average annual cash bonus for the two Fiscal Years preceding the Fiscal Year or termination, and (v) any other unpaid benefits to which the Executive is otherwise entitled under any plan, policy or program of the Company applicable to the Executive as of the Date of Termination. The amounts referred to in clauses (i), (ii) and (iv) above will be paid to the Executive immediately following the expiration of the Severance Delay Period, in accordance with the Company's normal payroll policies and procedures. Additionally, if the Executive's employment is terminated pursuant to this Section 9(e), notwithstanding anything contained in any equity plan or grant documents, the Executive shall also receive solely with respect to Performance Units: (i) the number of Performance Units, if any, that were earned during a completed performance period but remain unvested, multiplied by a fraction, the numerator of which is the full number of calendar months that elapsed between the beginning of the performance period and the Date of Termination and the denominator of which is the number of months between the beginning of the performance period and when the award would fully vest and no longer be subject to forfeiture, payment for which shall be processed immediately following the expiration of the Severance Delay Period; and (ii) the number of Performance Units, if any, for performance periods that are

ongoing as of the Date of Termination and for which at least one year of the performance period has elapsed as of the Date of Termination, multiplied by a fraction, the numerator of which is the full number of calendar months that elapsed between the beginning of the performance period and the Date of Termination and the denominator of which is the number of months between the beginning of the performance period and when the award would fully vest and no longer be subject to forfeiture, with the settlement of such performance units to occur after the completion of the applicable performance period based upon the Company's actual performance as determined following the completion of the applicable performance periods in accordance with the terms of the Performance Unit grant documents and with payment to be made as soon as administratively practicable after the end of the performance period stated in the applicable grant documents and at the time the Executive would have received payment had the Executive remained employed. "Performance Unit" shall mean any equity incentive awards (including, for the avoidance of doubt, performance stock appreciation rights) granted by the Company to the Executive that are earned based upon achievement of performance measures during a performance period as defined by the accompanying grant documents. As a condition to receiving such payments, the Executive agrees to execute, deliver and not revoke a general release in the form attached as Exhibit B prior to the expiration of the Severance Delay Period. "Severance Delay Period" shall mean the period beginning on the Date of Termination and ending on the thirtieth day thereafter. Notwithstanding the foregoing, in the event that the Executive's "separation from service" (as such term is defined under Treasury Regulation 1.409A-1(h)) occurs in connection with an exit incentive program or other employment termination program offered to a group or class of employees, as defined under the Older Worker Benefit Protection Act, 29 U.S.C. Section 626, the Severance Delay Period shall mean the period beginning on the Date of Termination and ending on the sixtieth day thereafter.

(f) By the Executive for Good Reason. The Executive's employment pursuant to this Agreement may be terminated by the Executive by written notice of his resignation ("Notice of Resignation") delivered to the Company within thirty (30) days of the occurrence of any of the following (each of which will constitute "Good Reason" for resignation): (1) a material reduction by the Company in the Executive's title or position, or a material reduction by the Company in the Executive's authority, duties or responsibilities (including, without limitation, Executive no longer serving on the Company's board of directors or if he is not the Chief Executive Officer of the Company's ultimate parent entity following a Change in Control), or the assignment by the Company to the Executive of any duties or responsibilities that are materially inconsistent with such title, position, authority, duties or responsibilities, however, for the avoidance of doubt, a change only in the size of the company without the occurrence of any other changes in this Section 9(f) shall not constitute Good Reason; (2) a reduction in Base Salary; or (3) any material breach of this Agreement by the Company (collectively, a "Good Reason Event"); provided, that, if any Good Reason Event is curable, the Company will be allowed to cure such Good Reason Event within thirty (30) days of delivery to the Company by the Executive of his Notice of Resignation, which such Notice of Resignation will specifically identify the Good Reason Event which the Executive believes has occurred. For avoidance of doubt, "Good Reason" will exclude the death or Disability of the Executive. If the Company fails to cure the Good Reason Event within the thirty (30) day cure period, then the Executive must terminate employment within thirty (30) days thereafter. If the Executive does not terminate employment during such thirty (30) day period, then the Executive will be deemed to have waived his right to terminate employment based upon such Good Reason Event and will not receive any payments under this Section 9(f). If the Executive resigns for Good Reason pursuant to this Section 9(f), the Executive will be entitled to receive (i) all Base Salary and benefits to be paid or provided to the Executive under this Agreement through the Date of Termination, (ii) in the event the Date of Termination occurs after the completion of any Fiscal Year, but prior to the date any cash bonus related to such Fiscal Year has been determined or paid to the Executive, the amount of any cash bonus related to such Fiscal Year ending before the Date of Termination that the Executive would have otherwise been entitled to had Executive not terminated, (iii) a bonus payment based on the extent to which the performance goals relating to such bonus are ultimately achieved, pro-rated based on the portion of the Fiscal Year that the Executive worked for the Company, and payable on the date when such bonus otherwise would have been paid absent termination of employment, (iv) an amount equal to two hundred percent (200%) of the sum of (A) the Executive's Base Salary at the then-current rate of Base Salary plus (B) his average annual cash bonus for the two Fiscal Years preceding the Fiscal Year or termination, and (v) any other unpaid benefits to which the Executive is otherwise entitled under any plan, policy or program of the

Company applicable to the Executive as of the Date of Termination. The amounts referred to in clauses (i), (ii) and (iv) above will be paid to the Executive immediately following the expiration of the Severance Delay Period in accordance with the Company's normal payroll policies and procedures. Additionally, if the Executive resigns for Good Reason pursuant to this Section 9(f), notwithstanding anything contained in any equity plan or grant documents, the Executive shall also receive solely with respect to Performance Units: (x) the number of Performance Units, if any, that were earned during a completed performance period but remain unvested, multiplied by a fraction, the numerator of which is the full number of calendar months that elapsed between the beginning of the performance period and the Date of Termination and the denominator of which is the number of months between the beginning of the performance period and when the award would fully vest and no longer be subject to forfeiture, payment for which shall be processed immediately following the expiration of the Severance Delay Period; and (y) the number of Performance Units, if any, for performance periods that are ongoing as of the Date of Termination and for which at least one year of the performance period has elapsed as of the Date of Termination, multiplied by a fraction, the numerator of which is the full number of calendar months that elapsed between the beginning of the performance period and the Date of Termination and the denominator of which is the number of months between the beginning of the performance period and when the award would fully vest and no longer be subject to forfeiture, with the settlement of such performance units to occur after the completion of the applicable performance period based upon the Company's actual performance as determined following the completion of the applicable performance periods in accordance with the terms of the Performance Unit grant documents and with payment to be made as soon as administratively practicable after the end of the performance period stated in the applicable grant documents and at the time the Executive would have received payment had the Executive remained employed. As a condition to receiving such payments, the Executive agrees to execute, deliver and not revoke a general release in the form attached as Exhibit B prior to the expiration of the Severance Delay Period. Notwithstanding the foregoing, in the event that the Executive's "separation from service" (as such term is defined under Treasury Regulation 1.409A-1(h)) occurs in connection with an exit incentive program or other employment termination program offered to a group or class of employees, as defined under the Older Worker Benefit Protection Act, 29 U.S.C. Section 626, the Severance Delay Period shall mean the period beginning on the Date of Termination and ending on the sixtieth day thereafter.

(g) Non-Renewal by the Company. The Executive's employment may be involuntarily terminated at the end of the Term by the Company by delivery of a Notice of Non-Renewal consistent with the provisions of Sections 2(b) and 18. If the Executive's employment is involuntarily terminated as described in the preceding sentence, this shall be treated as a termination by the Company without Cause, and the provisions of Section 9(e) shall apply.

(h) By the Executive Without Good Reason. The Executive's employment pursuant to this Agreement may be terminated by the Executive at any time by delivery of a Notice of Resignation to the Company. If the Executive's employment is terminated pursuant to this Section 9(h), the Executive will receive all Base Salary and benefits to be paid or provided to the Executive under this Agreement through the Date of Termination, any other unpaid benefits to which the Executive is otherwise entitled under any plan, policy or program of the Company applicable to the Executive as of the Date of Termination (including, without limitation, in the event the Date of Termination occurs after the completion of any Fiscal Year, but prior to the date any cash bonus related to such Fiscal Year has been determined or paid to the Executive, the amount of any cash bonus related to such Fiscal Year ending before the Date of Termination that the Executive would have otherwise been entitled to had Executive not terminated) and no more.

(i) Following a Change in Control.

(i) If within twenty-four (24) months following a Change in Control, the Executive is (x) terminated without Cause by delivery of a Notice of Termination, or (y) resigns for Good Reason (as defined and qualified in Section 9(f) above) by delivery of a Notice of Resignation, then the Executive will be entitled to receive (i) all Base Salary and benefits to be paid or provided to the Executive under this Agreement through the Date of Termination, (ii) in the event the Date of Termination occurs after the completion of any Fiscal Year, but prior to the date any cash bonus related to such Fiscal Year has been

determined or paid to the Executive, the amount of any cash bonus related to such Fiscal Year ending before the Date of Termination that the Executive would have otherwise been entitled to had Executive not terminated, (iii) a bonus payment based on the extent to which the performance goals relating to such bonus are ultimately achieved, pro-rated based on the portion of the Fiscal Year that the Executive worked for the Company, and payable on the date when such bonus otherwise would have been paid absent termination of employment, (iv) an amount equal to three hundred percent (300%) of the sum of (A) Executive's Base Salary at the then-current rate of Base Salary plus (B) his average annual cash bonus for the two Fiscal Years preceding the Fiscal Year or termination, (v) notwithstanding anything to the contrary in any equity incentive plan or agreement or the related award agreements, all options, restricted stock awards, restricted stock unit awards and any other equity awards (including Assumed Eligible PSUs (defined below), but excluding any other Performance Units, if applicable), which are then outstanding, to the extent not then vested, shall vest, and (vi) any other unpaid benefits to which the Executive is otherwise entitled under any plan, policy or program of the Company applicable to the Executive as of the Date of Termination. The amounts referred to in clauses (i) through (vi) above will collectively be referred to as the "Change in Control Severance Amount." The Change in Control Severance Amounts described in clauses (i), (ii) and (iv) will be paid to the Executive in a lump sum immediately following the expiration of the Severance Delay Period. The Executive agrees to execute, deliver and not revoke a general release in the form attached as Exhibit B prior to the expiration of the Severance Delay Period. Payments pursuant to this Section 9(i) will be made in lieu of, and not in addition to, any payment pursuant to any other paragraph of this Section 9.

(ii) Unless provided otherwise in the applicable grant documents underlying the Performance Units, upon the consummation of a Change in Control (such date, the "Change in Control Date"), the applicable performance period (as set forth in the applicable grant documents) will be truncated, and a number of Performance Units will become eligible to vest (the "Eligible PSUs") based on the degree of achievement of performance objectives (as set forth in the applicable grant documents) as of the Change in Control Date. Eligible PSUs will be treated as unvested restricted stock units, and if assumed or substituted for by the acquiring or surviving entity (or an affiliate of such entity) in accordance with the terms of the definitive agreements relating to the Change in Control (the "Definitive Agreements"), will convert into restricted stock units (or other compensatory arrangements) of equal value to be settled in cash or shares (determined in accordance with the Definitive Agreements) by the acquiring or surviving entity (or an affiliate of such entity), as applicable (the "Assumed Eligible PSUs"). In the event the Executive remains employed with the acquiring or surviving entity (or an affiliate of such entity), as applicable, through the end of the applicable performance period (such date, the "Performance Period End Date"), the Assumed Eligible PSUs will become fully vested and will be settled within thirty (30) days of the Performance Period End Date. Subject to the vesting acceleration set forth in Section 9(i)(i), in the event the Executive's employment terminates for any reason other than Death or Disability before the Performance Period End Date, the Executive's Assumed Eligible Performance Units will be immediately forfeited. If within twenty-four (24) months following a Change in Control, the Executive's employment terminates by reason of death or Disability, the Assumed Eligible PSUs which are then outstanding, to the extent not then vested, shall vest immediately.

(iii) In the event Executive is terminated without Cause, or resigns for Good Reason, following the public announcement of a Board-approved agreement to effect a Change in Control but prior to the consummation of such Change in Control, then in addition to those payments made pursuant to Sections 9(e) or (f), as applicable, Executive shall be entitled to certain additional payments pursuant to this Section 9(i)(iii) in the event such publicly announced Change in Control is consummated (or if such publicly announced Change in Control is terminated by the Board to accept a superior proposal, if such superior proposal constituting a Change in Control is consummated). In such case, (i) the Executive shall be entitled to receive an amount equal to one hundred percent (100%) of the sum of (A) the Executive's Base Salary at the rate of Base Salary in effect on the Executive's Date of Termination plus (B) his average annual cash bonus for the two Fiscal Years preceding the Fiscal Year or termination; (ii) with respect to any unvested equity awards (other than Performance Units) that Executive forfeited upon his termination of employment (without receiving payment therefor) but that would have vested on or prior to Executive's termination with Good Reason following a Change in Control had Executive remained employed with the Company until the Change in Control (such equity, "Unvested Equity"), Executive shall be entitled to receive a payment in an

amount equal to the value of such Unvested Equity, calculated with reference to the value of the Company's common stock implied by the Change in Control price of such stock; and (iii) with respect to any Performance Units held by Executive at the Date of Termination (and not previously forfeited), a payment in an amount equal to the difference between the amount that would have been paid on account of such Performance Units pursuant to Section 9(i)(ii) had Executive remained employed with the Company until the date of a Change in Control and the amount that has actually been paid on account of such Performance Units as of the date of the Change in Control pursuant to Section 9(e) or 9(f), as applicable. The additional payments set forth in subsections (i) to (iii) of this Section 9(i)(iii) shall be paid in a lump sum on the later of (x) the expiration of the original Severance Delay Period applicable to Executive's actual termination, or (y) contemporaneously with the closing of the Change in Control (or as soon as administratively practicable thereafter). For the avoidance of doubt, a payment shall be made under this Section 9(i)(ii) only as a result of a Change in Control described in Section 9(k)(iii) and shall not include a "Non-Qualifying Transaction."

(j) Date of Termination. The Executive's Date of Termination will be (i) if the Executive's employment is terminated pursuant to Section 9(b), the date of his death, (ii) if the Executive's employment is terminated pursuant to Section 9(c), Section 9(d) or Section 9(e), the date on which a Notice of Termination is given, (iii) if the Executive's employment is terminated pursuant to Section 9(f), the later of the date specified in the Notice of Resignation or the date on which Executive actually terminates employment following the expiration of the cure period set forth in Section 9(f), or such earlier date as the Company shall determine, (iv) if the Executive's employment is terminated pursuant to Section 9(g), the date that is the last day of the then-current Term, (v) if the Executive's employment is terminated pursuant to Section 9(h), the date specified in the Notice of Resignation or such earlier date as the Company shall determine (provided that the Executive will deliver such Notice of Resignation to the Company not less than thirty (30) days before the Date of Termination specified therein) and (vi) if the Executive's employment is terminated pursuant to Section 9(i), the date specified in the Notice of Termination or the Notice of Resignation, as applicable, or such earlier date as the Company shall determine.

(k) For the purposes of this Agreement, a "Change in Control" will mean any of the following events:

(i) An acquisition of any securities of the Company entitled to vote generally in the election of directors (the "Voting Securities") by any "person" (as the term person is used for purposes of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) immediately after which such person has "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of thirty percent (30%) or more of the combined voting power of the then outstanding Voting Securities; provided, however, that in determining whether a Change in Control has occurred, Voting Securities that are acquired in a "Non-Control Acquisition" (as hereinafter defined) will not constitute an acquisition that would cause a Change in Control. A "Non-Control Acquisition" will mean (i) an acquisition by an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other person of which a majority of its voting power or its equity securities or equity interest is owned directly or indirectly by the Company (a "Subsidiary"), (ii) any acquisition by or directly from the Company or any Subsidiary, or (iii) an acquisition pursuant to a Non-Qualifying Transaction (as defined in Section 9(k)(iii) below);

(ii) The individuals who, on the Effective Date, constitute the Board of Directors of the Company (the "Incumbent Directors") cease for any reason to constitute at least a majority of such board, provided, that, any person becoming a director after the Effective Date and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board of Directors will be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to the election or removal of directors ("Election Contest") or other actual or threatened solicitation of proxies or consents by or on behalf of any "person" (such term for purposes of this definition being as defined in Section 3(a)(9) of the 1934 Act and as used in Section 13(d)(3) and 14(d)(2) of the 1934 Act) other than the

Board of Directors (“Proxy Contest”), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, will be deemed an Incumbent Director; or

(iii) Consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company (a “Reorganization”), or the sale or other disposition of all or substantially all of the Company’s assets (a “Sale”) or the acquisition of assets or stock of another corporation (an “Acquisition”), unless immediately following such Reorganization, Sale or Acquisition:

(A) The stockholders of the Company immediately before such Reorganization, Sale or Acquisition, beneficially own, directly or indirectly, immediately following such Reorganization, Sale or Acquisition, more than fifty percent (50⁰/0) of the combined voting power of the outstanding Voting Securities of the Company resulting from such Reorganization, Sale or Acquisition (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company’s assets or stock either directly or through one or more subsidiaries, the “Surviving Corporation”) in substantially the same proportion as their ownership of the Voting Securities immediately before such Reorganization, Sale or Acquisition;

(B) The individuals who were members of the Incumbent Board immediately before the execution of the agreement providing for such Reorganization, Sale or Acquisition constitute at least a majority of the members of the board of directors of the Surviving Corporation; and

(C) No person (other than the Company, any Subsidiary, any employee benefit plan (or any trust forming a part thereof) maintained by the Company, the Surviving Corporation or any Subsidiary, or any person who, immediately before such Reorganization, Sale or Acquisition, had Beneficial Ownership of thirty percent (30%) or more of the then outstanding Voting Securities), has Beneficial Ownership of thirty percent (30%) or more of the combined voting power of the Surviving Corporation’s then outstanding Voting Securities;

Any Reorganization, Sale or Acquisition which satisfies all of the criteria specified in subparts (A), (B) and (C) of this Section 9(k) above will be deemed to be a “Non-Qualifying Transaction.”

Notwithstanding the foregoing, a “Change in Control” will not be deemed to occur solely because any Person (the “Subject Person”) acquired Beneficial Ownership of more than the permitted amount of the outstanding Voting Securities of the Company as a result of the acquisition of Voting Securities by the Company which, by reducing the number of Voting Securities outstanding, increased the proportional number of shares Beneficially Owned by the Subject Person.

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, to the extent that (i) any payment under this Agreement is payable solely upon or following the occurrence of a Change in Control and (ii) such payment is treated as “deferred compensation” for purposes of Section 409A of the Code, a Change in Control shall mean a “change in the ownership of the Company,” a “change in the effective control of the Company,” or a “change in the ownership of a substantial portion of the assets of the Company” as such terms are defined in Section 1.409A-3(i)(5) of the Treasury Regulations.

