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Lifevantage Corp  
Form PRE 14A  
November 28, 2017  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934

(Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

LIFEVANTAGE CORPORATION

(Name of Registrant as Specified In Its Charter)

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

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No fee required.

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

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

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

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Form, Schedule or Registration Statement No.:

(2)

Filing Party:

(3)

(4) Date Filed:



LifeVantage Corporation  
9785 S. Monroe Street, Suite 300  
Sandy, Utah 84070

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

February 2, 2018

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Dear Shareholder:

You are cordially invited to attend the fiscal year 2018 Annual Meeting of Shareholders of LifeVantage Corporation, a Colorado corporation. The meeting will be held at the Hyatt House Salt Lake City/Sandy, 9685 South Monroe Street, Sandy UT 84070 on Friday, February 2, 2018 at 1:00 P.M. Mountain Time, for the following purposes:

1. To elect six directors to hold office for a one-year term expiring at our fiscal year 2019 Annual Meeting of Shareholders or until their respective successors are elected and qualified;
2. To approve an amendment to the 2017 Long-Term Incentive Plan to increase the number of shares available for issuance under the plan by 675,000;
3. To ratify the appointment of WSRP, LLC as our independent registered public accounting firm for our fiscal year ending June 30, 2018;
4. To approve the reincorporation of the Company from the State of Colorado to the State of Delaware; and
5. To conduct any other business properly brought before the meeting.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

Our board of directors recommends that you vote FOR proposals 1, 2, 3 and 4.

Our board of directors has fixed December 6, 2017, as the record date for determining the shareholders entitled to receive notice of and to vote at the annual meeting. Only shareholders of record at the close of business on that date may vote at the meeting or any adjournment or postponement thereof.

We are taking advantage of the Securities and Exchange Commission rule that allows us to furnish proxy materials to our shareholders over the Internet. Instead of mailing printed copies of our Proxy Statement and Annual Report, we are mailing a Notice Regarding Availability of Proxy Materials, or Notice of Availability. We intend to mail the Notice of Availability to our shareholders on or about December 20, 2017. The Notice of Availability contains instructions on how to access our Proxy Statement and Annual Report on the Internet and how to submit your vote online or by telephone. The Notice of Availability also contains instructions on how you can, alternatively, receive a paper copy of the Proxy Statement and Annual Report and a return, postage prepaid envelope. We believe this e-proxy process expedites shareholders' receipt of proxy materials, lowers our costs associated with the annual meeting and reduces the environmental impact of our annual meeting.

Whether or not you expect to attend the meeting, your vote is very important. We encourage you to submit your proxy as soon as possible (i) by accessing the Internet site, (ii) by calling the toll-free number described in the proxy materials; or (iii) by signing, dating and returning the paper proxy card as promptly as possible in order to ensure your representation at the meeting. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares of record are held by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.

Thank you for your ongoing support and continued interest in LifeVantage Corporation. We look forward to seeing you at the annual meeting.

Sandy, Utah           By Order of our Board of Directors  
December 20, 2017 /s/ Darren Jensen  
                                  Darren Jensen  
                                  President and Chief Executive Officer

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE  
SHAREHOLDER MEETING TO BE HELD ON FEBRUARY 2, 2018:

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This notice, the accompanying proxy statement, and annual report to shareholders are available at <http://investor.lifevantage.com/sec.cfm>.

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LifeVantage Corporation  
9785 S. Monroe Street, Suite 300  
Sandy, Utah 84070

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

February 2, 2018

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INFORMATION CONCERNING VOTING AND SOLICITATION OF PROXY

General

This proxy statement is furnished to shareholders of LifeVantage Corporation, a Colorado corporation, sometimes referred to as “we,” “us,” “our,” the “Company” or “LifeVantage,” in connection with the solicitation of proxies for use at the fiscal 2018 Annual Meeting of Shareholders (the “Annual Meeting”) of LifeVantage to be held on February 2, 2018, at 1:00 P.M. Mountain Time, at the Hyatt House Salt Lake City/Sandy, 9685 South Monroe Street, Sandy UT 84070, for the purposes set forth in the Notice of Meeting. This solicitation of proxies is made on behalf of our board of directors.

Our Fiscal Year

Our fiscal year ends on June 30 of each year. In this proxy statement, when we refer to our fiscal year, we mean the twelve-month period ending on June 30 of the stated year. For example, “fiscal 2018” refers to the twelve-month period from July 1, 2017 through June 30, 2018.

Why am I receiving these materials?

You are receiving these proxy materials from us because you were a shareholder of record at the close of business on December 6, 2017 (the “Record Date”). Our board of directors is soliciting your proxy to vote your shares at the fiscal 2018 Annual Meeting of Shareholders on the matters to be considered at that meeting. The Notice of Annual Meeting, this proxy statement and the accompanying form of proxy card are being made available to you on or about December 20, 2017. This proxy statement includes information that we are required to provide to you under SEC rules and that is designed to assist you in voting your shares.

Where and when is the annual meeting?

The fiscal 2018 Annual Meeting of Shareholders of LifeVantage will take place on Friday, February 2, 2018, at 1:00 P.M. Mountain Time at the Hyatt House Salt Lake City/Sandy, 9685 South Monroe Street, Sandy UT 84070.

What am I voting on?

The following matters are scheduled to be voted on by shareholders at the annual meeting:

- the election of six directors to our board of directors;
- an amendment to the 2017 Long-Term Incentive plan to increase the number of shares authorized for issuance under the plan by 675,000;
- the ratification of the selection of the appointment of WSRP, LLC as our independent registered accounting firm for our fiscal year ending June 30, 2018; and
- the approval of the reincorporation of the Company from the State of Colorado to the State of Delaware (the “Reincorporation”).

Who can vote at the annual meeting?

Only shareholders of record at the close of business on December 6, 2017, the record date, will be entitled to vote at the annual meeting. As of the record date, we had approximately [       ] shares of common stock outstanding and entitled to vote.

Shareholders of Record: Shares Registered in Your Name

If on the record date your shares were registered directly in your name with our transfer agent, Computershare Trust Company, Inc., then you are a shareholder of record. As a shareholder of record, you may vote by proxy or vote in person at the meeting. Whether or not you plan to attend the meeting, we encourage you to submit your proxy as soon as possible by (i)





accessing the Internet site or by calling the toll-free number described in the proxy materials; or (ii) signing, dating and returning the enclosed proxy to ensure your vote is counted.

**Beneficial Owner: Shares Registered in the Name of a Broker, Bank or Other Nominee**

If on the record date your shares were not held in your name, but rather in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in “street name” and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered to be the shareholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the annual meeting provided that you bring with you proof of your beneficial ownership of shares, such as a brokerage account statement. However, if you are not the shareholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

**How do I vote?**

**Shareholder of Record: Shares Registered in Your Name**

If you are a shareholder of record, you may vote by proxy using the enclosed proxy card or in person at the annual meeting.

• **Voting Your Proxy By Mail.** To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the pre-addressed, postage-paid envelope provided to you.

• **Voting on the Internet.** To vote on the Internet, access <http://www.proxyvote.com> and follow the on-screen instructions.

• **Voting by Telephone.** To vote by phone call toll free 1-800-690-6903 from any touch-telephone and follow the instructions.

• **Voting in Person.** To vote in person, come to the annual meeting and we will give you a ballot when you arrive.

Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person if you have already voted by proxy. See “Can I change my vote after submitting my proxy?” below.

**Beneficial Owner: Shares Registered in the Name of a Broker, Bank or Other Nominee**

If you are a beneficial owner of shares registered in the name of a brokerage firm, bank, dealer, or other similar organization, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from us. Simply complete and mail the proxy card to ensure that your vote is counted. You may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

**How many votes do I have?**

On each matter to be voted upon, you have one vote for each share of common stock you own as of the record date.

**How are votes counted?**

Votes will be counted by the inspector of election appointed for the meeting. Each proposal (other than the election of directors and approval of the Reincorporation) will be approved if the votes cast “FOR” the proposal exceed the votes cast “AGAINST” the proposal. With respect to the election of directors, the six nominees receiving the highest number of “FOR” votes will be elected. Because neither abstentions nor broker non-votes are considered cast with respect to a proposal, abstentions and broker non-votes have no effect and will not be counted towards the vote total for any proposal.

The Reincorporation will be approved if a majority of the shares entitled to vote at the Annual Meeting vote “FOR” the proposal. Abstentions and broker non-votes will have the effect of a vote “AGAINST” the proposal.

**What are broker non-votes?**

When a broker indicates on its proxy that it does not have authority to vote certain shares held in “street name” on particular proposals, the shares not voted are called “broker non-votes.” Broker non-votes occur when brokers do not have discretionary voting authority on certain “non-routine” proposals under the rules of the NYSE Stock Exchange (“NYSE rules”) and the beneficial owner has not instructed the broker how to vote on these proposals. The ratification of the selection of our independent registered public accounting firm is the only proposal at the annual meeting that is considered a “routine” matter under the rules and interpretations of the NYSE rules with respect to broker non-votes.