(I) Delay of Payment Required by Section 409A of the Code. It is intended that (i) each payment or installment of payments provided under this Agreement will be a separate “payment” for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) that the payments will satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Code, including those provided under Treasury Regulations 1.409A-1(b)(4) (regarding short-term deferrals), 1.409A-1(b)(9)(iii) (regarding the two-times, two-year exception), and 1.409A-1(b)(9)(v) (regarding

reimbursements and other separation pay). Notwithstanding anything to the contrary in this Agreement, if (i) on the date the Executive's employment with the Company terminates or at such other time that is relevant under Section 409A of the Code, the Company determines that the Executive is a "specified employee" (as such term is defined under Treasury Regulation 1.409A-1(i)(1)) of the Company and (ii) the Company determines that any payments to be provided to the Executive pursuant to this Agreement are or may become subject to the additional tax under Section 409A(a)(1)(B) of the Code or any other taxes or penalties imposed under Section 409A of the Code if provided at the time otherwise required under this Agreement, then such payments will be delayed until the date that is six (6) months after the date of the Executive's "separation from service" (as such term is defined under Treasury Regulation 1.409A-1(h)) with the Company or, if earlier, the date of the Executive's death. Any payments delayed pursuant to this Section 9(l) will be made in a lump sum on the first day of the seventh month following the Executive's "separation from service" (as such term is defined under Treasury Regulation 1.409A-1(h)) or, if earlier, the date of the Executive's death and any remaining payments required to be made under this Agreement will be paid upon the schedule otherwise applicable to such payments under the Agreement.

(m) Notwithstanding anything to the contrary in any equity incentive plan or agreement or the related award agreements, all options, restricted stock awards, restricted stock unit awards and any other equity awards, including Performance Units, shall be subject to the benefit of any otherwise applicable provisions of such award agreements or equity plan administration guidelines or policies as may be adopted from time to time, including provision for accelerated vesting or the extension of option exercise periods in connection with termination of employment and/or change in control, to the extent such provisions, guidelines or policies would provide any additional or greater benefit to the Executive than available to the Executive hereunder.

10. Representations.

(a) The Company represents and warrants that this Agreement has been authorized by all necessary corporate action of the Company and is a valid and binding agreement of the Company enforceable against it in accordance with its terms.

(b) The Executive represents and warrants that he is not a party to any agreement or instrument which would prevent him from entering into or performing his duties in any way under this Agreement.

11. Assignment; Binding Agreement. This Agreement is a personal contract and the rights and interests of the Executive hereunder may not be sold, transferred, assigned, pledged, encumbered, or hypothecated by him, except as otherwise expressly permitted by the provisions of this Agreement. This Agreement will inure to the benefit of and be enforceable by the Executive and his personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amount would still be payable to him hereunder had the Executive continued to live, all such amounts, unless otherwise provided herein, will be paid in accordance with the terms of this Agreement to his devisee, legatee or other designee or, if there is no such designee, to his estate.

12. Confidentiality; Non-Solicitation; Non-Competition.

(a) Non-Solicitation.

(i) The Executive specifically acknowledges that the Confidential Information described in this Section 12 includes confidential data pertaining to current and prospective customers of the Company, that such data is a valuable and unique asset of the Company's business and that the success or failure of the Company's specialized business is dependent in large part upon the Company's ability to establish and maintain close and continuing personal contacts and working relationships with such customers, and to develop proposals which are specifically designed to meet the requirements of such customers. Therefore, the Executive agrees that during the Term of this Agreement, and for a period of one

(1) year after the Date of Termination, he will not, except on behalf of the Company or with the Company's express written consent, solicit, either directly or indirectly, on his own behalf or on behalf of any other person or entity, any customers or targeted potential customers with whom he had contact before the Date of Termination to take any action which could reasonably be expected to adversely affect the Company.

(ii) The Executive specifically acknowledges that the Confidential Information described in this Section 12 also includes confidential data pertaining to current and prospective employees and agents of the Company, and the Executive further agrees that during the Term of this Agreement, and for a period of one (1) year after the Date of Termination, the Executive will not directly or indirectly solicit, induce or attempt to induce, on his own behalf or on behalf of any other person or entity, the services of any person who is an employee of the Company or solicit any of the Company's employees, consultants or agents to terminate their employment or agency with the Company or take any other actions which would otherwise cause the Company's employees, consultants or agents to violate any Company policy, program or plan.

(iii) The Executive specifically acknowledges that the Confidential Information described in this Section 12 also includes confidential data pertaining to current and prospective vendors and suppliers of the Company, and the Executive agrees that during the Term of this Agreement, and for a period of one (1) year after the Date of Termination, the Executive will not directly or indirectly solicit, on his own behalf or on behalf of any other person or entity, any vendor or supplier of the Company for the purpose of terminating or changing (in an adverse manner) such vendor's or supplier's relationship or agency with the Company.

(iv) For purposes of this Section 12(a), references to the Company mean the Company or any existing or future subsidiary of the Company and any other entities that directly or indirectly, through one or more intermediaries, control, are controlled by or are under common control with the Company.

(b) Non-Competition. The Executive covenants and agrees that during the Term of this Agreement, and for a period of one (1) year after the Date of Termination, he will not engage in or carry on, directly or indirectly, as an individual, principal, owner, employee, agent, associate, consultant, director or in any other capacity, a business competitive with that conducted by the Company at the Date of Termination (including any businesses in active development by the Company as of the Date of Termination). To "engage in or carry on" will mean to have ownership in such business (excluding ownership of up to \$250,000 of the outstanding shares of a publicly-traded company) or to consult, work in, direct or have responsibility for any area of such business, including but not limited to the following areas: operations, technology strategy, sales, marketing, product planning, research, design or development.

(c) The parties intend that each of the covenants contained in this Section 12 will be construed as a series of separate covenants, one for each state of the United States, each county of each state of the United States, and each foreign jurisdiction in which the Company does business or is preparing to do business. Except for geographic coverage, each such separate covenant will be deemed identical in terms to the covenant contained in the preceding subsections of this Section 12. If, in any judicial proceeding, a court will refuse to enforce any of the separate covenants (or any part thereof) deemed included in those subsections, then such unenforceable covenant (or such part) will be deemed eliminated from this Agreement for the purpose of those proceedings to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced. In the event that the provisions of this Section 12 should ever be deemed to exceed the time or geographic limitations, or the scope of this covenant is ever deemed to exceed that which is permitted by applicable law, then such provisions will be reformed to the maximum time, geographic limitations or scope, as the case may be, permitted by applicable law. The unenforceability of any covenant in this Section 12 will not preclude the enforcement of any other of said covenants or provisions of any other obligation of the Executive or the Company hereunder, and the existence of any claim or cause of action by the Executive or the Company against the other, whether predicated on the Agreement or otherwise, will not constitute a defense to the enforcement by the Company of any of said covenants.

13. Ownership of Developments: Trade Secrets of Others. All copyrights, patents, trade secrets, or other intellectual property rights associated with any idea, concepts, techniques, inventions, processes, or works of authorship developed or created by the Executive during the course of his work for the Company or its clients, including with respect to the services to be provided hereunder (collectively, the "Work Product"), will belong exclusively to the Company and will, to the extent possible, be considered a work made by the Executive for hire for the Company within the meaning of Title 17 of the United States Code. To the extent the Work Product may not be considered work made by the Executive for hire for the Company, the Executive agrees to assign, and automatically assign at the time of creation of the Work Product, without any requirement of further consideration, any right, title, or interest the Executive may have in such Work Product. Upon the request of the Company, the Executive will take further actions, including execution and delivery of instruments of conveyance, as may be appropriate to give full and proper effect to such assignment. The Executive represents that he is not bound by, and covenants that he will not enter into, any agreements, either written or oral, which are in conflict with this Agreement. For purposes of this Section 13, the references to the Company mean the Company or any existing or future subsidiary of the Company and any other entities that directly or indirectly, through one or more intermediaries, control, are controlled by or are under common control with the Company.

14. Company Remedies. The Executive acknowledges and agrees that the restrictions and covenants contained in this Agreement are reasonable and necessary to protect the legitimate interests of the Company and that the services to be rendered by him hereunder are of a special, unique and extraordinary character. To that end, in the event of any breach by the Executive of Section 12 or Section 13 hereof, the Executive agrees that the Company would be entitled to injunctive relief, which entails that (i) it would be difficult to replace the Executive's services; (ii) the Company would suffer irreparable harm that would not be adequately compensated by monetary damages and (iii) the remedy at law for any breach of any of the provisions of Section 12 or Section 13 may be inadequate. The Executive further acknowledges that legal counsel of his choosing has reviewed this Agreement, that the Executive has consulted with such counsel, and that he agrees to the terms herein without reservation. Accordingly, the Executive specifically agrees that the Company will be entitled, in addition to any remedy at law or in equity, and to the extent consistent with Section 409A of the Code, to (i) retain any and all payments not yet paid to him under this Agreement in the event of any material breach by him of his covenants under Sections 12 and 13 hereunder, (ii) in the event of such material breach, seek monetary damages and (iii) obtain preliminary and permanent injunctive relief and specific performance for any actual or threatened violation of Section 12 or Section 13 of this Agreement. This provision with respect to injunctive relief will not, however, diminish the right to claim and recover damages, or to seek and obtain any other relief available to it at law or in equity, in addition to injunctive relief.

15. Parachute Payments. Any provision of the Agreement to the contrary notwithstanding, if any payments or benefits the Executive would receive from the Company pursuant to the Agreement or otherwise (collectively, the "Payments") would, either separately or in the aggregate, (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Payments will be equal to the Reduced Amount (defined below). The "Reduced Amount" will be either (1) an amount equal to the largest portion of the Payments that would result in no portion of any of the Payments (after reduction) being subject to the Excise Tax or (2) the entire amount of the Payments, whichever amount after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes), results in the Executive's receipt, on an after-tax basis, of the greatest amount of the Payments. If a reduction in the Payments is to be made so that the amount of the Payments equals the Reduced Amount, (x) the Payments will be paid only to the extent permitted under the Reduced Amount alternative, and the Executive will have no rights to additional payments and/or benefits constituting the Payments, and (y) reduction in payments and/or benefits will occur in the following order and in a manner intended to comply with Section 409A of the Code (as determined by the Company): (1) reduction or elimination of cash severance benefits that are subject to Section 409A of the Code; (2) reduction or elimination of cash severance benefits that are not subject to Section 409A of the

Code; (3) cancellation or elimination of accelerated vesting of equity awards (other than stock options); (4) cancellation of accelerated vesting of stock options; (5) reduction or elimination of any remaining Payments that are subject to Section 409A of the Code; and (6) reduction or elimination of any remaining Payments that are not subject to Section 409A of the Code. In the event that acceleration of vesting of equity award compensation is to be reduced or eliminated, such acceleration of vesting will be cancelled in the reverse order of the date of grant of the Executive's equity awards. In no event will the Company or any stockholder be liable to the Executive for any amounts not paid as a result of the operation of this Section 15. All computations and determinations called for by this Section 15 shall be made by tax counsel or a nationally recognized accounting firm appointed by the Company (the "Tax Advisor"). If the Tax Advisor so engaged by the Company is serving as accountant or auditor for the acquirer, the Company will appoint another Tax Advisor to make the determinations required hereunder. The Company will bear all expenses with respect to the determinations by the Tax Advisor required to be made hereunder. The Tax Advisor engaged to make the determinations hereunder will provide its preliminary calculations, together with detailed supporting documentation, to the Company and the Executive within fifteen (15) days before the consummation of the Change in Control (if requested at that time by the Company or the Executive) or such other reasonable time as requested by the Company or the Executive. No portion of the Payments shall be taken into account which in the opinion of the Tax Advisor does not constitute a "parachute payment" within the meaning of Code Section 280G(b)(2), including by reason of Code Section 280G(b)(4)(A). The Executive shall have the right to review and submit such calculation and supporting documentation to his own tax consultant for review. If the Executive's tax consultant disagrees with such calculations and such objection is submitted to the Tax Advisor in writing in reasonable detail within five (5) business days of the provision of the preliminary calculation, the Tax Advisor shall be obligated to consider any issues raised by the Executive's tax consultant in good faith before making any final determination hereunder. Any good faith determinations of the Tax Advisor made hereunder will be final, binding and conclusive upon the Company and the Executive.

16. Entire Agreement. This Agreement, as amended and restated herein, and the equity incentive plans and agreements referenced herein contain all the understandings between the parties hereto pertaining to the matters referred to herein, and supersede any other undertakings and agreements, whether oral or in writing, previously entered into by them with respect thereto, including the employment agreement between the parties effective July 26, 2011. To the extent that any term or provision of any other document or agreement executed by the Executive with or for the Company during the Term of this Agreement, including, without limitation, Sections 4, 8, 9, 10 and 12 of the Acxiom Corporation Associate Agreement, conflicts or is inconsistent with this Agreement, the terms and conditions of this Agreement shall prevail and supersede such inconsistent or conflicting term or provision, except to the extent, if any, expressly provided otherwise in such other document or agreement with specific reference to this Agreement (it being understood that the Executive's obligations under Sections 4, 9, and 10 of the Acxiom Corporation Associate Agreement are superseded in whole by the Executive's obligations under this Agreement). The Executive represents that, in executing this Agreement, he does not rely and has not relied upon any representation or statement not set forth herein made by the Company with regard to the subject matter or effect of this Agreement or otherwise and that the Executive has been represented by counsel selected by the Executive.

17. Amendment, Modification or Waiver. No provision of this Agreement may be amended or waived, unless such amendment or waiver is agreed to in writing, signed by the Executive and by a duly authorized officer of the Company. No waiver by any party hereto of any breach by another party hereto of any condition Or provision of this Agreement to be performed by such other party will be deemed a waiver of a similar or dissimilar condition or provision at the same time, any prior time or any subsequent time.

18. Notices. Any notice to be given hereunder will be in writing and will be deemed given when delivered personally, sent by courier or registered or certified mail, postage prepaid, return receipt requested, addressed to the party concerned at the address indicated below or to such other address as such party may subsequently give notice hereunder in writing. Any notice to be given hereunder other than to the Company may also be sent by email, provided that if the copies of such notices required hereunder are sent by email, notices to such persons shall be also be delivered personally or by mail as set forth herein:

To the Executive at: Scott E. Howe
740 Jacaranda Circle
Hillsborough, CA 94010
Phone: (206) 618-5819
E-mail: scotthowe@live.com

With a copy to: David McShea
Perkins Coie LLP
1201 Third Avenue, 48th Floor
Seattle, WA 98101-3099
Phone: (206) 359-8000
Email: DMcShea@perkinscoie.com

To the Company at: Acxiom Corporation
301 Main Street
Little Rock, AR 72201
Attention: Senior Vice President — Legal

With a copy to: Brian W. Berglund
Bryan Cave LLP
1700 Lincoln Street, Suite 4100
Denver, CO 80203-4541
Phone: (303) 866-00264
Email: bwberglund@bryancave.com

Any notice delivered personally or by courier under this Section 18 will be deemed given on the date delivered and any notice sent by email, or registered or certified mail, postage prepaid, return receipt requested, will be deemed given on the date transmitted by email, or five days after postmarked if sent by U.S. mail.

19. Severability. If any provision of this Agreement or the application of any such provision to any party or circumstances will be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such person or circumstances other than those to which it is so determined to be invalid and unenforceable, will not be affected thereby, and each provision hereof will be validated and will be enforced to the fullest extent permitted by law.

20. Governing Law. This Agreement will be governed by and construed under the internal laws of the State of Delaware, without regard to its conflict of laws principles.

21. Jurisdiction and Venue. This Agreement will be deemed performable by all parties in, and venue will exclusively be in the state or federal courts located in the State of Delaware. The Executive and the Company hereby consent to the personal jurisdiction of these courts and waive any objections that such venue is objectionable or improper.

22. Headings. All descriptive headings of sections and paragraphs in this Agreement are intended solely for convenience, and no provision of this Agreement is to be construed by reference to the heading of any section or paragraph.

23. Withholding. All payments to the Executive under this Agreement will be reduced by all applicable withholding required by federal, state or local law.

24. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

25. 409A.

(a) Notwithstanding any other provision to the contrary, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of "deferred compensation" (as such term is defined in Section 409A of the Code and the Treasury Regulations promulgated thereunder) upon or following a termination of employment unless such termination is also a "separation from service" from the Company within the meaning of Section 409A of the Code and Section 1.409A-1(h) of the Treasury Regulations and, for purposes of any such provision of this Agreement, references to a "separation," "termination," "termination of employment" or like terms shall mean "separation from service."

(b) Notwithstanding any other provision to the contrary, in no event shall any payment under this Agreement that constitutes "deferred compensation" for purposes of Section 409A of the Code and the Treasury Regulations promulgated thereunder be subject to offset by any other amount unless otherwise permitted by Section 409A of the Code.

(c) For the avoidance of doubt, any payment due under this Agreement within a period following the Executive's termination of employment or other event, shall be made on a date during such period as determined by the Company in its sole discretion.

(d) It is intended that the Agreement, to the extent practicable, comply and be interpreted in accordance with Section 409A of the Code, and the Company shall, as necessary, adopt such conforming amendments as are necessary to comply with Section 409A of the Code without reducing the benefits payable hereunder without the express written consent of the Executive.

(e) To the extent that any reimbursement, fringe benefit or other, similar plan or arrangement in which the Executive participates during the term of Executive's employment under this Agreement or thereafter provides for a "deferral of compensation" within the meaning of Section 409A of the Code, (i) the amount eligible for reimbursement or payment under such plan or arrangement in one calendar year may not affect the amount eligible for reimbursement or payment in any other calendar year (except that a plan providing medical or health benefits may impose a generally applicable limit on the amount that may be reimbursed or paid), (ii) subject to any shorter time periods provided herein or the applicable plans or arrangements, any reimbursement or payment of an expense under such plan or arrangement must be made on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (iii) any such reimbursement or payment may not be subject to liquidation or exchange for another benefit, all in accordance with Section 1.409A-3(i)(1)(iv) of the Treasury Regulations.

(f) By accepting this Agreement, the Executive hereby agrees and acknowledges that the Company does not make any representations with respect to the application of Section 409A of the Code to any tax, economic or legal consequences of any payments payable to the Executive hereunder. Further, by the acceptance of this Agreement, the Executive acknowledges that (i) the Executive has obtained independent tax advice regarding the application of Section 409A of the Code to the payments due to the Executive hereunder, (ii) the Executive retains full responsibility for the potential application of Section 409A of the Code to the tax and legal consequences of payments payable to the Executive hereunder and (iii) the Company shall not indemnify or otherwise compensate the Executive for any violation of Section 409A of the Code that may occur in connection with this Agreement.

[*Signature Page Follows*]

EXHIBIT A

Current Boards of Directors

Blue Nile

Health123

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Employment Agreement effective as of the Restatement Date set forth above.

ACXIOM CORPORATION

By: /s/ Jerry C. Jones
Name: Jerry C. Jones
Title: Executive Vice President

EXECUTIVE

/s/ Scott E. Howe
Scott E. Howe

EXHIBIT B

Form of General Release

This Release (this "Release"), dated as of _____, is made by and among Scott E. Howe (the "Executive") and Acxiom Corporation and all of its subsidiaries (collectively, the "Company").