How many votes are needed to approve each proposal?

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Directors are elected by a plurality of the votes properly cast in person or by proxy. Cumulative voting is not permitted. The six nominees receiving the highest number of "FOR" votes will be elected. Properly executed proxies marked "WITHHOLD" and broker non-votes with respect to this proposal will not be voted and accordingly will have no effect on the outcome of this proposal

The amendment to the 2017 Long-Term Incentive Plan will be approved by our shareholders if the votes cast "FOR" the proposal exceed the votes cast "AGAINST" the proposal. Properly executed proxies marked "ABSTAIN" and broker non-votes with respect to this proposal will not be voted and accordingly will have no effect on the outcome of this proposal.

The ratification of the selection of WSRP, LLC as our independent registered public accounting firm for the fiscal year ending June 30, 2018 will be approved by our shareholders if the votes cast "FOR" the proposal exceed the votes cast "AGAINST" the proposal. Properly executed proxies marked "ABSTAIN" and broker non-votes with respect to this proposal will not be voted and accordingly will have no effect on the outcome of this proposal. A broker or other nominee will generally have discretionary authority to vote on this proposal because it is considered a routine matter, and therefore we do not expect broker non-votes with respect to this proposal

The Reincorporation will be approved if a majority of the shares entitled to vote at the Annual Meeting vote "FOR" the proposal. Properly executed proxies marked "ABSTAIN" and broker non-votes with respect to this proposal will have the effect of a vote "AGAINST" the proposal

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, your shares are likely registered in more than one name or are registered in different accounts. If you vote by mail, please complete, sign and return each proxy card. Or, if you vote by Internet or telephone, vote once for each proxy card you received.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before it is voted. If you are the record holder of your shares, you may revoke your proxy in any one of three ways:

• You may submit another properly completed proxy card with a later date;

• You may send a written notice that you are revoking your proxy to our Corporate Secretary at LifeVantage Corporation, Attn: Corporate Secretary, 9785 S. Monroe Street, Suite 300, Sandy, Utah 84070; or

• You may attend the annual meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy.

If your shares are held by your broker, bank or other nominee as a nominee or agent, you should follow the instructions provided by your broker or bank to revoke your proxy.

What if I return a proxy card but do not make specific choices?

If you return a signed and dated proxy card without marking any voting selections or without marking your voting selection as to a particular proposal, your shares will be voted "FOR" the election of all six nominees for director and "FOR" Proposal 2, Proposal 3 and Proposal 4, in each case, to the extent your proxy card does not indicate otherwise. If any other matter is properly presented at the meeting, your proxy (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

What is the quorum requirement?

A quorum of shareholders is necessary to hold a valid meeting. A quorum will be present if a majority of the shares outstanding as of the record date are represented by shareholders present at the meeting in person or by proxy. As of the record date, we had approximately [ ] shares of common stock outstanding and entitled to vote. Thus, at least [ ] shares of common stock must be represented by shareholders present at the meeting in person or by proxy to constitute a quorum.

Persons returning executed proxy cards will be counted as present for purposes of establishing a quorum even if they abstain from voting on any or all proposals. Shares held by brokers who vote such shares on any proposal will be counted as present for purposes of establishing a quorum, and broker non-votes on other proposals will not affect the presence of a quorum.



Who is paying for this proxy solicitation?

We will pay the entire cost of soliciting proxies. In addition to these mailed proxy materials and the use of the Internet, our directors and employees may also solicit proxies in person, by telephone, or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We also intend to engage Morrow & Co., LLC (“Morrow”) to assist with the solicitation of proxies. We expect to pay Morrow a fee of approximately \$[\_\_\_\_\_] plus reimbursement of expenses for their services. We will also reimburse brokerage firms, banks and other agents for the cost of forwarding solicitation materials to beneficial owners.

When are shareholder proposals due for next year's annual meeting?

Shareholder Proposals for Inclusion in Next Year's Proxy Statement.

Shareholders may submit proposals on matters appropriate for shareholder action at meetings of our shareholders in accordance with Rule 14a-8 promulgated under the Securities Exchange Act of 1934, or the Exchange Act. To be eligible for inclusion in the proxy statement relating to our fiscal 2019 Annual Meeting of Shareholders, shareholder proposals must be submitted in writing to LifeVantage Corporation, Attention: Corporate Secretary at 9785 South Monroe Street, Suite 300, Sandy, Utah 84070 and must be received by us no later than August 22, 2018, and must otherwise satisfy the conditions established by the Securities and Exchange Commission, or SEC, for shareholder proposals to be included in the proxy statement for that meeting. In addition, our bylaws include other requirements for the submission of proposals and the nomination of candidates for director.

Shareholder Proposals for Presentation at Next Year's Annual Meeting.

If a shareholder wishes to present a proposal, including a director nomination, at our fiscal 2019 Annual Meeting of Shareholders and the proposal is not intended to be included in our proxy statement relating to that meeting, the shareholder must give advance notice in writing to LifeVantage Corporation, Attention: Corporate Secretary at 9785 South Monroe Street, Suite 300, Sandy, Utah 84070 not less than 90 days, or September 21, 2018, nor more than 120 days, or August 22, 2018, prior to the first anniversary of the date on which we first mailed our proxy materials for the fiscal 2018 Annual Meeting, except that if the fiscal 2019 Annual Meeting date is changed by more than 30 days from the anniversary date of the fiscal 2018 Annual Meeting, such notice must be delivered not earlier than 120 days prior to the anniversary date of the fiscal 2018 Annual Meeting date and not later than the close of business on the later of the 90th day prior to the anniversary date of the fiscal 2018 Annual Meeting date or the 10th day following the day on which we first publicly announce the fiscal 2019 Annual Meeting date. If a shareholder fails to give timely notice of a proposal, the shareholder will not be permitted to present the proposal to the shareholders for a vote at our fiscal 2019 Annual Meeting. In addition, our bylaws include other requirements for the submission of proposals and the nomination of candidates for director.

How can I find out the results of the voting at the annual meeting?

Preliminary voting results will be announced at the annual meeting. We expect to report final voting results in a current report on Form 8-K that we will file with the SEC within four business days after the annual meeting. You can obtain a copy of the Form 8-K, once it is filed, on our website at [investor.lifevantage.com/sec.cfm](http://investor.lifevantage.com/sec.cfm), by calling the SEC at (800) SEC-0330 for the location of the nearest public reference room, or through the EDGAR system at [www.sec.gov](http://www.sec.gov). Our website does not constitute part of this proxy statement.

IT IS THE INTENTION OF THE AGENTS DESIGNATED IN THE ENCLOSED PROXY CARD TO VOTE “FOR” THE ELECTION OF EACH NOMINEE FOR DIRECTOR IDENTIFIED IN PROPOSAL 1 (UNLESS AUTHORITY IS WITHHELD BY THE SHAREHOLDER GRANTING THE PROXY) AND “FOR” EACH OF PROPOSAL 2, PROPOSAL 3 AND PROPOSAL 4. IF ANY NOMINEE BECOMES UNAVAILABLE TO SERVE FOR ANY REASON, THE PROXY WILL BE VOTED FOR A SUBSTITUTE NOMINEE OR NOMINEES TO BE SELECTED BY THE COMPANY'S BOARD OF DIRECTORS, UNLESS THE SHAREHOLDER WITHHOLDS AUTHORITY TO VOTE FOR THE ELECTION OF DIRECTORS.

**PROPOSAL 1 - ELECTION OF DIRECTORS**

Our board of directors currently consists of the following nine individuals: Darren Jensen, Michael A. Beindorff, Raymond B. Greer, Vinayak R. Hegde, Darwin K. Lewis, Garry Mauro, George E. Metzger, Richard Okumoto, and David Toole. Other than Messrs. Metzger, Okumoto, and Toole, each of these individuals will be standing for election at our fiscal 2018 Annual Meeting of Shareholders.

Each director elected will hold office until the next annual meeting of shareholders and until his successor is elected and qualified, or, if sooner, until the director's death, resignation or removal.

We encourage nominees for director to attend the annual meeting. All of the nominees for election as a director at last year's annual meeting of shareholders attended that meeting.

If any nominee becomes unavailable for election as a result of an unexpected occurrence, shares represented by a duly executed proxy will be voted to fill any vacancy so arising in accordance with the discretionary authority of the persons named in the proxy, unless contrary instructions are given. Each person nominated for election has agreed to serve if elected. Our management has no reason to believe that any nominee will be unable to serve.