WHEREAS, the parties hereto entered into that certain Employment Agreement dated as of _____, 2011 (the "Agreement");

WHEREAS, the Executive's employment with the Company has been terminated in a manner described in Section _____ of the Agreement;

WHEREAS, pursuant to Section _____ of the Agreement, it is a condition precedent to the Company's obligation to make the payments under Section _____, that the Executive executes and delivers this Release.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Executive Release. The Executive, ON BEHALF OF HIMSELF, HIS SPOUSE, ATTORNEYS, HEIRS, EXECUTORS, ADMINISTRATORS, AGENTS, ASSIGNS AND ANY TRUSTS, PARTNERSHIPS AND OTHER ENTITIES UNDER HIS CONTROL AND ANY OTHER PERSON CLAIMING BY, THROUGH OR UNDER THE EXECUTIVE (TOGETHER, THE "EXECUTIVE PARTIES"), HEREBY GENERALLY RELEASES AND FOREVER DISCHARGES the Company, its respective predecessors, successors and assigns and its respective past and present stockholders, members, directors, officers, employees, agents, representatives, principals, insurers and attorneys (together the "Company Parties") from any and all claims, demands, liabilities, suits, damages, losses, expenses, attorneys' fees, obligations or causes of action, KNOWN OR UNKNOWN, CONTINGENT OR NON-CONTINGENT of any kind and every nature whatsoever, and WHETHER OR NOT ACCRUED OR MATURED, which any of them have or may have, arising out of or relating to any transaction, dealing, relationship, conduct, act or omission, OR ANY OTHER MATTERS OR THINGS OCCURRING OR EXISTING AT ANY TIME PRIOR TO AND INCLUDING THE EXECUTION DATE OF THIS RELEASE (including, but not limited to, any claim against the Company Parties based on, relating to or arising under wrongful discharge, breach of contract (whether oral or written), tort, fraud (but excluding fraudulent inducement into signing this Release), defamation, negligence, promissory estoppel, retaliatory discharge, Title VII of the Civil Rights Act of 1964, as amended, any other civil or human rights law, the Age Discrimination in Employment Act of 1967, Americans with Disabilities Act, Section 409A of the Internal Revenue Code or 1986, as amended (the "Code") or any other applicable provisions of the Code, Employee Retirement Income Security Act of 1974, as amended, or any other federal, state or local law relating to employment or discrimination in employment) arising out of or relating to the Executive's employment by the Company or his services as an officer or employee of the Company or any of its subsidiaries, or otherwise relating to the termination of such employment or the Agreement (collectively, "Claims"); provided, however, such general release will not limit or release the Company Parties from their respective obligations (i) under the Agreement that expressly survive termination of employment or by their terms are required to be or only capable of being performed following the Date of Termination under the Agreement, (ii) under the Company's benefit plans and agreements that expressly survive termination of employment, including without limitation the Company's equity incentive plans, (iii) in respect of the Executive's services as an officer or director of the Company or any of its subsidiaries, pursuant to any director and officer indemnification agreements or insurance policies, or the certificates of incorporation or by-laws (or like constitutive documents) of the Company or any of its subsidiaries **[in effect as of the date hereof or as provided by law]** or **[(iv) insert at the time of termination a description of any other agreements with the Company that expressly survive the Executive's termination]**. The Executive, ON BEHALF OF HIMSELF AND THE EXECUTIVE PARTIES, hereby represents and warrants that no other

person or entity has initiated or, to the extent within his control, will initiate any such proceeding on his or their behalf.

2. Non-Disparagement. The Executive agrees that, for a period of one (1) year following the date hereof, the Executive shall not, in any communications with the press or other media or any customer, client or supplier of the Company or any of its subsidiaries, make any statement which disparages or is derogatory of the Company or any of its subsidiaries or any of their respective directors or senior officers; provided, however, that this Section 2 shall apply to the Executive only for so long as the Company, its subsidiaries and their respective directors and senior officers refrain from making any such communication which disparages or is derogatory of the Executive.

3. Acknowledgement of Waiver of Claims under ADEA. The Executive acknowledges that he is waiving and releasing any rights he may have under the Age Discrimination in Employment Act of 1967 and that this waiver and release is knowing and voluntary. The Executive acknowledges that the consideration given for this waiver and release is in addition to anything of value to which the Executive was already entitled. The Executive further acknowledges that (a) he has been advised that he should consult with an attorney prior to executing this Release, (b) he has been given twenty-one (21) days within which to consider this Release before executing it and (c) he has been given seven (7) days following the execution of this Release to revoke this Release.

4. Acknowledgment. The parties hereto acknowledge that they understand the terms of this Release and that they have executed this Release knowingly and voluntarily. The Executive acknowledges that, in consideration for the covenants and releases contained herein, he will receive the payments as described in Section ____ of the Agreement, and that he would not receive such payment without the execution of this Release.

5. Severability. All provisions of this Release are intended to be severable. In the event any provision or restriction contained herein is held to be invalid or unenforceable in any respect, in whole or in part, such finding shall in no way affect the validity or enforceability of any other provision of this Release. The parties hereto further agree that any such invalid or unenforceable provision shall be deemed modified so that it shall be enforced to the greatest extent permissible under law, and to the extent that any court or arbitrator of competent jurisdiction determines any restriction herein to be unreasonable in any respect, such court or arbitrator may limit this Release to render it reasonable in the light of the circumstances in which it was entered into and specifically enforce this Release as limited.

6. Specific Performance. If a court of competent jurisdiction determines that the Executive has breached or failed to perform any part of this Release, the Executive agrees that the Company will be entitled to seek injunctive relief to enforce this Release.

7. Governing Law. This Release shall be governed by and construed in accordance with the laws of the State of Delaware without regard to its conflict of laws principles.

8. Jurisdiction and Venue. This Release will be deemed performable by all parties in, and venue will exclusively be in the state and federal courts located in, the State of Delaware. The Executive hereby consents to the personal jurisdiction of these courts and waives any objection that such venue is objectionable or improper.

[Signature Page Follows]

IN WITNESS WHEREOF , the Executive has hereunto set his hands, as of the day and year first above written.

Scott E. Howe, individually

B-3

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT, originally dated March 27, 2015, (the "Agreement"), and effective as of January 11, 2015, (the "Effective Date"), by and between Acxiom Corporation, a Delaware corporation (the "Company"), and Warren C. Jenson (the "Executive"), is hereby amended and restated as of February 14, 2018 (the "Restatement Date").

WHEREAS, the Company desires to continue the employment of the Executive as Executive Vice President and Chief Financial Officer, Executive Vice President of Technical Operations and President of International of the Company and the Executive desires to continue to hold such positions under the terms and conditions of this Agreement; and

WHEREAS, the parties desire to enter into this Agreement setting forth the terms and conditions of the employment relationship between the Executive and the Company.

NOW, THEREFORE, intending to be legally bound hereby, the parties agree as follows:

1. **Employment**. The Company hereby continues to employ the Executive and the Executive hereby continues to accept employment with the Company, upon the terms and subject to the conditions set forth herein.

2. **Term**.

(a) Subject to termination pursuant to Section 9, the term of the employment by the Company of the Executive pursuant to this Agreement (as the same may be extended, the "Term") will commence on January 11, 2015 and terminate on January 10, 2018. The Term was most recently extended on January 11, 2018.

(b) Commencing on January 11, 2018 and on each subsequent anniversary thereof, the Term will be automatically extended for a period of one (1) additional year following the expiration of the applicable Term unless the Company or the Executive elect not to extend the Term by notifying the other party of such non-renewal in writing not later than one hundred and eighty (180) days before any such anniversary date (the "Notice of Non-Renewal").

3. **Position**. During the Term, the Executive will serve as Executive Vice President and Chief Financial Officer of the Company, performing duties commensurate with such positions, and will perform such additional duties as the Board of Directors of the Company (the "Board") and the Chief Executive Officer will reasonably determine. The Executive will report directly to the Chief Executive Officer. The Executive agrees to serve, without any additional compensation, as a member of the board of directors and/or as an officer of any subsidiary of the Company. If the Executive's employment is terminated for any reason, whether such termination is voluntary or involuntary, the Executive will resign as a director and/or officer of all subsidiaries of the Company (as applicable), such resignation to be effective no later than the date of termination of the Executive's employment with the Company.

4. **Duties**. During the Term, the Executive will devote his full time and attention during normal business hours to the business and affairs of the Company and its subsidiaries (the "Business"); provided, however, that the Executive will be permitted to devote reasonable periods of time to charitable and community activities, so long as such activities do not interfere with the performance of the Executive's responsibilities under this Agreement. In addition, following notice and with the consent of the Company (not to be unreasonably withheld and subject to good faith discussions between the Company and the Executive), Executive shall be permitted to serve on the Boards of Directors (or similar governing bodies) of up to three other for-profit entities, only two of which may have publicly traded securities, provided such services do not materially interfere with Executive's ability to serve as Chief Financial Officer, Executive Vice President of Technical Operations and President of International of the Company.

5. Salary and Bonus

(a) For purposes of this Agreement, the "Initial Fiscal Year" will mean the period commencing on April 1, 2015 and ending on March 31, 2016. A "Fiscal Year" will mean the Initial Fiscal Year and any other fiscal year of the Company during the Term.

(b) During the Initial Fiscal Year, the Company will pay the Executive a base salary at an annual rate of \$515,000. During the Term, within ninety (90) days following the end of each Fiscal Year, the Board (or the Compensation Committee of the Board (the "Compensation Committee")) will, in good faith, review the Executive's annual base salary and may increase (but not decrease) such amount as it may deem advisable (such annual rate of salary, as the same may be increased, the "Base Salary"). The Base Salary will be payable to the Executive in substantially equal installments in accordance with the Company's normal payroll practices.

(c) During each Fiscal Year, the Executive will be eligible for a target cash bonus opportunity of one hundred percent (100%) of then-current Base Salary and a maximum cash bonus opportunity of two hundred percent (200%) of then-current Base Salary. The Executive's entitlement to such cash bonus, if any, will be determined promptly by the independent members of the Board (or by the Compensation Committee) based on the terms of the executive bonus program then in effect, including the Board's (or the Compensation Committee's) good faith determination as to whether pre-determined performance targets of the Company have been achieved following a review of the Company's year-end audited financial statements. Payments will be made in accordance with the terms of the relevant plan, or, if different, in accordance with the terms of this Agreement.

(d) The Executive's primary work location will be the Company's office located in Redwood City, California. However, the Executive will be required to travel to the Company's other locations from time to time.

(e) The Company will pay on the Executive's behalf reasonable legal expenses up to an amount of \$30,000 incurred by him in connection with the drafting and negotiation of this Agreement.

6. Long-Term Incentive Awards

(a) Effective March 27, 2015, the Company will, as a one-time retention award to enter into this agreement and pursuant to the 2005 Equity Plan, grant the executive (i) 111,111 Performance Restricted Stock Units, subject to such performance and vesting conditions as may be determined by the Compensation Committee, and (ii) 50,000 restricted stock units, which will vest ratably over four (4) years, twenty-five (25%) per year, beginning on the first anniversary of such grant. Each such award shall be documented based on a model form of award agreement prepared by the Company.

(b) During the Term, within ninety (90) days following the end of each Fiscal Year, the independent members of the Board (or the Compensation Committee) will in good faith consider the grant of long-term equity incentive awards to the Executive.

(c) Notwithstanding any provision to the contrary in any equity incentive plan or related award agreement relating to any equity incentive award granted to the Executive, solely with respect to the Executive (i) any definition of competitive business activities (including "any activity which competes with any activity of the Company and/or its subsidiaries and affiliated companies" or acting "in competition with or acting against the interests of the Company") shall be deemed to be the activities that would result in a violation of Section 12(b) hereof, (ii) the activities that would be deemed to constitute "disclosing or misusing any confidential information or material concerning the Company" shall be deemed to be the activities that would result in a violation of Section 7 of the Axiom Corporation Associate Agreement; (iii) the activities that would be deemed to constitute "any attempt, directly or indirectly, to solicit the trade or business of any current or prospective customer of the Company" shall be deemed to be the activities that would result in a violation of Section 12(a)(i) hereof, (iv) the activities that would be deemed to constitute "any attempt, directly or indirectly, to induce any associate of the Company to be employed or perform services elsewhere" shall be deemed to be the activities that would result in a violation of Section 12(a)(ii) hereof; and (v) any forfeiture provisions contained therein requiring the payment of proceeds of equity gains to the Company shall refer solely to the amount of after-tax proceeds actually received by the Executive. In determining after-tax proceeds

in clause (v) of this Section 6(c), any tax deduction or loss arising from such forfeiture will be taken into account.

(d) The parties intend that any equity incentive awards contemplated by this Section 6 and the payments and benefits provided thereunder be exempt from or comply with the requirements of Section 409A of the Code to the maximum extent possible, whether pursuant to the short-term deferral exception described in Treasury Regulation Section 1.409A-1(b)(4), the exclusion applicable to stock options under Treasury Regulation Section 1.409A-1(b)(5), or otherwise. Notwithstanding any other provision of this Agreement or any other plan or agreement to the contrary, all equity incentive awards contemplated by this Section 6 shall be interpreted, operated, and administered in a manner consistent with such intentions.

7. Vacation, Holidays and Sick Leave; Life Insurance. During the Term, the Executive will be entitled to paid vacation in accordance with the Company's standard vacation accrual policies for its senior executive officers as may be in effect from time to time; provided, that the Executive will during each Fiscal Year be entitled to take at least four (4) weeks of such vacation. During the Term, the Executive will also be entitled to participate in all applicable Company employee benefits plans as may be in effect from time to time for the Company's senior executive officers.

8. Business Expenses. The Executive will be reimbursed for all reasonable business expenses incurred by him in connection with his employment following timely submission by the Executive of receipts and other documentation in accordance with the Company's normal expense reimbursement policies.

9. Termination of Employment. The Executive's employment by the Company pursuant to this Agreement will not be terminated before the end of the Term hereof, except as set forth in this Section 9. For purposes of this Section 9, "Performance Unit" shall mean any equity incentive awards (including for the avoidance of doubt, performance restricted stock units or accelerated performance settled shares) granted by the Company to the Executive that are earned based upon achievement of performance measures during a performance period as defined by the grant documents.

(a) By Mutual Consent. The Executive's employment pursuant to this Agreement may be terminated at any time by the mutual written agreement of the Company and the Executive.

(b) Death. The Executive's employment pursuant to this Agreement will be terminated upon the death of the Executive, in which event the Executive's spouse or heirs will receive (i) all Base Salary and benefits to be paid or provided to the Executive under this Agreement through the Date of Termination (as defined in Section 9(j) hereof), (ii) any other unpaid benefits (including death benefits) to which they are entitled under any plan, policy or program of the Company applicable to the Executive as of the Date of Termination, (iii) in the event the Date of Termination occurs after the completion of any Fiscal Year, but prior to the date any cash bonus related to such Fiscal Year has been determined or paid to the Executive, the amount of any cash bonus related to such Fiscal Year ending before the Date of Termination that the Executive would have otherwise been entitled to had Executive not terminated, (iv) the amount of any target cash bonus for the Fiscal Year in which the Date of Termination occurs, pro-rated based on the portion of the applicable Fiscal Year that the Executive worked for the Company, and (v) notwithstanding anything to the contrary in any equity incentive plan or agreement or the related award agreements, all options, restricted stock awards, restricted stock unit awards and any other equity awards (other than any Performance Units), which are then outstanding, to the extent not then vested, shall vest immediately.

The amounts referred to in clauses (i) through (iii) above will be paid when the same would have been paid to the Executive (whether or not the Term will have expired during such period), and the amount referred to in clause (iv-v) will be paid or vested within sixty (60) days following the Date of Termination.

(c) Disability. The Executive's employment pursuant to this Agreement may be terminated by delivery of written notice to the Executive by the Company (a "Notice of Termination") in the event that the Executive is unable to perform the essential functions of his regular duties and responsibilities, with or without reasonable accommodation, due to a Disability that has lasted (or can reasonably be expected to last) for a period of ninety (90) consecutive days, or for a total of ninety (90) days or more in any consecutive one hundred and eighty (180) day period. "Disability" means a physical or mental impairment of Executive as certified in a written statement from a licensed physician selected or approved reasonably and in good

faith by the Board (or any committee of the Board comprised solely of independent directors). If the Executive's employment is terminated pursuant to this Section 9(c), the Executive will be entitled to receive (i) all Base Salary and benefits to be paid or provided to the Executive under this Agreement through the Date of Termination, (ii) any other unpaid benefits (including disability benefits) to which he is otherwise entitled under any plan, policy or program of the Company applicable to the Executive as of the Date of Termination, (iii) in the event the Date of Termination occurs after the completion of any Fiscal Year, but prior to the date any cash bonus related to such Fiscal Year has been determined or paid to the Executive, the amount of any cash bonus related to such Fiscal Year ending before the Date of Termination that the Executive would have otherwise been entitled to had Executive not terminated, (iv) the amount of any target cash bonus for the Fiscal Year in which the Date of Termination occurs, pro-rated based on the portion of the applicable Fiscal Year that the Executive worked for the Company, and (v) notwithstanding anything to the contrary in any equity incentive plan or agreement or the related award agreements, all options, restricted stock awards, restricted stock unit awards and any other equity awards (other than Performance Units), which are then outstanding, to the extent not then vested, shall vest immediately.

The amounts referred to in clauses (i) through (iii) above will be paid to the Executive when the same would have been paid to the Executive (whether or not the Term will have expired during such period), and the amount referred to in clause (iv-v) will be paid or vested within sixty (60) days following the Date of Termination.

(d) By the Company for Cause. The Executive's employment pursuant to this Agreement may be terminated by delivery of a Notice of Termination upon the occurrence of any of the following events (each of which will constitute "Cause" for termination): (i) the willful failure by the Executive to substantially perform his duties or follow the reasonable and lawful instructions of the Board and the Chief Executive Officer of the Company; provided, that the Executive will be allowed to cure such failure within thirty (30) days of delivery to the Executive by the Company of written demand for performance, which such written demand will specifically identify the manner in which the Company believes he has not substantially performed his duties; (ii) the engaging by the Executive in intentional misconduct, or the Executive's gross negligence, that is materially injurious to the Company, monetarily or otherwise; (iii) the conviction of, or pleading guilty or nolo contendere to, any felony; or (iv) the Executive's material breach of the provisions of this Agreement (including, but not limited to, Section 12) or of any material written employment policy of the Company, which, if curable, is not cured within thirty (30) days of delivery to the Executive by the Company of written notice thereof, which such notice shall specify in reasonable detail the manner in which the Company believes the Executive has breached this Agreement.

If the Executive's employment is terminated pursuant to this Section 9(d), the Executive will be entitled to receive all Base Salary and benefits to be paid or provided to the Executive under this Agreement through the Date of Termination, any other unpaid benefits to which he is otherwise entitled under any plan, policy or program of the Company applicable to the Executive as of the Date of Termination and no more.

(e) By the Company Without Cause. The Executive's employment pursuant to this Agreement may be terminated by the Company at any time without Cause by delivery of a Notice of Termination. If the Executive's employment is terminated pursuant to this Section 9(e), the Executive will be entitled to receive (i) all Base Salary and benefits to be paid or provided to the Executive under this Agreement through the Date of Termination, (ii) in the event the Date of Termination occurs after the completion of any Fiscal Year, but prior to the date any cash bonus related to such Fiscal Year has been determined or paid to the Executive, the amount of any cash bonus related to such Fiscal Year ending before the Date of Termination that the Executive would have otherwise been entitled to had Executive not terminated, (iii) a bonus payment based on the extent to which performance goals relating to such bonus are ultimately achieved, pro-rated based on the Fiscal Year that the Executive worked for the Company, and payable on the date when such bonus opportunities would have been paid absent termination of employment, (iv) an amount equal to two hundred percent (200%) of the sum of (A) the Executive's Base Salary at the then-current rate of Base Salary, plus (B) an amount equal to the Executive's average annual cash bonus based on the two Fiscal Years preceding the year of termination, and (v) any other unpaid benefits to which the Executive is otherwise entitled under any plan, policy or program of the Company applicable to the Executive as of the Date of Termination.

The amounts referred to in clauses (i), (ii) and (iv) above will be paid to the Executive immediately following the expiration of the Severance Delay Period, in accordance with the Company's normal payroll policies and procedures.

Additionally, if the Executive's employment is terminated pursuant to this Section 9(e), notwithstanding anything contained in any equity plan or grant documents, the Executive shall also receive solely with respect to Performance Units: (i) the number of Performance Units, if any, that were earned during a completed performance period but remain unvested, multiplied by a fraction, the numerator of which is the full number of calendar months that elapsed between the beginning of the performance period and the Date of Termination and the denominator of which is the number of months between the beginning of the performance period and when the award would fully vest and no longer be subject to forfeiture, payment for which shall be processed immediately following the expiration of the Severance Delay Period; and (ii) the number of the Performance Units, if any, for performance periods that are ongoing as of the Date of Termination and for which at least one year of the performance period has elapsed as of the Date of Termination, multiplied by a fraction, the numerator of which is the full number of calendar months that elapsed between the beginning of the performance period and the Date of Termination and the denominator of which is the number of months between the beginning of the performance period and when the award would fully vest and no longer be subject to forfeiture, with the settlement of such performance units to occur after the completion of the applicable performance period based upon the Company's actual performance as determined following the completion of the applicable performance periods in accordance with the terms of the Performance Unit grant documents and with payment to be made as soon as administratively practicable after the end of the performance period stated in the applicable grant documents and at the time the Executive would have received payment had the Executive remained employed.

As a condition to receiving such payments, the Executive agrees to execute, deliver and not revoke a general release in the form attached as Exhibit A prior to the expiration of the Severance Delay Period. "Severance Delay Period" shall mean the period beginning on the Date of Termination and ending on the thirtieth day thereafter. Notwithstanding the foregoing, in the event that the Executive's "separation from service" (as such term is defined under Treasury Regulation 1.409A-1(h)) occurs in connection with an exit incentive program or other employment termination program offered to a group or class of employees, as defined under the Older Worker Benefit Protection Act, 29 U.S.C. Section 626, the Severance Delay Period shall mean the period beginning on the Date of Termination and ending on the sixtieth day thereafter.

(f) By the Executive for Good Reason. The Executive's employment pursuant to this Agreement may be terminated by the Executive by written notice of his resignation ("Notice of Resignation") delivered to the Company within thirty (30) days of the occurrence of any of the following (each of which will constitute "Good Reason" for resignation): (1) a material reduction by the Company in the Executive's title or position, or a material reduction by the Company in the Executive's authority, duties or responsibilities (including, without limitation, Executive no longer serving as the Chief Financial Officer, Executive Vice President of Technical Operations and President of International of the Company's ultimate parent entity following a Change in Control), or the assignment by the Company to the Executive of any duties or responsibilities that are materially inconsistent with such title, position, authority, duties or responsibilities, however, for the avoidance of doubt, a change only in the size of the company without the occurrence of any other changes in this Section 9(f) shall not constitute Good Reason; (2) a material change in the Executive's reporting relationship (e.g., where the Executive would no longer be reporting to the CEO); (3) a reduction in Base Salary; (4) subject to the terms of Section 5(d) above, forced relocation of Executive's primary work location greater than thirty (30) miles from the Company's office in Redwood City, California; or (5) any material breach of this Agreement by the Company (collectively, a "Good Reason Event"); provided, that, if any Good Reason Event is curable, the Company will be allowed to cure such Good Reason Event within thirty (30) days of delivery to the Company by the Executive of his Notice of Resignation, which such Notice of Resignation will specifically identify the Good Reason Event which the Executive believes has occurred. For avoidance of doubt, "Good Reason" will exclude the death or Disability of the Executive. If the Company fails to cure the Good Reason Event within the thirty (30) day cure period, then the Executive must terminate employment within thirty (30) days thereafter. If the Executive does not terminate employment during such thirty (30) day period, then the Executive will be deemed to have waived his right to terminate employment based upon such Good Reason Event and will not receive any payments under this Section 9(f).

If the Executive resigns for Good Reason pursuant to this Section 9(f), the Executive will be entitled to receive (i) all Base Salary and benefits to be paid or provided to the Executive under this Agreement through the Date of Termination, (ii) in the event the Date of Termination occurs after the completion of any Fiscal Year, but prior to the date any cash bonus related to such Fiscal Year has been determined or paid to the Executive, the amount of any cash bonus related to such Fiscal Year ending before the Date of Termination that the Executive would have otherwise been entitled to had Executive not terminated, (iii) a bonus payment based

on the extent to which the performance goals relating to such bonus are ultimately achieved, pro-rated based on the portion of the Fiscal Year that the Executive worked for the Company, and payable on the date when such bonus otherwise would have been paid absent termination of employment, (iv) an amount equal to two hundred percent (200%) of the sum of (A) the Executive's Base Salary at the then-current rate of Base Salary, plus (B) an amount equal to the Executive's average annual cash bonus based on the two Fiscal Years preceding the year of termination, and (v) any other unpaid benefits to which the Executive is otherwise entitled under any plan, policy or program of the Company applicable to the Executive as of the Date of Termination.

The amounts referred to in clauses (i), (ii) and (iv) above will be paid to the Executive immediately following the expiration of the Severance Delay Period in accordance with the Company's normal payroll policies and procedures.

Additionally, if the Executive resigns for Good Reason pursuant to this Section 9(f), notwithstanding anything contained in any equity plan or grant documents, the Executive shall also receive solely with respect to Performance Units: (x) the number of the Performance Units, if any, that were earned during a completed performance period but remain unvested, multiplied by a fraction, the numerator of which is the full number of calendar months that elapsed between the beginning of the performance period and the Date of Termination and the denominator of which is the number of months between the beginning of the performance period and when the award would fully vest and no longer be subject to forfeiture, payment for which shall be processed immediately following the expiration of the Severance Delay Period; and (y) the number of Performance Units, if any, for performance periods that are ongoing as of the Date of Termination and for which at least one year of the performance period has elapsed as of the Date of Termination, multiplied by a fraction, the numerator of which is the full number of calendar months that elapsed between the beginning of the performance period and the Date of Termination and the denominator of which is the number of months between the beginning of the performance period and when the award would fully vest and no longer be subject to forfeiture, with the settlement of such performance units to occur after the completion of the applicable performance period based upon the Company's actual performance as determined following the completion of the applicable performance periods in accordance with the terms of the Performance Unit grant documents and with payment to be made as soon as administratively practicable after the end of the performance period stated in the applicable grant documents and at the time the Executive would have received payment had the Executive remained employed.

As a condition to receiving such payments, the Executive agrees to execute, deliver and not revoke a general release in the form attached as Exhibit A prior to the expiration of the Severance Delay Period.

(g) Non-Renewal by the Company. The Executive's employment pursuant to this Agreement may be terminated by the Company by delivery of a Notice of Non-Renewal consistent with the provisions of Sections 2(b) and 18. If the Executive's employment is involuntarily terminated as described in the preceding sentence, this shall be treated as a termination by the Company without Cause, and the provisions of Section 9(e) shall apply, and the Executive shall be entitled to all of the rights, vesting, benefits, and payments set forth in Section 9(e) (including with respect to Performance Units, as described in Section 9(e)) except that section 9(e)(iv) shall be in an amount equal to one hundred percent (100%) of the sum of (A) the Executive's Base Salary at the then-current rate of Base Salary, plus (B) an amount equal to the Executive's average annual cash bonus based on the two Fiscal Years preceding the year of termination.

(h) By the Executive Without Good Reason. The Executive's employment pursuant to this Agreement may be terminated by the Executive at any time by delivery of a Notice of Resignation to the Company. If the Executive's employment is terminated pursuant to this Section 9(h), the Executive will receive all Base Salary and benefits to be paid or provided to the Executive under this Agreement through the Date of Termination, any other unpaid benefits to which the Executive is otherwise entitled under any plan, policy or program of the Company applicable to the Executive as of the Date of Termination (including, without limitation, in the event the Date of Termination occurs after the completion of any Fiscal Year, but prior to the date any cash bonus related to such Fiscal Year has been determined or paid to the Executive, the amount of any cash bonus related to such Fiscal Year ending before the Date of Termination that the Executive would have otherwise been entitled to had Executive not terminated) and no more.

(i) Following a Change in Control.

(i) If within twenty-four (24) months following a Change in Control, the Executive is (x) terminated without Cause by delivery of a Notice of Termination (y) resigns for Good Reason (as defined and qualified in Section 9(f) above) by delivery of a Notice of Resignation, or (z) terminated by Non-Renewal of the Company by delivery of a Notice of Non-Renewal consistent with the provisions of Section 2(b) and 18, then the Executive will be entitled to receive (i) all Base Salary and benefits to be paid or provided to the Executive under this Agreement through the Date of Termination, (ii) in the event the Date of Termination occurs after the completion of any Fiscal Year, but prior to the date any cash bonus related to such Fiscal Year has been determined or paid to the Executive, the amount of any cash bonus related to such Fiscal Year ending before the Date of Termination that the Executive would have otherwise been entitled to had Executive not terminated, (iii) a bonus payment based on the extent to which the performance goals relating to such bonus are ultimately achieved, pro-rated based on the portion of the Fiscal Year that the Executive worked for the Company and payable on the date when such bonus would have been paid absent termination of employment, (iv) an amount equal to two hundred percent (200%) of the sum of (A) the Executive's Base Salary at the then-current rate of Base Salary, plus (B) his average annual cash bonus based on the two Fiscal Years preceding the year of termination, (v) notwithstanding anything to the contrary in any equity incentive plan or agreement or the related award agreements, all options, restricted stock awards, restricted stock unit awards and any other equity awards (including Assumed Eligible PSUs (defined below), but excluding any other Performance Units, if applicable), which are then outstanding, to the extent not then vested, shall vest immediately, and (vi) any other unpaid benefits to which the Executive is otherwise entitled under any plan, policy or program of the Company applicable to the Executive as of the Date of Termination. The amounts referred to in clauses (i) through (vi) above will collectively be referred to as the "Change in Control Severance Amounts." The Change in Control Severance Amounts described in clauses (i), (ii) and (iv) will be paid to the Executive in a lump sum immediately following the expiration of the Severance Delay Period. The Executive agrees to execute, deliver and not revoke a general release in the form attached as Exhibit A prior to the expiration of the Severance Delay Period. Payments pursuant to this Section 9(i) will be made in lieu of, and not in addition to, any payment pursuant to any other paragraph of this Section 9.

(ii) Unless provided otherwise in the applicable grant documents underlying the Performance Units, upon the consummation of a Change in Control, (such date, the "Change in Control Date"), the applicable performance period (as set forth in the applicable grant documents) will be truncated, and a number of Performance Units will become eligible to vest (the "Eligible PSUs") based on the degree of achievement of performance objectives (as set forth in the applicable grant documents) as of the Change in Control Date. Eligible PSUs will be treated as unvested restricted stock units, and if assumed or substituted for by the acquiring or surviving entity (or an affiliate of such entity) in accordance with the terms of the definitive agreements relating to the Change in Control (the "Definitive Agreements"), will convert into restricted stock units (or other compensatory arrangements) of equal value to be settled in cash or shares (determined in accordance with the Definitive Agreements) by the acquiring or surviving entity (or an affiliate of such entity), as applicable (the "Assumed Eligible PSUs"). In the event the Executive remains employed with the acquiring or surviving entity (or an affiliate of such entity), as applicable, through the end of the applicable performance period (such date, the "Performance Period End Date"), the Assumed Eligible PSUs will become fully vested and will be settled within thirty (30) days of the Performance Period End Date. Subject to the vesting acceleration set forth in Section 9(i)(i), in the event the Executive's employment terminates for any reason other than Death or Disability before the Performance Period End Date, the Executive's Assumed Eligible Performance Units will be immediately forfeited. If within twenty-four (24) months following a Change in Control, the Executive's employment terminates by reason of death or Disability, the Assumed Eligible PSUs which are then outstanding, to the extent not then vested, shall vest immediately.

(iii) In the event Executive is terminated without Cause, or resigns for Good Reason, following the public announcement of a Board-approved agreement to effect a Change in Control but prior to the consummation of such Change in Control, then in addition to those payments made pursuant to Sections 9(e) or (f), as applicable, Executive shall be entitled to certain additional payments pursuant to this Section 9(i)(iii) in the event such publicly announced Change in Control is consummated (or if such publicly announced Change in Control is terminated by the Board to accept a superior proposal, if such superior proposal constituting a Change in Control is consummated). In such case, (i) with respect to any unvested equity awards (other than Performance Units) that Executive forfeited upon his termination of employment (without receiving payment therefor) but that would have vested following a Change in Control had Executive remained employed with the Company until the Change in Control (such equity, "Unvested

Equity”), Executive shall be entitled to receive a payment in an amount equal to the value of such Unvested Equity, calculated with reference to the value of the Company’s common stock implied by the Change in Control price of such stock; and (ii) with respect to any Performance Units held by Executive at the Date of Termination (and not previously forfeited), a payment in an amount equal to the difference between the amount that would have been paid on account of such Performance Units pursuant to Section 9(i)(ii) had Executive remained employed with the Company until the date of a Change in Control and the amount that has actually been paid on account of such Performance Units as of the date of the Change in Control pursuant to Section 9(e) or 9(f), as applicable. The additional payments set forth in subsections (i) to (ii) of this Section 9(i)(iii) shall be paid in a lump sum on the later of (x) the expiration of the original Severance Delay Period applicable to Executive’s actual termination, or (y) contemporaneously with the closing of the Change in Control (or within ten (10) days thereafter). For the avoidance of doubt, a payment shall be made under this Section 9(i)(iii) only as a result of a Change in Control described in Section 9(k)(iii) and shall not include a “Non-Qualifying Transaction.”

(j) Date of Termination. The Executive’s Date of Termination will be (i) if the Executive’s employment is terminated pursuant to Section 9(b), the date of his death, (ii) if the Executive’s employment is terminated pursuant to Section 9(c), Section 9(d) or Section 9(e), the date on which a Notice of Termination is given, (iii) if the Executive’s employment is terminated pursuant to Section 9(f), the later of the date specified in the Notice of Resignation or the date on which Executive actually terminates employment following the expiration of the cure period set forth in Section 9(f), or such earlier date as the Company shall determine, (iv) if the Executive’s employment is terminated pursuant to Section 9(g), the date that is the last day of the then-current Term, (v) if the Executive’s employment is terminated pursuant to Section 9(h), the date specified in the Notice of Resignation or such earlier date as the Company shall determine (provided that the Executive will deliver such Notice of Resignation to the Company not less than thirty (30) days before the Date of Termination specified therein) and (vi) if the Executive’s employment is terminated pursuant to Section 9(i), the date specified in the Notice of Termination or the Notice of Resignation, as applicable, or such earlier date as the Company shall determine.

(k) For the purposes of this Agreement, a “Change in Control” will mean any of the following events:

(i) An acquisition of any securities of the Company entitled to vote generally in the election of directors (the “Voting Securities”) by any “person” (as the term person is used for purposes of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the “1934 Act”)) immediately after which such person has “Beneficial Ownership” (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of thirty percent (30%) or more of the combined voting power of the then outstanding Voting Securities; provided, however, that in determining whether a Change in Control has occurred, Voting Securities that are acquired in a “Non-Control Acquisition” (as hereinafter defined) will not constitute an acquisition that would cause a Change in Control. A “Non-Control Acquisition” will mean (i) an acquisition by an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other person of which a majority of its voting power or its equity securities or equity interest is owned directly or indirectly by the Company (a “Subsidiary”), (ii) any acquisition by or directly from the Company or any Subsidiary, or (iii) an acquisition pursuant to a Non-Qualifying Transaction (as defined in Section 9(k)(iii) below);

(ii) The individuals who, on the Effective Date, constitute the Board (the “Incumbent Directors”) cease for any reason to constitute at least a majority of such board, provided, that, any person becoming a director after the Effective Date and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board will be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to the election or removal of directors (“Election Contest”) or other actual or threatened solicitation of proxies or consents by or on behalf of any “person” (such term for purposes of this definition being as defined in Section 3(a)(9) of the 1934 Act and as used in Section 13(d)(3) and 14(d)(2) of the 1934 Act) other than the Board (“Proxy Contest”), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, will be deemed an Incumbent Director; or

(iii) Consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company (a “Reorganization”), or the sale

or other disposition of all or substantially all of the Company's assets (a "Sale") or the acquisition of assets or stock of another corporation (an "Acquisition"), unless immediately following such Reorganization, Sale or Acquisition:

(A) The stockholders of the Company immediately before such Reorganization, Sale or Acquisition, beneficially own, directly or indirectly, immediately following such Reorganization, Sale or Acquisition, more than fifty percent (50%) of the combined voting power of the outstanding Voting Securities of the Company resulting from such Reorganization, Sale or Acquisition (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets or stock either directly or through one or more subsidiaries, the "Surviving Corporation") in substantially the same proportion as their ownership of the Voting Securities immediately before such Reorganization, Sale or Acquisition;

(B) The individuals who were members of the Incumbent Board immediately before the execution of the agreement providing for such Reorganization, Sale or Acquisition constitute at least a majority of the members of the board of directors of the Surviving Corporation; and

(C) No person (other than the Company, any Subsidiary, any employee benefit plan (or any trust forming a part thereof) maintained by the Company, the Surviving Corporation or any Subsidiary, or any person who, immediately before such Reorganization, Sale or Acquisition, had Beneficial Ownership of thirty percent (30%) or more of the then outstanding Voting Securities), has Beneficial Ownership of thirty percent (30%) or more of the combined voting power of the Surviving Corporation's then outstanding Voting Securities;

Any Reorganization, Sale or Acquisition which satisfies all of the criteria specified in subparts (A), (B) and (C) of this Section 9(k) above will be deemed to be a "Non-Qualifying Transaction."

Notwithstanding the foregoing, a "Change in Control" will not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the outstanding Voting Securities of the Company as a result of the acquisition of Voting Securities by the Company which, by reducing the number of Voting Securities outstanding, increased the proportional number of shares Beneficially Owned by the Subject Person.

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

Notwithstanding the foregoing, to the extent that (i) any payment under this Agreement is payable solely upon or following the occurrence of a Change in Control and (ii) such payment is treated as "deferred compensation" for purposes of Section 409A of the Code, a Change in Control shall mean a "change in the ownership of the Company," a "change in the effective control of the Company," or a "change in the ownership of a substantial portion of the assets of the Company" as such terms are defined in Section 1.409A-3(i)(5) of the Treasury Regulations.

(v) Delay of Payment Required by Section 409A of the Code. It is intended that (i) each payment or installment of payments provided under this Agreement will be a separate "payment" for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) that the payments will satisfy, to the greatest extent possible, the exemptions from the application of Section 409A of the Code, including those provided under Treasury Regulations 1.409A-1(b)(4) (regarding short-term deferrals), 1.409A-1(b)(9)(iii) (regarding the two-times, two-year exception), and 1.409A-1(b)(9)(v) (regarding reimbursements and other separation pay). Notwithstanding anything to the contrary in this Agreement, if (i) on the date the Executive's employment with the Company terminates or at such other time that is relevant under Section 409A of the Code, the Company determines that the Executive is a "specified employee" (as such term is defined under Treasury Regulation 1.409A-1(i)(1)) of the Company and (ii) the Company determines that any payments to be provided to the Executive pursuant to this Agreement are or may become subject to the additional tax under Section 409A(a)(1)(B) of the Code or any other taxes or penalties imposed under Section 409A of the Code if provided at the time otherwise required under this Agreement, then such payments will be delayed until the date that is six (6) months after the date of the Executive's "separation from service" (as such term is defined under Treasury Regulation 1.409A-1(h)) with the Company or, if earlier, the date of the Executive's death. Any payments delayed pursuant to this Section 9(l) will be made in a lump

sum on the first day of the seventh (7th) month following the Executive's "separation from service" (as such term is defined under Treasury Regulation 1.409A-1(h)) or, if earlier, the date of the Executive's death and any remaining payments required to be made under this Agreement will be paid upon the schedule otherwise applicable to such payments under the Agreement.

(l) Notwithstanding anything to the contrary in any equity incentive plan or agreement or the related award agreements, all options, restricted stock awards, restricted stock unit awards and any other equity awards, including Performance Units, shall be subject to the benefit of any otherwise applicable provisions of such award agreements or equity plan administration guidelines or policies as may be adopted from time to time, including provision for accelerated vesting or the extension of option exercise periods in connection with termination of employment and/or change in control, to the extent such provisions, guidelines or policies would provide any additional or greater benefit to the Executive than available to the Executive hereunder.

10. Representations

(a) The Company represents and warrants that this Agreement has been authorized by all necessary corporate action of the Company and is a valid and binding agreement of the Company enforceable against it in accordance with its terms.

(b) The Executive represents and warrants that he is not a party to any agreement or instrument which would prevent him from entering into or performing his duties in any way under this Agreement.

11. Assignment; Binding Agreement. This Agreement is a personal contract and the rights and interests of the Executive hereunder may not be sold, transferred, assigned, pledged, encumbered, or hypothecated by him, except as otherwise expressly permitted by the provisions of this Agreement. This Agreement will inure to the benefit of and be enforceable by the Executive and his personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amount would still be payable to him hereunder had the Executive continued to live, all such amounts, unless otherwise provided herein, will be paid in accordance with the terms of this Agreement to his devisee, legatee or other designee or, if there is no such designee, to his estate.

12. Confidentiality; Non-Solicitation; Non-Competition

(a) Non-Solicitation

(i) The Executive specifically acknowledges that the Confidential Information described in this Section 12 includes confidential data pertaining to current and prospective customers of the Company, that such data is a valuable and unique asset of the Company's business and that the success or failure of the Company's specialized business is dependent in large part upon the Company's ability to establish and maintain close and continuing personal contacts and working relationships with such customers, and to develop proposals which are specifically designed to meet the requirements of such customers. Therefore, the Executive agrees that during the Term, and for a period of one (1) year after the Date of Termination, he will not, except on behalf of the Company or with the Company's express written consent, solicit, either directly or indirectly, on his own behalf or on behalf of any other person or entity, any customers or targeted potential customers with whom he had contact before the Date of Termination to take any action which could reasonably be expected to adversely affect the Company.

(ii) The Executive specifically acknowledges that the Confidential Information described in this Section 12 also includes confidential data pertaining to current and prospective employees and agents of the Company, and the Executive further agrees that during the Term, and for a period of one (1) year after the Date of Termination, the Executive will not directly or indirectly solicit, induce or attempt to induce, on his own behalf or on behalf of any other person or entity, the services of any person who is an employee of the Company or solicit any of the Company's employees, consultants or agents to terminate their employment or agency with the Company or take any other actions which would otherwise cause the Company's employees, consultants or agents to violate any Company policy, program or plan.

(iii) The Executive specifically acknowledges that the Confidential Information described in this Section 12 also includes confidential data pertaining to current and prospective vendors and suppliers of the Company, and the Executive agrees that during the Term, and for a period of one (1) year after the Date of Termination, the Executive will not directly or indirectly solicit, on his own behalf or on behalf of any other person or entity, any vendor or supplier of the Company for the purpose of terminating or changing (in an adverse manner) such vendor's or supplier's relationship or agency with the Company.

(iv) For purposes of this Section 12(a), references to the Company mean the Company or any existing or future subsidiary of the Company and any other entities that directly or indirectly, through one or more intermediaries, control, are controlled by or are under common control with the Company.

(b) Non-Competition. The Executive covenants and agrees that during the Term, and for a period of one (1) year after the Date of Termination, he will not engage in or carry on, directly or indirectly, as an individual, principal, owner, employee, agent, associate, consultant, director or in any other capacity, a business competitive with that conducted by the Company at the Date of Termination (including any businesses in active development by the Company as of the Date of Termination). To "engage in or carry on" will mean to have ownership in such business (excluding ownership of up to \$250,000 of the outstanding shares of a publicly-traded company) or to consult, work in, direct or have responsibility for any area of such business, including but not limited to the following areas: operations, technology strategy, sales, marketing, product planning, research, design or development.

(c) The parties intend that each of the covenants contained in this Section 12 will be construed as a series of separate covenants, one for each state of the United States, each county of each state of the United States, and each foreign jurisdiction in which the Company does business or is preparing to do business. Except for geographic coverage, each such separate covenant will be deemed identical in terms to the covenant contained in the preceding subsections of this Section 12. If, in any judicial proceeding, a court will refuse to enforce any of the separate covenants (or any part thereof) deemed included in those subsections, then such unenforceable covenant (or such part) will be deemed eliminated from this Agreement for the purpose of those proceedings to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced. In the event that the provisions of this Section 12 should ever be deemed to exceed the time or geographic limitations, or the scope of this covenant is ever deemed to exceed that which is permitted by applicable law, then such provisions will be reformed to the maximum time, geographic limitations or scope, as the case may be, permitted by applicable law. The unenforceability of any covenant in this Section 12 will not preclude the enforcement of any other of said covenants or provisions or of any other obligation of the Executive or the Company hereunder, and the existence of any claim or cause of action by the Executive or the Company against the other, whether predicated on the Agreement or otherwise, will not constitute a defense to the enforcement by the Company of any of said covenants.

13. Ownership of Developments; Trade Secrets of Others. All copyrights, patents, trade secrets, or other intellectual property rights associated with any idea, concepts, techniques, inventions, processes, or works of authorship developed or created by the Executive during the course of his work for the Company or its clients, including with respect to the services to be provided hereunder (collectively, the "Work Product"), will belong exclusively to the Company and will, to the extent possible, be considered a work made by the Executive for hire for the Company within the meaning of Title 17 of the United States Code. To the extent the Work Product may not be considered work made by the Executive for hire for the Company, the Executive agrees to assign, and automatically assign at the time of creation of the Work Product, without any requirement of further consideration, any right, title, or interest the Executive may have in such Work Product. Upon the request of the Company, the Executive will take further actions, including execution and delivery of instruments of conveyance, as may be appropriate to give full and proper effect to such assignment. The Executive represents that he is not bound by, and covenants that he will not enter into, any agreements, either written or oral, which are in conflict with this Agreement. For purposes of this Section 13, the references to the Company mean the Company or any existing or future subsidiary of the Company and any other entities that directly or indirectly, through one or more intermediaries, control, are controlled by or are under common control with the Company.

Reference is hereby made to Section 20 and the intent of the parties hereto that the terms of this Agreement be governed by Delaware law; notwithstanding the foregoing, in the event a court of competent jurisdiction shall determine that the law of the State of California is applicable with respect to this Section 13, in accordance with Section 2872 of the California Labor Code, notice is hereby provided to the Executive that this provision

shall not extend to the inventions or copyrightable works conceived, developed and/or reduced to practice (i) on Executive's own time; (ii) with Executive's own equipment, supplies, facilities and trade secret information; (iii) unrelated to the business of the Company (or any of its subsidiaries) or anticipated research or development by the Company (or any of its subsidiaries); and (iv) not performed by the Executive for the Company. To the extent that this Agreement purports to require the Executive to assign an invention otherwise excluded by this paragraph, the provision is against the public policy of the State of California and is unenforceable. This limited exclusion does not apply to any patent or invention covered by a contract between the Company and the United States or any of its agencies requiring full title to such patent or invention to be in the United States.

14. Company Remedies. The Executive acknowledges and agrees that the restrictions and covenants contained in this Agreement are reasonable and necessary to protect the legitimate interests of the Company and that the services to be rendered by him hereunder are of a special, unique and extraordinary character. To that end, in the event of any breach by the Executive of Section 12 or Section 13 hereof, the Executive agrees that the Company would be entitled to injunctive relief, which entails that (i) it would be difficult to replace the Executive's services; (ii) the Company would suffer irreparable harm that would not be adequately compensated by monetary damages and (iii) the remedy at law for any breach of any of the provisions of Section 12 or Section 13 may be inadequate. The Executive further acknowledges that legal counsel of his choosing has reviewed this Agreement, that the Executive has consulted with such counsel, and that he agrees to the terms herein without reservation. Accordingly, the Executive specifically agrees that the Company will be entitled, in addition to any remedy at law or in equity, and to the extent consistent with Section 409A of the Code, to (i) retain any and all payments not yet paid to him under this Agreement (unless such retention is prohibited by law) in the event of any material breach by him of his covenants under Sections 12 and 13 hereunder, (ii) in the event of such material breach, seek monetary damages and (iii) obtain preliminary and permanent injunctive relief and specific performance for any actual or threatened violation of Section 12 or Section 13 of this Agreement. This provision with respect to injunctive relief will not, however, diminish the right to claim and recover damages, or to seek and obtain any other relief available to it at law or in equity, in addition to injunctive relief.

15. Parachute Payments. Any provision of the Agreement to the contrary notwithstanding, if any payments or benefits the Executive would receive from the Company pursuant to the Agreement or otherwise (collectively, the "Payments") would, either separately or in the aggregate, (i) constitute "parachute payments" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Payments will be equal to the Reduced Amount (defined below). The "Reduced Amount" will be either (1) an amount equal to the largest portion of the Payments that would result in no portion of any of the Payments (after reduction) being subject to the Excise Tax or (2) the entire amount of the Payments, whichever amount after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes), results in the Executive's receipt, on an after-tax basis, of the greatest amount of the Payments. If a reduction in the Payments is to be made so that the amount of the Payments equals the Reduced Amount, (x) the Payments will be paid only to the extent permitted under the Reduced Amount alternative, and the Executive will have no rights to additional payments and/or benefits constituting the Payments, and (y) reduction in payments and/or benefits will occur in the following order and in a manner intended to comply with Section 409A of the Code (as determined by the Company): (1) reduction or elimination of cash severance benefits that are subject to Section 409A of the Code; (2) reduction or elimination of cash severance benefits that are not subject to Section 409A of the Code; (3) cancellation or elimination of accelerated vesting of equity awards (other than stock options); (4) cancellation of accelerated vesting of stock options; (5) reduction or elimination of any remaining Payments that are subject to Section 409A of the Code; and (6) reduction or elimination of any remaining Payments that are not subject to Section 409A of the Code. In the event that acceleration of vesting of equity award compensation is to be reduced or eliminated, such acceleration of vesting will be cancelled in the reverse order of the date of grant of the Executive's equity awards. In no event will the Company or any stockholder be liable to the Executive for any amounts not paid as a result of the operation of this Section 15. All computations and determinations called for by this Section 15 shall be made by tax counsel or a nationally recognized accounting firm appointed by the Company (the "Tax Advisor"). If the Tax Advisor so engaged by the Company is serving as accountant or auditor for the acquirer, the Company will appoint another Tax Advisor to make the determinations required hereunder. The Company will bear all expenses with respect to the determinations by the Tax Advisor required to be made hereunder. The Tax Advisor engaged to make

the determinations hereunder will provide its preliminary calculations, together with detailed supporting documentation, to the Company and the Executive within fifteen (15) days before the consummation of the Change in Control (if requested at that time by the Company or the Executive) or such other reasonable time as requested by the Company or the Executive. No portion of the Payments shall be taken into account which in the opinion of the Tax Advisor does not constitute a "parachute payment" within the meaning of Code Section 280G(b)(2), including by reason of Code Section 280G(b)(4)(A). The Executive shall have the right to review and submit such calculation and supporting documentation to his own tax consultant for review. If the Executive's tax consultant disagrees with such calculations and such objection is submitted to the Tax Advisor in writing in reasonable detail within five (5) business days of the provision of the preliminary calculation, the Tax Advisor shall be obligated to consider any issues raised by the Executive's tax consultant in good faith before making any final determination hereunder. Any good faith determinations of the Tax Advisor made hereunder will be final, binding and conclusive upon the Company and the Executive.

16. Entire Agreement. This Agreement, as amended and restated herein, and the equity incentive plans and agreements referenced herein contain all the understandings between the parties hereto pertaining to the matters referred to herein, and supersede any other undertakings and agreements, whether oral or in writing, previously entered into by them with respect thereto. Specifically, on the Effective Date of this Agreement, this Agreement shall supersede and replace the terms of the Employment Agreement entered into by Executive and Company effective January 11, 2012. To the extent that any term or provision of any other document or agreement executed by the Executive with or for the Company during the Term, including, without limitation, Sections 7 and 11 of the Axiom Corporation Associate Agreement, conflicts or is inconsistent with this Agreement, the terms and conditions of this Agreement shall prevail and supersede such inconsistent or conflicting term or provision, except to the extent, if any, expressly provided otherwise in such other document or agreement with specific reference to this Agreement (it being understood that the Executive's obligations under Sections 4, 8, and 9 of the Axiom Corporation Associate Agreement are superseded in whole by the Executive's obligations under this Agreement). The Executive represents that, in executing this Agreement, he does not rely and has not relied upon any representation or statement not set forth herein made by the Company with regard to the subject matter or effect of this Agreement or otherwise and that the Executive has been represented by counsel selected by the Executive.

17. Amendment, Modification or Waiver. No provision of this Agreement may be amended or waived, unless such amendment or waiver is agreed to in writing, signed by the Executive and by a duly authorized officer of the Company. No waiver by any party hereto of any breach by another party hereto of any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of a similar or dissimilar condition or provision at the same time, any prior time or any subsequent time.

18. Notices. Any notice to be given hereunder will be in writing and will be deemed given when delivered personally, sent by courier or registered or certified mail, postage prepaid, return receipt requested, addressed to the party concerned at the address indicated below or to such other address as such party may subsequently give notice hereunder in writing. Any notice to be given hereunder other than to the Company may also be sent by email, provided that if the copies of such notices required hereunder are sent by email, notices to such persons shall be also be delivered personally or by mail as set forth herein:

To the Executive at: Warren C. Jenson
869 Culebra Road
Hillsborough, CA 94010
Phone: (650) 799-5901
E-mail: warrencjenson@gmail.com

With a copy to: Cindy V. Schlaefer
Pillsbury Winthrop Shaw Pittman LLP
2550 Hanover Street
Suite 300
Palo Alto, CA 94304
Phone: (650) 233-4500
Email: cindy.schlaefer@pillsburylaw.com

To the Company at: Axiom Corporation
301 Main Street

Little Rock, Arkansas 72201
Attention: Senior Vice President - Legal

With a copy to: Brian W. Berglund
Bryan Cave LLP
1700 Lincoln Street
Denver CO 80203
Phone: (303) 866-0264
Email: bwberglund@bryancave.com

Any notice delivered personally or by courier under this Section 18 will be deemed given on the date delivered and any notice sent by email, or registered or certified mail, postage prepaid, return receipt requested, will be deemed given on the date transmitted by email, or five days after post-marked if sent by U.S. mail.

19. Severability. If any provision of this Agreement or the application of any such provision to any party or circumstances will be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such person or circumstances other than those to which it is so determined to be invalid and unenforceable, will not be affected thereby, and each provision hereof will be validated and will be enforced to the fullest extent permitted by law.

20. Governing Law. This Agreement will be governed by and construed under the internal laws of the State of Delaware, without regard to its conflict of laws principles.

21. Jurisdiction and Venue. This Agreement will be deemed performable by all parties in, and venue will exclusively be in the state or federal courts located in the State of Delaware. The Executive and the Company hereby consent to the personal jurisdiction of these courts and waive any objections that such venue is objectionable or improper.

22. Headings. All descriptive headings of sections and paragraphs in this Agreement are intended solely for convenience, and no provision of this Agreement is to be construed by reference to the heading of any section or paragraph.

23. Withholding. All payments to the Executive under this Agreement will be reduced by all applicable withholding required by federal, state or local law.

24. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

25. 409A.

(a) Notwithstanding any other provision to the contrary, a termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of "deferred compensation" (as such term is defined in Section 409A of the Code and the Treasury Regulations promulgated thereunder) upon or following a termination of employment unless such termination is also a "separation from service" from the Company within the meaning of Section 409A of the Code and Section 1.409A-1(h) of the Treasury Regulations and, for purposes of any such provision of this Agreement, references to a "separation," "termination," "termination of employment" or like terms shall mean "separation from service."

(b) Notwithstanding any other provision to the contrary, in no event shall any payment under this Agreement that constitutes "deferred compensation" for purposes of Section 409A of the Code and the Treasury Regulations promulgated thereunder be subject to offset by any other amount unless otherwise permitted by Section 409A of the Code.

(c) For the avoidance of doubt, any payment due under this Agreement within a period following the Executive's termination of employment or other event, shall be made on a date during such period as determined by the Company in its sole discretion.

(d) It is intended that the Agreement, to the extent practicable, comply and be interpreted in accordance with Section 409A of the Code, and the Company shall, as necessary, adopt such conforming amendments as are necessary to comply with Section 409A of the Code without reducing the benefits payable hereunder without the express written consent of the Executive.

(e) To the extent that any reimbursement, fringe benefit or other, similar plan or arrangement in which the Executive participates during the term of Executive's employment under this Agreement or thereafter provides for a "deferral of compensation" within the meaning of Section 409A of the Code, (i) the amount eligible for reimbursement or payment under such plan or arrangement in one calendar year may not affect the amount eligible for reimbursement or payment in any other calendar year (except that a plan providing medical or health benefits may impose a generally applicable limit on the amount that may be reimbursed or paid), (ii) subject to any shorter time periods provided herein or the applicable plans or arrangements, any reimbursement or payment of an expense under such plan or arrangement must be made on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (iii) any such reimbursement or payment may not be subject to liquidation or exchange for another benefit, all in accordance with Section 1.409A-3(i)(1)(iv) of the Treasury Regulations.

(f) By accepting this Agreement, the Executive hereby agrees and acknowledges that the Company does not make any representations with respect to the application of Section 409A of the Code to any tax, economic or legal consequences of any payments payable to the Executive hereunder. Further, by the acceptance of this Agreement, the Executive acknowledges that (i) the Executive has obtained independent tax advice regarding the application of Section 409A of the Code to the payments due to the Executive hereunder, (ii) the Executive retains full responsibility for the potential application of Section 409A of the Code to the tax and legal consequences of payments payable to the Executive hereunder and (iii) the Company shall not indemnify or otherwise compensate the Executive for any violation of Section 409A of the Code that may occur in connection with this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Employment Agreement effective as of the Restatement Date set forth above.

ACXIOM CORPORATION

By: /s/ Jerry C. Jones
Name: Jerry C. Jones
Title: Executive Vice President

EXECUTIVE

Warren C. Jenson
Warren C. Jenson

EXHIBIT A

Form of General Release

This Release (this "Release"), dated as of _____ is made by and among Warren C. Jenson (the "Executive") and Acxiom Corporation and all of its subsidiaries (collectively, the "Company").

WHEREAS, the parties hereto entered into that certain Employment Agreement dated as of _____, 20__ (the "Agreement");

WHEREAS, the Executive's employment with the Company has been terminated in a manner described in Section ____ of the Agreement;

WHEREAS, pursuant to Section ____ of the Agreement, it is a condition precedent to the Company's obligation to make the payments under Section ____, that the Executive executes and delivers this Release.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Executive Release. The Executive, ON BEHALF OF HIMSELF, HIS SPOUSE, ATTORNEYS, HEIRS, EXECUTORS, ADMINISTRATORS, AGENTS, ASSIGNS AND ANY TRUSTS, PARTNERSHIPS AND OTHER ENTITIES UNDER HIS CONTROL AND ANY OTHER PERSON CLAIMING BY, THROUGH OR UNDER THE EXECUTIVE (TOGETHER, THE "EXECUTIVE PARTIES"), HEREBY GENERALLY RELEASES AND FOREVER DISCHARGES the Company, its respective predecessors, successors and assigns and its respective past and present stockholders, members, directors, officers, employees, agents, representatives, principals, insurers and attorneys (together the "Company Parties") from any and all claims, demands, liabilities, suits, damages, losses, expenses, attorneys' fees, obligations or causes of action, KNOWN OR UNKNOWN, CONTINGENT OR NON-CONTINGENT of any kind and every nature whatsoever, and WHETHER OR NOT ACCRUED OR MATURED, which any of them have or may have, arising out of or relating to any transaction, dealing, relationship, conduct, act or omission, OR ANY OTHER MATTERS OR THINGS OCCURRING OR EXISTING AT ANY TIME PRIOR TO AND INCLUDING THE EXECUTION DATE OF THIS RELEASE (including, but not limited to, any claim against the Company Parties based on, relating to or arising under wrongful discharge, breach of contract (whether oral or written), tort, fraud (but excluding fraudulent inducement into signing this Release), defamation, negligence, promissory estoppel, retaliatory discharge, Title VII of the Civil Rights Act of 1964, as amended, any other civil or human rights law, the Age Discrimination in Employment Act of 1967, Americans with Disabilities Act, Section 409A of the Internal Revenue Code or 1986, as amended (the "Code") or any other applicable provisions of the Code, Employee Retirement Income Security Act of 1974, as amended, or any other federal, state or local law relating to employment or discrimination in employment) arising out of or relating to the Executive's employment by the Company or his services as an officer or employee of the Company or any of its subsidiaries, or otherwise relating to the termination of such employment or the Agreement (collectively, "Claims"); provided, however, such general release will not limit or release the Company Parties from their respective obligations (i) under the Agreement that expressly survive termination of employment or by their terms are required to be or only capable of being performed following the Date of Termination under the Agreement, (ii) under the Company's benefit plans and agreements that expressly survive termination of employment, including without limitation the Company's equity incentive plans, (iii) in respect of the Executive's services as an officer or director of the Company or any of its subsidiaries, pursuant to any director and officer indemnification agreements or insurance policies, or the certificates of incorporation or by-laws (or like constitutive documents) of the Company or any of its subsidiaries **[in effect as of the date hereof or as provided by law]** or **[(iv) insert at the time of termination a**

description of any other agreements with the Company that expressly survive the Executive's termination] . The Executive, ON BEHALF OF HIMSELF AND THE EXECUTIVE PARTIES, hereby represents and warrants that no other person or entity has initiated or, to the extent within his control, will initiate any such proceeding on his or their behalf.

2. Non-Disparagement . The Executive agrees that, for a period of one (1) year following the date hereof, the Executive shall not, in any communications with the press or other media or any customer, client or supplier of the Company or any of its subsidiaries, make any statement which disparages or is derogatory of the Company or any of its subsidiaries or any of their respective directors or senior officers; provided, however, that this Section 2 shall apply to the Executive only for so long as the Company, its subsidiaries and their respective directors and senior officers refrain from making any such communication which disparages or is derogatory of the Executive.

3. Acknowledgement of Waiver of Claims under ADEA . The Executive acknowledges that he is waiving and releasing any rights he may have under the Age Discrimination in Employment Act of 1967 and that this waiver and release is knowing and voluntary. The Executive acknowledges that the consideration given for this waiver and release is in addition to anything of value to which the Executive was already entitled. The Executive further acknowledges that (a) he has been advised that he should consult with an attorney prior to executing this Release, (b) he has been given twenty-one (21) days within which to consider this Release before executing it and (c) he has been given seven (7) days following the execution of this Release to revoke this Release.

4. Acknowledgment . The parties hereto acknowledge that they understand the terms of this Release and that they have executed this Release knowingly and voluntarily. The Executive acknowledges that, in consideration for the covenants and releases contained herein, he will receive the payments as described in Section ____ of the Agreement, and that he would not receive such payment without the execution of this Release.

5. Severability . All provisions of this Release are intended to be severable. In the event any provision or restriction contained herein is held to be invalid or unenforceable in any respect, in whole or in part, such finding shall in no way affect the validity or enforceability of any other provision of this Release. The parties hereto further agree that any such invalid or unenforceable provision shall be deemed modified so that it shall be enforced to the greatest extent permissible under law, and to the extent that any court or arbitrator of competent jurisdiction determines any restriction herein to be unreasonable in any respect, such court or arbitrator may limit this Release to render it reasonable in the light of the circumstances in which it was entered into and specifically enforce this Release as limited.

6. Specific Performance . If a court of competent jurisdiction determines that the Executive has breached or failed to perform any part of this Release, the Executive agrees that the Company will be entitled to seek injunctive relief to enforce this Release.

7. Governing Law . This Release shall be governed by and construed in accordance with the laws of the State of Delaware without regard to its conflict of laws principles.

8. Jurisdiction and Venue . This Release will be deemed performable by all parties in, and venue will exclusively be in the state and federal courts located in, the State of Delaware. The Executive hereby consents to the personal jurisdiction of these courts and waives any objection that such venue is objectionable or improper.

[Signature Page Follows]

IN WITNESS WHEREOF, the Executive has hereunto set his hands, as of the day and year first above written.

Warren C. Jenson, individually

CONFIDENTIAL

To: Rick Erwin
From: Scott Howe, CEO and President

CC: Jerry Jones, EVP
Date: April 2, 2018

Re: Terms for AMS Deal Incentive

As Acxiom explores strategic options for Acxiom Marketing Solutions (AMS), the consideration described below is being offered to you as a senior executive at Acxiom and a leader of the AMS business in exchange for your support and assistance throughout a potential sale of AMS and post-transaction integration process. The terms described herein are effective immediately and shall not be amended except in writing.

1. You will be eligible for an AMS Deal Incentive. In the event that an AMS Deal is effectuated with consideration other than cash, the value of such shall be determined in accordance with the value contemplated in the fairness opinion submitted by the financial advisor to the company. Such value contemplation determination shall be binding. Acxiom reserves and retains the full and absolute discretion to determine payments and the exercise of such discretion by Scott Howe shall be final.
2. Your bonus opportunity for FY19 will continue and is not considered part of the AMS Deal Incentive. Unless otherwise agreed, any amounts earned pursuant to your normal bonus opportunity will be paid on the normal Acxiom schedule for annual bonus payments but no later than 2 ½ months after the end of the fiscal year.
3. The payment of the AMS Deal Incentive shall be in addition to any other compensation that you may be entitled to receive. However, any payments received pursuant to the AMS Deal Incentive will not be utilized in any other compensation calculation.
4. Equity Treatment – In the event of a sale of AMS, the treatment of equity for associates who go with AMS will be as determined by the Acxiom Compensation Committee.
5. A sale of all of Acxiom or the sale of only LiveRamp will not qualify for any payments pursuant to the AMS Incentive Deal referenced herein. Likewise, an agreement to pursue other strategic options besides the sale of the AMS business will not qualify if Acxiom retains a controlling interest in AMS.
6. Acxiom specifically reserves the right to determine whether or not to proceed with a sale of AMS or any other transaction in its sole and absolute discretion.
7. Payment of the AMS Deal Incentive is expressly contingent upon a) you faithfully complying with all Acxiom policies, directives of the Acxiom Board of Directors and your faithful, reasonable and diligent efforts to enable the successful realignment of AMS as a distinct business unit and to secure the most favorable terms possible for the sale of the AMS business b) the signing of a definitive agreement for the sale of AMS and c)

subsequent closing pursuant to said definitive agreement by April 1, 2019. For the avoidance of doubt, eligibility for any payment, the timing of payments and corresponding obligations referenced herein shall be relative to the date of closing and not the date a definitive agreement is signed.

8. In order to receive the payments described herein, execution of a non-compete agreement for a period of 12 months from closing will be required. Execution of an agreement with Acxiom that includes a general release of claims against Acxiom and other typical post separation terms will also be required.
9. With the exception of the first payment of 25%, you must be employed with Acxiom or the buyer of AMS for a continuous period lasting at least six months following the closing date to receive payment of the AMS Deal Incentive. Payment of the AMS Deal Incentive will also be made if within six months following the closing date, your employment is either involuntarily terminated by the buyer of AMS or you resign such employment with good reason. In either case, the payment of the AMS Deal Incentive will be made as follows:

- 25% within 10 days of the closing of the transaction
- 25% on the date six months after closing
- 50% on the date that is 12 months after closing

In the event that payment to Acxiom of a portion of the sales price is contingent upon certain conditions, a corresponding portion of the AMS Deal Incentive payments due to you will also be contingent on satisfaction of the conditions and receipt of payment by Acxiom. Contingent amounts will be paid to you based on the same timing, terms and conditions as the underlying payments to Acxiom. The payments described herein are an obligation of Acxiom. However, in the event the buyer of AMS agrees to assume an obligation, no duplicate payments will be made (i.e. payment will be made either by Acxiom or by the buyer, but not by both).

10. Unless expressly modified by the terms and conditions herein, your current employment status will continue on an at-will basis and will remain subject to the Associate Agreement and any other agreements in effect, such as those related to equity.

CONFIDENTIAL

To: Dennis Self
From: Scott Howe, CEO and President

CC: Jerry Jones, EVP
Date: April 2, 2018

Re: Terms for AMS Deal Incentive

As Acxiom explores strategic options for Acxiom Marketing Solutions (AMS), the consideration described below is being offered to you as a senior executive at Acxiom and a leader of the AMS business in exchange for your support and assistance throughout a potential sale of AMS and post-transaction integration process. The terms described herein are effective immediately and shall not be amended except in writing.

1. You will be eligible for an AMS Deal Incentive. In the event that an AMS Deal is effectuated with consideration other than cash, the value of such shall be determined in accordance with the value contemplated in the fairness opinion submitted by the financial advisor to the company. Such value contemplation determination shall be binding. Acxiom reserves and retains the full and absolute discretion to determine payments and the exercise of such discretion by Scott Howe shall be final.
2. Your bonus opportunity for FY19 will continue and is not considered part of the AMS Deal Incentive. Unless otherwise agreed, any amounts earned pursuant to your normal bonus opportunity will be paid on the normal Acxiom schedule for annual bonus payments but no later than 2 ½ months after the end of the fiscal year.
3. The payment of the AMS Deal Incentive shall be in addition to any other compensation that you may be entitled to receive. However, any payments received pursuant to the AMS Deal Incentive will not be utilized in any other compensation calculation.
4. Equity Treatment – In the event of a sale of AMS, the treatment of equity for associates who go with AMS will be as determined by the Acxiom Compensation Committee.
5. A sale of all of Acxiom or the sale of only LiveRamp will not qualify for any payments pursuant to the AMS Incentive Deal referenced herein. Likewise, an agreement to pursue other strategic options besides the sale of the AMS business will not qualify if Acxiom retains a controlling interest in AMS.
6. Acxiom specifically reserves the right to determine whether or not to proceed with a sale of AMS or any other transaction in its sole and absolute discretion.
7. Payment of the AMS Deal Incentive is expressly contingent upon a) you faithfully complying with all Acxiom policies, directives of the Acxiom Board of Directors and your faithful, reasonable and diligent efforts to enable the successful realignment of AMS as a distinct business unit and to secure the most favorable terms possible for the sale of the AMS business b) the signing of a definitive agreement for the sale of AMS and c)

subsequent closing pursuant to said definitive agreement by April 1, 2019. For the avoidance of doubt, eligibility for any payment, the timing of payments and corresponding obligations referenced herein shall be relative to the date of closing and not the date a definitive agreement is signed.

8. In order to receive the payments described herein, execution of a non-compete agreement for a period of 12 months from closing will be required. Execution of an agreement with Acxiom that includes a general release of claims against Acxiom and other typical post separation terms will also be required.
9. With the exception of the first payment of 25%, you must be employed with Acxiom or the buyer of AMS for a continuous period lasting at least six months following the closing date to receive payment of the AMS Deal Incentive. Payment of the AMS Deal Incentive will also be made if within six months following the closing date, your employment is either involuntarily terminated by the buyer of AMS or you resign such employment with good reason. In either case, the payment of the AMS Deal Incentive will be made as follows:

- 25% within 10 days of the closing of the transaction
- 25% on the date six months after closing
- 50% on the date that is 12 months after closing

In the event that payment to Acxiom of a portion of the sales price is contingent upon certain conditions, a corresponding portion of the AMS Deal Incentive payments due to you will also be contingent on satisfaction of the conditions and receipt of payment by Acxiom. Contingent amounts will be paid to you based on the same timing, terms and conditions as the underlying payments to Acxiom. The payments described herein are an obligation of Acxiom. However, in the event the buyer of AMS agrees to assume an obligation, no duplicate payments will be made (i.e. payment will be made either by Acxiom or by the buyer, but not by both).

10. Unless expressly modified by the terms and conditions herein, your current employment status will continue on an at-will basis and will remain subject to the Associate Agreement and any other agreements in effect, such as those related to equity.

INDEMNITY AGREEMENT

This Indemnity Agreement ("Agreement"), made as of the __ day of _____, 20__ (the "Effective Date") by and between the ACXIOM CORPORATION, a Delaware corporation (the "Corporation"), and _____ ("Indemnitee").

RECITALS:

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as directors or in other capacities unless they are provided with adequate protection through insurance or indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation.

WHEREAS, the Board of Directors of the Corporation (the "Board") has determined that, in order to attract and retain qualified individuals, the Corporation will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Corporation and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Corporation believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Corporation or business enterprise itself. The Certificate of Incorporation and Bylaws of the Corporation require indemnification of the officers and directors of the Corporation. Indemnitee may also be entitled to indemnification pursuant to applicable provisions of the General Corporation Law of the State of Delaware ("DGCL"). The Certificate of Incorporation, Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Corporation and members of the board of directors, officers and other persons in order to protect such persons against claims and expenses arising from their services on behalf of the Corporation.

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining highly competent persons.

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Corporation's stockholders and that the Corporation should act to assure such persons that there will be increased certainty of such protection in the future.

WHEREAS, it is reasonable, prudent and necessary for the Corporation contractually to obligate itself to indemnify and hold harmless and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Corporation free from undue concern that they will not be so protected against liabilities.

WHEREAS, this Agreement is a supplement to and in furtherance of the Certificate of Incorporation and Bylaws of the Corporation and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

WHEREAS, Indemnitee does not regard the protection available under the Certificate of Incorporation, Bylaws and insurance as adequate in the present circumstances, and may not be willing to serve as a director without adequate protection, and the Corporation desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Corporation on the condition that he or she be so indemnified.

WHEREAS, this Agreement hereby amends and restates any existing indemnification agreement between Indemnitee and the Corporation.

NOW, THEREFORE, in consideration of the promises and the covenants contained herein, the sufficiency of which is acknowledged, the Corporation and Indemnitee covenant and agree as follows:

1. Services to the Corporation. Nothing contained in this Agreement shall be construed as giving Indemnitee any right to be employed or retained in the employ of the Corporation or any of its subsidiaries or affiliated entities. The foregoing notwithstanding, this Agreement shall continue in force after the Indemnitee has ceased to serve as an officer, director or key employee of the Corporation, subject to Section 18 of this Agreement. The Corporation's obligations to Indemnitee under this Agreement are independent from (and not subject to) (i) Indemnitee's performance of his or her duties on behalf of the Corporation or any Enterprise (defined below) and (ii) his or her compliance with the provisions of any other agreement he or she may have with the Corporation. Without limiting the generality of the preceding sentence, Indemnitee's failure to comply with any provision of any such agreement with the Corporation or its Enterprises will not constitute a breach of this Agreement.

2. Definitions. As used in this Agreement:

References to "agent" shall mean any person who is or was a director, officer, or employee of the Corporation or a subsidiary of the Corporation or other person authorized by the Corporation to act for the Corporation, to include such person serving in such capacity as a director, officer, employee, fiduciary or other official of another corporation, partnership, limited liability company, joint venture, trust or other Enterprise (as defined below) at the request of, for the convenience of, or to represent the interests of the Corporation or a subsidiary of the Corporation.

The term "Agreement" means this Indemnity Agreement.

The terms "Beneficial Owner" and "Beneficial Ownership" shall have the meanings set forth in Rule 13d-3 promulgated under the Exchange Act (as defined below) as in effect on the date hereof.

References to "Board" shall mean the Board of Directors of the Corporation.

The definition of "Business Combination" is included in the definition of "Change in Control."

A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) Acquisition of Stock by Third Party. Any Person (as defined below) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Corporation representing fifteen percent (15%) or more of the combined voting power of the Corporation's then outstanding securities entitled to vote generally in the election of directors, unless (1) the change in the relative Beneficial Ownership of the Corporation's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors, or (2) such acquisition was approved in advance by the Continuing Directors (as defined below) and such acquisition would not constitute a Change in Control under part (iii) of this definition;

(ii) Change in Board of Directors. Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Corporation's stockholders was approved by a vote of at least two thirds (2/3rd) of the directors then still in office who were directors on the date hereof or whose election for nomination for election was previously so approved (collectively, the "Continuing Directors"), cease for any reason to constitute at least a majority of the members of the Board;

(iii) Corporate Transactions. The effective date of a reorganization, merger or consolidation of the Corporation (a "Business Combination"), in each case, unless, following such Business Combination: (1) all or substantially all of the individuals and entities who were the Beneficial Owners of securities entitled to vote generally in the election of directors immediately prior to such Business Combination beneficially own, directly or indirectly, more than 51% of the combined voting power of the then outstanding securities of the Corporation entitled to vote generally in the election of directors resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Corporation or all or substantially all of the Corporation's assets either directly or through one or more Subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the securities entitled to vote generally in the election of directors and with the power to elect at least a majority of the Board or other governing body of the surviving entity; (2) no Person (excluding any corporation resulting from such Business Combination) is the Beneficial Owner, directly or indirectly, of 15% or more of the combined voting power of the then outstanding securities entitled to vote generally in the election of directors of such corporation except to the extent that such ownership existed prior to the Business Combination; and (3) at least a majority of the Board of Directors of the corporation resulting from such Business Combination were Continuing Directors at the time of the execution of the initial agreement, or of the action of the Board of Directors, providing for such Business Combination;

(iv) Liquidation. The approval by the stockholders of the Corporation of a complete liquidation of the Corporation or an agreement or series of agreements for the sale or disposition by the Corporation of all or substantially all of the Corporation's assets, other than factoring the Corporation's current receivables or escrows due (or, if such approval is not required, the decision by the Board to proceed with such a liquidation, sale, or disposition in one transaction or a series of related transactions); or

(v) Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Corporation is then subject to such reporting requirement.

"Continuing Directors" shall have the meaning set forth in clause (ii) of the definition of Change in Control.

"Corporate Status" describes the status of a person who is, was or has agreed to serve as a director, officer, employee or agent of the Corporation or director, officer, trustee, general partner, managing member, manager, fiduciary, employee or agent of any other Enterprise (as defined below).

References to "Corporation" shall mean the entity identified in the preamble. However, in connection with any merger or consolidation, references to the "Corporation" shall include not only the resulting or surviving corporation, but also any constituent corporation or constituent of a constituent corporation absorbed in a merger or consolidation which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents. The intent of this provision is that a person who is or was a director, officer, employee or agent of such constituent corporation on or after the date hereof or is or was serving at the request of such constituent corporation as a director, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other Enterprise on or after the date hereof, shall stand in the same position under this Agreement with respect to the resulting or surviving corporation as the person would have under this Agreement with respect to such constituent corporation if its separate existence had continued.

"Delaware Court" shall mean the Court of Chancery of the State of Delaware.

References to "DGCL" shall mean the General Corporation Law of the State of Delaware, as amended.

"Disinterested Director" shall mean a director of the Corporation who is not a party to the Proceeding (as defined below) in respect of which indemnification is sought by Indemnitee.

"Effective Date" means the date set forth in the preamble.

"Enterprise" shall mean the Corporation and any corporation (including its subsidiaries), limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving or has agreed to serve at the request of the Corporation as a director, officer, trustee, general partner, managing member, manager, fiduciary, employee or agent. As a clarification and without limiting the circumstances in which Indemnitee may be serving at the request of the Corporation, service by Indemnitee shall be deemed to be at the request of the Corporation if Indemnitee serves or served as a director, trustee, officer, general partner, managing member, manager, fiduciary, employee or agent of any corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise of which (i) a majority of the voting power or equity interest is owned directly or indirectly by the Corporation or (ii) the management is otherwise controlled directly or indirectly by the Corporation.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Expenses" shall include all direct and indirect costs, fees and expenses of any type or nature whatsoever, including, without limitation, all attorneys' fees and costs, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, fees of private investigators and professional advisors, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement (including any taxes that may be imposed upon the actual or deemed receipt of payments under this Agreement with respect to the imposition of federal, state, local or foreign taxes), fax transmission charges, secretarial services and all other disbursements, obligations or expenses, actually and reasonably incurred by Indemnitee or on his or her behalf in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settlement or appeal of, or otherwise participating in or being involved in, a Proceeding (as defined below). Expenses also shall include (i) Expenses incurred in connection with asserting compulsory counterclaims in response to a plaintiff's claims, (ii) reasonable compensation for time spent by Indemnitee in connection with a Proceeding, for which Indemnitee is not otherwise compensated by the Corporation or any third party, provided that the rate of compensation and estimated time involved is approved by the Board, which approval shall not be unreasonably withheld and (iii) Expenses incurred in connection with any appeal resulting from any Proceeding (as defined below), including without limitation the principal, premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

"Indemnification Arrangements" shall have the meaning set forth in Section 17(b).

"Indemnitee" means the natural person identified in the preamble.

"Independent Counsel" shall mean a law firm or a member of a law firm with significant experience in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent (i) the Corporation or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements); or (ii) any other party to or participant or witness in the Proceeding (as defined below) giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Corporation or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

References to “fines” shall include any excise tax assessed on Indemnitee with respect to any employee benefit plan; references to “serving at the request of the Corporation” shall include any service as a director, officer, employee, agent or fiduciary of the Corporation which imposes duties on, or involves services by, such director, officer, employee, agent or fiduciary with respect to an employee benefit plan, its participants or beneficiaries; and if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the interests of the participants and beneficiaries of an employee benefit plan, Indemnitee shall be deemed to have acted in a manner “not opposed to the best interests of the Corporation” as referred to in this Agreement.

The term “Person” shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act as in effect on the date hereof; provided, however, that “Person” shall exclude: (i) the Corporation; (ii) any Subsidiaries (as defined below) of the Corporation; (iii) any employee benefit plan of the Corporation or of a Subsidiary (as defined below) of the Corporation or of any corporation owned, directly or indirectly, by the stockholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation; and (iv) any trustee or other fiduciary holding securities under an employee benefit plan of the Corporation or of a Subsidiary (as defined below) of the Corporation or of a corporation owned directly or indirectly by the stockholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation.

A “Potential Change in Control” shall be deemed to have occurred if: (i) the Corporation enters into an agreement or arrangement, the consummation of which would result in the occurrence of a Change in Control; (ii) any Person or the Corporation publicly announces an intention to take or consider taking actions which if consummated would constitute a Change in Control; (iii) any Person who is or becomes the Beneficial Owner, directly or indirectly, of securities of the Corporation representing five percent (5%) or more of the combined voting power of the Corporation’s then outstanding securities entitled to vote generally in the election of directors increases his or her Beneficial Ownership of such securities by five percent (5%) or more over the percentage so owned by such Person on the date hereof unless such acquisition was approved in advance by the Board; or (iv) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

The term “Proceeding” shall mean any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Corporation or otherwise and whether of a civil (including intentional or unintentional tort claims), criminal, administrative, legislative or investigative (formal or informal) nature, including any appeal therefrom, in which Indemnitee was, is, will or might be involved as a party, potential party, non-party witness or otherwise by reason of Indemnitee’s Corporate Status or by reason of any action alleged to have been taken (or alleged failure to act) by him or her in his or her capacity as a director, officer, employee or agent of the Corporation or as a director, officer, trustee, general partner, managing member, manager, fiduciary, employee or agent of any other Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement of expenses can be provided under this Agreement. If Indemnitee believes in good faith that a given situation may lead to or culminate in the institution of a Proceeding, this shall be considered a Proceeding under this paragraph.

“Sarbanes-Oxley Act” means the Sarbanes-Oxley Act of 2002, as amended. For clarity, the term “as applicable” (or similar phrase) when used in connection with the Sarbanes-Oxley Act shall mean that the Sarbanes-Oxley Act applies only if the Corporation, Enterprise or transaction is subject to the Sarbanes-Oxley Act.

The term “Subsidiary,” with respect to any Person, shall mean any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by that Person.

The terms “Trust” and “Trustee” shall have the meaning set forth in Section 15.

3. Indemnity in Third-Party Proceedings. The Corporation shall indemnify and hold harmless Indemnitee in accordance with the provisions of this Section 3 if Indemnitee was, is, or is threatened to be made, a party to or a participant (as a witness or otherwise) in any Proceeding, other than a Proceeding by or in the right of the Corporation to procure a judgment in its favor, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation and, in the case of a criminal Proceeding, the Indemnitee had no reasonable cause to believe that his or her conduct was unlawful. Pursuant to this Section 3, Indemnitee shall be indemnified and held harmless to the fullest extent permitted by applicable law against all Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties and amounts paid in settlement) incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein. For the avoidance of doubt, the foregoing indemnification obligation includes, without limitation, claims for monetary damages against Indemnitee in respect of an alleged breach of fiduciary duties, to the fullest extent permitted under Section 102(b)(7) of the DGCL as in existence on the date hereof.

4. Indemnity in Proceedings by or in the Right of the Corporation. The Corporation shall indemnify and hold harmless Indemnitee in accordance with the provisions of this Section 4 if Indemnitee was, is, or is threatened to be made, a party to or a participant (as a witness or otherwise) in any Proceeding by or in the right of the Corporation to procure a judgment in its favor, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation. Pursuant to this Section 4, Indemnitee shall be indemnified and held harmless to the fullest extent permitted by applicable law against all Expenses incurred by Indemnitee on his or her behalf in connection with such Proceeding or any claim, issue or matter therein. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been finally adjudged by a court to be liable to the Corporation, unless and only to the extent that any court in which the Proceeding was brought or the Delaware Court shall determine that such indemnification may be made.

5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee was is or is threatened to be made a party to (or a participant in) any Proceeding and is successful, on the merits or otherwise, in such Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Corporation shall indemnify and hold harmless Indemnitee against all Expenses in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Corporation shall indemnify and hold harmless Indemnitee against all Expenses in connection with or related to each successfully resolved claim, issue or matter to the fullest extent permitted by applicable law. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

6. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of his or her Corporate Status, a witness or otherwise asked to participate in or otherwise is or may become involved in any Proceeding to which Indemnitee is not a party, he or she shall be indemnified and held harmless against all Expenses in connection therewith.

7. Additional Indemnification. Notwithstanding any other provision of this Agreement, the Corporation shall indemnify and hold harmless Indemnitee to the fullest extent permitted by Delaware law in effect on the date hereof or to such extent as Delaware law thereafter from time to time may permit; provided, however, that no change in Delaware law shall have the effect of reducing the benefits available to Indemnitee hereunder based on Delaware law as in effect on the date hereof. The rights of Indemnitee

provided in this Section 7 shall include, without limitation, the rights set forth in the other sections of this Agreement and any additional indemnification permitted by Section 145(f) of the DGCL.

8. Contribution in the Event of Joint Liability .

(a) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Corporation, in lieu of indemnifying Indemnitee, shall contribute to the payment of the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Corporation and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Corporation (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s); provided, that such contribution shall not be required where indemnification is unavailable because Indemnitee failed to meet the standard of conduct necessary for indemnification or any limitation on indemnification set forth in Section 9 applies.

(b) The Corporation shall not enter into any settlement of any Proceeding in which the Corporation is jointly liable with Indemnitee (or would be if joined in such Proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee or unless Indemnitee provides prior written consent.

(c) The Corporation hereby agrees to fully indemnify and hold harmless Indemnitee from any claims for contribution which may be brought by officers, directors, agents, advisors or employees of the Corporation other than Indemnitee who may be jointly liable with Indemnitee.

9. Exclusions . Notwithstanding any provision in this Agreement, the Corporation shall not be obligated under this Agreement to make any indemnification or hold harmless payment:

(a) to the extent (and only to the extent) that the making of such payment would result in the recovery by Indemnitee of more than 100% of the Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement incurred by Indemnitee on his or her behalf in connection with such claim as a result of Indemnitee having actually received one or more payments in respect thereof under any insurance policy, contract, agreement, other indemnity provision or otherwise;

(b) in connection with any final judgment rendered against Indemnitee for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Corporation in violation of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law, or (ii) any reimbursement of the Corporation by the Indemnitee of any profits realized by the Indemnitee from the purchase or sale of securities of the Corporation, as required under the Exchange Act (including any such reimbursements that arise from the payment to the Corporation of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes - Oxley Act); or

(c) except as otherwise provided in Section 14(e) hereof, prior to a Change in Control, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Corporation or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation, (ii) such payment arises in connection with any counterclaim that the Corporation or its directors, officers, employees or other indemnitees assert against Indemnitee or any affirmative defense that the Corporation or its directors, officers, employees or other indemnitees raise, which, by any doctrine of issue or claim preclusion, could result in liability to Indemnitee, or (iii) the Corporation

provides the indemnification or hold harmless payment, in its sole discretion, pursuant to the powers vested in the Corporation under applicable law.

10. Advances of Expenses: Defense of Claim.

(a) Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law, the Corporation shall from time to time prior to the final disposition of any Proceeding advance to or on behalf of Indemnitee payment of all Expenses incurred by Indemnitee (or reasonably expected by Indemnitee to be incurred by Indemnitee within three months) in connection with such Proceeding within ten (10) days after the receipt by the Corporation from Indemnitee of a written request therefor. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the Expenses, shall not be subject to the satisfaction of any standard of conduct and shall not be conditional upon any prior determination of Indemnitee's ultimate entitlement to be indemnified or held harmless under the other provisions of this Agreement or the absence of any prior determination to the contrary. The execution and delivery to the Corporation of this Agreement shall constitute an undertaking of Indemnitee to repay the portion of any Expenses advanced (without interest) relating to claims, issues or matters in the Proceeding as to which it shall ultimately be determined upon or following the final disposition of the Proceeding that Indemnitee is not entitled to be indemnified by the Corporation under the provisions of this Agreement, the Certificate of Incorporation, the Bylaws of the Corporation, applicable law or otherwise. No other form of undertaking shall be required other than the execution of this Agreement. This Section 10(a) shall not apply in respect of any Expenses as to which payment is excluded pursuant to Section 9(a) or (c).

(b) The Corporation will be entitled to participate in the Proceeding at its own expense.

(c) The Corporation shall not settle any action, claim or Proceeding (in whole or in part) which would impose any Expense, judgment, fine, penalty or limitation on the Indemnitee without the Indemnitee's prior written consent.

11. Procedure for Notification and Application for Indemnification.

(a) Indemnitee agrees to notify promptly the Corporation in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or hold harmless rights, or advancement of Expenses covered hereunder. The written notification shall include a description of the nature of the Proceeding and the facts underlying the Proceeding. The failure of Indemnitee to so notify the Corporation shall not relieve the Corporation of any obligation which it may have to the Indemnitee under this Agreement, or otherwise.

(b) To obtain indemnification under this Agreement, Indemnitee shall deliver to the Corporation a written application to indemnify and hold harmless Indemnitee. Such application(s) may be delivered from time to time and at such time(s) as Indemnitee deems appropriate in his or her sole discretion. Following such a written application for indemnification by Indemnitee, the Indemnitee's entitlement to indemnification shall be determined according to Section 12(a) of this Agreement.

12. Procedure Upon Application for Indemnification.

(a) A determination, if required by applicable law, with respect to Indemnitee's entitlement to indemnification shall be made in the specific case: (i) if a Change in Control shall have occurred (and Indemnitee shall not have requested that the determination be made pursuant to clause (ii) of this sentence, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change in Control shall not have occurred (or Indemnitee shall have requested that the determination be made pursuant to this clause (ii), (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, or (C) if there

are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee. The Corporation promptly will advise Indemnitee in writing with respect to any determination that Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied. If it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall reasonably cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or Expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination or otherwise in connection with Indemnitee's request for indemnification shall be borne by the Corporation (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Corporation shall advance to or on behalf of Indemnitee payment therefor upon Indemnitee's written request as such costs or Expenses are incurred or anticipated to be incurred.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) hereof, the Independent Counsel shall be selected as provided in this Section 12(b). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board), and Indemnitee shall give written notice to the Corporation advising it of the identity of the Independent Counsel so selected and certifying that the Independent Counsel so selected meets the requirements of "Independent Counsel" as defined in Section 2 of this Agreement. If the Independent Counsel is selected by the Board, the Corporation shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected and certifying that the Independent Counsel so selected meets the requirements of "Independent Counsel" as defined in Section 2 of this Agreement. In either event, Indemnitee or the Corporation, as the case may be, may, within ten (10) days after such written notice of selection shall have been received, deliver to the Corporation or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 11(b) hereof, no Independent Counsel (as applicable) shall have been selected and not objected to, either the Corporation or Indemnitee may petition the Delaware Court for resolution of any objection which shall have been made by the Corporation or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Delaware Court or such other person as the Delaware Court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 12(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 14(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) The Corporation agrees to pay the reasonable fees and expenses of Independent Counsel and to fully indemnify and hold harmless such Independent Counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or his, her or its engagement pursuant hereto.

(d) If the Corporation disputes a portion of the amounts for which indemnification is requested, the undisputed portion shall be paid and only the disputed portion withheld pending resolution of any such dispute.

13. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(b) of this Agreement, and the Corporation shall have the burden of proof and the burden of persuasion to overcome that presumption by clear and convincing evidence in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Corporation (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Corporation (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) Subject to Section 14(g), if the person, persons or entity empowered or selected under Section 12 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Corporation of the request therefor (or, if Independent Counsel is making the determination, within sixty (60) days after the appointment of Independent Counsel), the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall, to the fullest extent not prohibited by law, be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a final judicial determination that any or all such indemnification is expressly prohibited under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee (i) did not act in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation or, (ii) in the case of a criminal Proceeding, did not act in good faith or had reasonable cause to believe that his or her conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Corporation or Enterprise, including financial statements, or on information supplied to Indemnitee by the directors or officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise, its Board, any committee of the Board or any director, or on information or records given or reports made to the Enterprise, its Board, any committee of the Board or any director by an independent certified public accountant or by an appraiser, financial advisor or other expert selected by or on behalf of the Corporation or Enterprise, its Board, any committee of the Board or any director. The provisions of this Section 13(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any other director, officer, trustee, partner, managing member, manager, fiduciary, agent or employee of the Corporation or Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

(f) The Corporation acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any Proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such Proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such action, suit or proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

14. Remedies of Indemnitee.

(a) Subject to 14(g), in the event that (i) a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses, to the fullest extent permitted by applicable law, is not timely made pursuant to Section 10 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 12(a) of this Agreement within ninety (90) days after receipt by the Corporation of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5 or 6, the last sentence of Section 12(a) or Section 14(e) of this Agreement within ten (10) days after receipt by the Corporation of a written request therefor, (v) a contribution payment is not made in a timely manner pursuant to Section 8 of this Agreement, (vi) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within ten (10) days after a determination has been made (or deemed to have been made) that Indemnitee is entitled to indemnification, or (vii) the Corporation or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by the Delaware Court of Indemnitee's entitlement to such indemnification, hold harmless, exoneration, contribution or advancement rights. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 14(a); provided, however, that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. Except as set forth herein, the provisions of Delaware law (without regard to its conflict of laws rules) shall apply to any such arbitration. The Corporation shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is not entitled to indemnification, the parties agree that any judicial proceeding or arbitration commenced pursuant to this Section 14 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 14, the parties agree that Indemnitee shall be presumed to be entitled to be indemnified and held harmless and to receive advances of Expenses under this Agreement and the Corporation shall have the burden of proving Indemnitee is not entitled to be indemnified and held harmless, and to receive advances of Expenses, as the case may be, and the Corporation may not refer to or introduce into evidence any determination pursuant to Section 12(a) of this Agreement adverse to Indemnitee for any purpose. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 14, Indemnitee shall not be required to reimburse the Corporation for any advances pursuant to Section 10 until a final determination is made with respect to Indemnitee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed).

(c) If a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 14, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Corporation shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Corporation is bound by all the provisions of this Agreement.

(e) It is the intent of the Corporation that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. The Corporation shall indemnify and hold harmless Indemnitee to the fullest extent permitted by law against all Expenses and, if requested by Indemnitee, shall (within ten (10) days after the Corporation's receipt of such written request) advance to or in behalf of Indemnitee, to the fullest extent permitted by applicable law, all such Expenses which are incurred or anticipated by Indemnitee to be incurred by Indemnitee in connection with any judicial proceeding or arbitration brought by Indemnitee (i) in connection with, to enforce his or her rights under, or to recover damages for breach of, this Agreement or any other indemnification, hold harmless, exoneration, advancement or contribution agreement or provision of the Corporation's Certificate of Incorporation or Bylaws now or hereafter in effect; or (ii) for recovery or advances under any insurance policy maintained by any person for the benefit of Indemnitee; provided, however, that to the extent that a final determination (as to which all rights of appeal have been exhausted or lapsed) is made that one or more of Indemnitee's underlying claims were asserted in bad faith and are without merit, the execution and delivery to the Corporation of this Agreement shall constitute an undertaking of the Indemnitee to repay, if required by law, the amounts advanced on account of such claims (without interest).

(f) Interest shall be paid by the Corporation to Indemnitee at the maximum legal rate under Delaware law for amounts which the Corporation indemnifies or holds harmless, or is obliged to indemnify or hold harmless for the period commencing with the date of his or her request for indemnification or request to be held harmless, or request for contribution, reimbursement or advancement of any Expenses and ending with the date on which such payment is made to Indemnitee by the Corporation.

(g) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

15. Establishment of Trust. In the event of a Potential Change in Control, the Corporation shall, upon written request by Indemnitee, create a "Trust" for the benefit of Indemnitee and from time to time upon written request of Indemnitee shall fund such Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request to be incurred in connection with investigating, preparing for, participating in or defending any Proceedings, and any and all judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such judgments, fines, penalties and amounts paid in settlement) in connection with any and all Proceedings from time to time actually paid or claimed, reasonably anticipated or proposed to be paid. The trustee of the Trust (the "Trustee") shall be a bank or trust corporation or other individual or entity chosen by the Indemnitee and reasonably acceptable to the Corporation. Nothing in this Section 15 shall relieve the Corporation of any of its obligations under this Agreement. The amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation shall be determined by mutual agreement of the Indemnitee and the Corporation or, if the Corporation and the Indemnitee are unable to reach such an agreement, by Independent Counsel selected in accordance with Section 12(b) of this Agreement. The terms of the Trust shall provide that, except upon the consent of both the Indemnitee and the Corporation, (a) the Trust shall not be revoked or the principal thereof invaded, without the written consent of the Indemnitee; and (b) upon a Change in Control: (i) the Trustee shall advance, to the fullest extent permitted by applicable law, within two (2) business days of a request by the Indemnitee any and all Expenses to the Indemnitee; (ii) the Trust shall continue to be funded by the Corporation in accordance with the funding obligations set forth above; (iii) the Trustee shall promptly pay to the Indemnitee all amounts for which the

Indemnitee shall be entitled to indemnification or to be held harmless pursuant to this Agreement or otherwise; and (iv) all unexpended funds in such Trust shall revert to the Corporation upon mutual agreement by the Indemnitee and the Corporation or, if the Indemnitee and the Corporation are unable to reach such an agreement, by Independent Counsel selected in accordance with Section 12(b) of this Agreement, that the Indemnitee has been fully indemnified and held harmless under the terms of this Agreement. The Trust shall be governed by Delaware law (without regard to its conflicts of laws rules) and the Trustee shall consent to the exclusive jurisdiction of the Delaware Court in accordance with Section 23 of this Agreement.

16. Security. Notwithstanding anything herein to the contrary, to the extent requested by the Indemnitee and approved by the Board, the Corporation may at any time and from time to time provide security to the Indemnitee for the Corporation's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to the Indemnitee, may not be revoked or released without the prior written consent of the Indemnitee.

17. Non-Exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of Indemnitee as provided by this Agreement (i) shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Corporation's Certificate of Incorporation or Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise and (ii) shall be enforced and this Agreement shall be interpreted independently of and without reference to or limitation or constraint (whether procedural, substantive or otherwise) by any other such rights to which Indemnitee may at any time be entitled. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in applicable law, whether by statute or judicial decision, permits greater indemnification, hold harmless or exoneration rights or advancement of Expenses than would be afforded currently under the Corporation's Certificate of Incorporation or Bylaws or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. To the extent that a change in Delaware law, whether by statute or judicial decision, narrows or limits indemnification or advancement of Expenses that are afforded currently under the Corporation's Certificate of Incorporation or Bylaws or this Agreement, it is the intent of the parties hereto that such change, except to the extent required by applicable law, shall have no effect on this Agreement or the parties' rights and obligations hereunder. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The DGCL permits the Corporation to purchase and maintain insurance or furnish similar protection or make other arrangements including, but not limited to, providing a trust fund, letter of credit, or surety bond ("Indemnification Arrangements") on behalf of Indemnitee against any liability asserted against him or her or incurred by or on behalf of him or her or in such capacity as a director, officer, employee or agent of the Corporation, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Agreement or under the DGCL, as it may then be in effect. The purchase, establishment, and maintenance of any such Indemnification Arrangement shall not in any way limit or affect the rights and obligations of the Corporation or of the Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Corporation and the Indemnitee shall not in any way limit or affect the rights and obligations of the Corporation or the other party or parties thereto under any such Indemnification Arrangement.

(c) The Corporation shall maintain directors' and officers' insurance and fiduciary insurance programs providing coverage to Indemnitee during the time period Indemnitee serves the Corporation in a Corporate Status. The amount of coverage and retention/deductible shall be established

from time to time by the Board, except as may be expressly required by this Agreement; provided that the terms thereof are no less favorable to Indemnitee than they are to other persons covered thereby who are situated similarly to Indemnitee. If the Corporation is named as an insured under the directors' and officers' insurance or fiduciary insurance programs, then the insurance program or policy shall include a "Priority of Payments" or "Order of Payments" clause requiring coverage proceeds to be paid first to the insured who are natural persons. If, at the time the Corporation receives notice from any source of a Proceeding as to which Indemnitee is a party or a participant (as a witness or otherwise), the Corporation has director and officer liability insurance or fiduciary insurance in effect, the Corporation shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Corporation shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(d) In the event of any payment under this Agreement, the Corporation shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Corporation to bring suit to enforce such rights, except to the extent such subrogation would impair the subrogation rights of an insurance corporation under the directors' and officers' insurance or fiduciary insurance program. The Corporation shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided hereunder) hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Corporation's obligation to indemnify and hold harmless or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Corporation as a director, officer, trustee, partner, managing member, manager, fiduciary, employee or agent of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or hold harmless payments or advancement of expenses from such Enterprise.

(f) If Indemnitee ceases to be a director of the Corporation for any reason, the Corporation shall procure a run-off directors' and officers' liability insurance policy and fiduciary policy with respect to claims arising from facts or events that occurred before the time Indemnitee ceased to be a director of the Corporation and covering Indemnitee, which policy, without any lapse in coverage, will provide coverage for a period of six (6) years after the time Indemnitee ceased to be a director of the Corporation and will provide coverage (including amount and type of coverage and size of deductibles) that is substantially comparable to the Corporation's directors' and officers' liability insurance policy and fiduciary insurance policy that was most protective of Indemnitee in the twelve (12) months preceding the time Indemnitee ceased to be a director of the Corporation; provided, however, that:

(i) this obligation shall be suspended during the period immediately following the time Indemnitee ceases to be a director of the Corporation if and only so long as the Corporation has a directors' and officers' liability insurance policy and fiduciary policy in effect covering Indemnitee for such claims that, if it were a run-off policy, would meet or exceed the foregoing standards, but in any event this suspension period shall end when a Change in Control occurs; and

(ii) no later than the end of the suspension period provided in the preceding clause (i) (whether because of failure to have a policy meeting the foregoing standards or because a Change in Control occurs), the Corporation shall procure a run-off directors' and officers' liability insurance policy and fiduciary policy meeting the foregoing standards and lasting for the remainder of the six (6)-year period.

(g) Notwithstanding the preceding clause (f) including the suspension provisions therein, if Indemnitee ceases to be a director of the Corporation in connection with a Change in Control or at or during the one (1)-year period following the occurrence of a Change in Control, the Corporation shall

procure a run-off directors' and officers' liability insurance policy and fiduciary policy covering Indemnitee and meeting the foregoing standards in clause (f) and lasting for a six (6)-year period upon the Indemnitee's ceasing to be a director of the Corporation in such circumstances.

18. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director, officer, employee or agent of the Corporation, or at the request of the Corporation, as a director, officer, trustee, general partner, managing member, manager, fiduciary, employee or agent of another Enterprise; or (b) one (1) year after the final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 14 of this Agreement relating thereto.

19. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

20. Enforcement and Binding Effect.

(a) The Corporation expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to encourage Indemnitee to serve and/or continue to serve as a director, officer, employee or agent of the Corporation or as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of another Enterprise, and the Corporation acknowledges that Indemnitee is relying upon this Agreement in serving as a director, officer, employee or agent of the Corporation.

(b) Without limiting any of the rights of Indemnitee under the Certificate of Incorporation or Bylaws of the Corporation as they may be amended from time to time, and except as provided in Section 17(a), this Agreement and the agreements, documents, exhibits and instruments referenced herein constitute the entire agreement between the parties hereto and thereto with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof and thereof.

(c) The rights to be indemnified and to receive contribution and advancement of Expenses provided by or granted Indemnitee pursuant to this Agreement shall apply to Proceedings arising from Indemnitee's service as an officer, director, employee or agent of the Corporation or as a director, officer, trustee, general partner, managing member, manager, fiduciary, employee or agent of another Enterprise prior to the Effective Date.

(d) The indemnification, hold harmless, exoneration and advancement of expenses rights provided by or granted pursuant to this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Corporation), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Corporation or of any other Enterprise, and shall inure to the benefit of Indemnitee and his or her spouse, assigns, estate, heirs, devisees, executors and administrators and other legal representatives.

(e) The Corporation shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Corporation, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform if no such succession had taken place.

(f) The Corporation and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking, among other things, injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance Indemnitee shall not be precluded from seeking or obtaining any other relief to which he may be entitled. The Corporation and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Corporation acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the Court, and the Corporation hereby waives any such requirement of such a bond or undertaking.

21. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

22. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) if delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (ii) on the next business day after it is sent by facsimile with confirmation of transmission by the transmitting equipment, (iii) when received by the addressee, if sent by certified mail, return receipt requested, or (iv) when received by the addressee, if sent by a nationally recognized overnight delivery service, return receipt requested, in each case to the appropriate addresses or facsimile numbers set forth below:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide in writing to the Corporation.

(b) If to the Corporation, to:

ACXIOM CORPORATION
301 Main Street
Little Rock, AR 72201
Attention: Secretary

or to any other address as may have been furnished to Indemnitee in writing by the Corporation.

23. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 14(a) of this Agreement, the Corporation and Indemnitee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court and not in any other state or federal court in the United States of America or any court in any other country; (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement; (c) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court; and (d) waive,

and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum, or is subject (in whole or in part) to a jury trial.

24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

25. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

26. Additional Acts. If for the validation of any of the provisions in this Agreement any act, resolution, approval or other procedure is required, the Corporation undertakes to cause such act, resolution, approval or other procedure to be affected or adopted in a manner that will enable the Corporation to fulfill its obligations under this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the Effective Date.

ACXIOM CORPORATION

By: _____
[name]
[title]

INDEMNITEE

Signature _____

Name _____

Address _____

SUBSIDIARIES OF ACXIAM CORPORATION

U.S. SUBSIDIARIES

<u>Subsidiary</u>	<u>Organized or Incorporated</u>	<u>Percent of Equity Securities</u>	
		<u>Owned</u>	<u>Doing Business As</u>
1. Acxiom CH, Inc.	Delaware	100%	Acxiom CH, Inc.
2. Acxiom Dutch Holdings, LLC	Delaware	100%	Acxiom Dutch Holdings, LLC
3. Acxiom Identity Solutions, LLC	Colorado	100%	Acxiom Identity Solutions, LLC
4. Acxiom ITO Holding I, LLC	Delaware	100%	Acxiom ITO Holding I, LLC
5. Acxiom ITO Holding II, LLC	Delaware	100%	Acxiom ITO Holding II, LLC
6. LiveRamp, Inc.	Delaware	100%	LiveRamp, Inc.

INTERNATIONAL SUBSIDIARIES

<u>Subsidiary</u>	<u>Organized or Incorporated</u>	<u>Percent of Equity Securities</u>	
		<u>Owned</u>	<u>Doing Business As</u>
1. ACDUHO, C.V.	The Netherlands	100%	ACDUHO, C.V.
2. Acxiom Acquisition B.V.	The Netherlands	100%	Acxiom Acquisition B.V.
3. Acxiom Asia Global Services Center Ltd	China	100%	Acxiom Asia Global Services Center Ltd
4. Acxiom Australia Pty Limited	Australia	100%	Acxiom Australia Pty Limited
5. Acxiom Brasil Participacoes Ltda.	Brazil	100%	Acxiom Brasil Participacoes Ltda.
6. Acxiom Brasil Servicos de Tecnologia da Informacao Ltda	Brazil	100%	Acxiom Brasil Servicos de Tecnologia da Informacao Ltda
7. Acxiom Deutschland GmbH	Germany	100%	Acxiom Deutschland GmbH
8. Acxiom European Holdings Limited	UK	100%	Acxiom European Holdings Limited
9. Acxiom France SAS	France	100%	Acxiom France SAS
10. Acxiom Global Service Center Polska Sp.z.o.o.	Poland	100%	Acxiom Global Service Center Polska Sp.z.o.o.
11. Acxiom Greater China Information Services Ltd.	China	100%	Acxiom Greater China Information Services Ltd.
12. Acxiom International Holdings B.V.	The Netherlands	100%	Acxiom International Holdings B.V.
13. Acxiom Japan K.K.	Japan	100%	Acxiom Japan K.K.
14. Acxiom Limited	UK	100%	Acxiom Limited
15. Acxiom NZ Ltd.	New Zealand	100%	Acxiom NZ Ltd.
16. Acxiom PTE. Ltd.	Singapore	100%	Acxiom PTE. Ltd.
17. Acxiom Polska Sp.z.o.o.	Poland	100%	Acxiom Polska Sp.z.o.o.
18. Acxiom Pty Limited	Australia	100%	Acxiom Pty Limited
19. ChinaLoop Holdings	Cayman	100%	ChinaLoop Holdings

20.	ChinaLoop (Mauritius) Co.	Mauritius	100%	ChinaLoop (Mauritius) Co.
21.	XYZ Direct Pty Ltd.	Australia	100%	XYZ Direct Pty Ltd.

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Acxiom Corporation:

We consent to the incorporation by reference in the registration statements filed on Form S-3 and Form S-8 (Nos. 33-17115, 33-37609, 33-37610, 33-42351, 33-72310, 333-63633, 333-40114, 333-57470, 333-68620, 333-91395, 333-98613, 333-108900, 333-124901, 333-127743, 333-136919, 333-148708, 333-148946, 333-151333, 333-158005, 333-175854, 333-190906, 333-197463, 333-209438 , 333-214926, 333-214927, 333-215197, 333-215626, 333-219839, 333-221162, 333-223520) of Acxiom Corporation of our report dated May 25, 2018, with respect to the consolidated balance sheets of Acxiom Corporation and subsidiaries as of March 31, 2018 and 2017, and the related consolidated statements of operations, comprehensive income, stockholders' equity and cash flows for each of the years in the three year period ended March 31, 2018, and the related to notes (collectively, the "consolidated financial statements") and the effectiveness of internal control over financial reporting as of March 31, 2018, which report appears in the March 31, 2018 annual report on Form 10-K of Acxiom Corporation.

KPMG LLP

Dallas, Texas
May 25, 2018

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the undersigned, a director or officer, or both, of Acxiom Corporation ("the Company"), acting pursuant to authorization of the Company's Board of Directors, hereby appoints Catherine L. Hughes and Jerry C. Jones, or any one of them, attorneys-in-fact and agents for me and in my name and on my behalf, individually and as a director or officer, or both, of the Company, to sign the Company's Annual Report on Form 10-K for the year ended March 31, 2018, together with any amendments thereto, and to file the same, together with any exhibits and all other documents related thereto, with the Securities and Exchange Commission, granting to said attorneys-in-fact and agents full power and authority to do and perform each and any act necessary to be done in connection therewith, as fully to all intents and purposes as the undersigned might or could do in person, duly ratifying and confirming all that said attorneys-in-fact and agents may lawfully do or cause to be done by virtue of the power herein granted.

Executed as of the 25th day of May, 2018.

	Signed: <u>/s/ John L. Battelle</u> Name: JOHN L. BATTELLE, Director
	Signed: <u>/s/ Timothy R. Cadogan</u> Name: TIMOTHY R. CADOGAN, Director
	Signed: _____ Name: WILLIAM T. DILLARD II, Director
	Signed: <u>/s/ Richard P. Fox</u> Name: RICHARD P. FOX, Director
	Signed: <u>/s/ Jerry D. Gramaglia</u> Name: JERRY D. GRAMAGLIA, Director (Non-Executive Chairman of the Board)
	Signed: <u>/s/ William J. Henderson</u> Name: WILLIAM J. HENDERSON, Director
	Signed: <u>/s/ Scott E. Howe</u> Name: SCOTT E. HOWE, Director and Chief Executive Officer (principal executive officer)
	Signed: <u>/s/ Clark M. Kokich</u> Name: CLARK M. KOKICH, Director
	Signed: <u>/s/ Debora B. Tomlin</u> Name: DEBORA B. TOMLIN, Director

ACXIOM CORPORATION AND SUBSIDIARIES

CERTIFICATION

I, Scott E. Howe, certify that:

1. I have reviewed this annual report on Form 10-K of Acxiom Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 25, 2018

By: /s/ Scott E. Howe
Scott E. Howe
Chief Executive Officer & President

ACXIOM CORPORATION AND SUBSIDIARIES

CERTIFICATION

I, Warren C. Jenson, certify that:

1. I have reviewed this annual report on Form 10-K of Acxiom Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 25, 2018

By: /s/ Warren C. Jenson
Warren C. Jenson
Chief Financial Officer & Executive Vice President

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Annual Report of Acxiom Corporation (the Company) on Form 10-K for the fiscal year ended March 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Scott E. Howe, Chief Executive Officer & President of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Scott E. Howe
Scott E. Howe
Chief Executive Officer & President
May 25, 2018

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying Annual Report of Acxiom Corporation (the Company) on Form 10-K for the fiscal year ended March 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Warren C. Jenson, Chief Financial Officer & Executive Vice President of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Warren C. Jenson

Warren C. Jenson
Chief Financial Officer & Executive Vice President
May 25, 2018