The following information is furnished with respect to each of the nominees for election as director at the annual meeting:

Name	Age	Position with Company
Mr. Darren Jensen	48	President, Chief Executive Officer and Director
Mr. Michael A. Beindorff	65	Independent Director
Mr. Raymond B. Greer	54	Independent Director
Mr. Vinayak R. Hegde	48	Independent Director
Mr. Darwin K. Lewis	59	Independent Director
Mr. Garry Mauro	69	Chairman, Independent Director

**MR. DARREN JENSEN.** Mr. Jensen was appointed as our President and Chief Executive Officer in May 2015. He was appointed to our board of directors in January 2016 by the board of directors. From June 2014 to May 2015, Mr. Jensen served as the President-Americas and from September 2012 to June 2014 as the Chief Sales Officer at Jeunesse Global, a privately held direct selling anti-aging and skin care company. Prior to joining Jeunesse Global, Mr. Jensen served from August 2011 to June 2012 as the Chief Sales Officer of Ampegy, a privately held direct selling company in the energy industry. Prior to that, he was the Executive Vice President and Corporate General Manager at Agel Enterprises, a nutritional supplements direct selling company, where he was also a Co-Founder of the Agel Cares Foundation. From 2003 to 2005, Mr. Jensen was the Director of International Business Development at USANA Inc. Mr Jensen served as a Brand Manager at Amway Global from 1995 to 1997. Mr. Jensen began his direct selling career at Nu Skin Enterprises in Provo, where he served as an International Marketing Specialist from 1990-1995. Mr. Jensen received a bachelor of arts degree from Brigham Young University. Mr. Jensen's more than 25 years of experience in the direct selling industry brings to our board of directors deep industry expertise as well as strong leadership in all aspects of our business.

**MR. MICHAEL A. BEINDORFF.** Mr. Beindorff has been an independent member of our board of directors since January 2012. Mr. Beindorff brings more than 35 years of experience in general management, operations, sales and marketing with a strong track record of building and leading disciplined organizational teams, driving rapid, profitable growth and delivering results across a variety of business environments. He currently serves as Principal and President of the Far Niente Group, a management consultancy and private investment entity focused on helping clients build effective business models, strong differentiated brands, viable product lines and sustainable businesses while maximizing return on investment, a position he has held since 2008. From 2004 to 2008 he served as Chief Operating Officer of Exclusive Resorts, a private club for luxury travel experience. From 2002 to 2004 he served as Principal and President of the Greentree Group, a management consultancy focused on helping clients build strong brands and effective business models. From 1999 to 2002 he served first as President and COO and then as Chairman and Chief Executive Officer of PlanetRx.com, an internet pharmacy and on-line health portal. From 1995 to 1999 he served as Executive Vice President of Marketing, Operations and Product Management for VISA. From 1978 to 1995 he held various positions leading global advertising, marketing and brand management for The Coca-Cola Company and Rhodes Furniture. Mr. Beindorff received his Bachelor of Science in Business Administration from the

University of Alabama and his Masters of Business Administration from the Gouzuietta Business School at Emory University. Mr. Beindorff's broad background building and leading organizations, and experience in building strong sales and marketing, and branding initiatives brings to our board of directors expertise in operations and oversight as well as strong leadership and initiative.

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**MR. RAYMOND B. GREER.** Mr. Greer has been an independent member of our board of directors since February 2017. Mr. Greer has over 30 years of logistics and transportation experience. Mr. Greer has served since February 2011 as the President of BNSF Logistics, LLC, which is an international third party logistics provider and a wholly-owned subsidiary of Burlington Northern Santa Fe, LLC, a Berkshire Hathaway company. From March 2005 to January 2010, Mr. Greer served as President and Chief Executive Officer of Greatwide Logistics Services, a non-asset based logistics and transportation services company. From December 2002 to March 2005, Mr. Greer served as President and Chief Executive Officer for Newgistics, Inc., a reverse logistics company. Mr. Greer served as President of Global Network Solutions and Services for i2 Technologies, Inc., a supply chain management software and services company, from February 2002 to November 2002. Mr. Greer has also held senior management positions for Ryder and FedEx Corporation. From June 2005 to April 2007, Mr. Greer served as a director of Kitty Hawk, Inc., an air cargo company. Mr. Greer received a Bachelor of Science in Mathematics from the University of Utah and an Executive Masters in Information Systems & Telecommunications from Christian Brothers University. Mr. Greer brings to our board of directors deep experience in international logistics and supply chain management.

**MR. VINAYAK R. HEGDE.** Mr. Hegde has been an independent member of our board of directors since February 2017. Since October 2014, Mr. Hegde has served as the Senior Vice President and Global Chief Marketing Officer at Groupon, a company that operates online local commerce marketplaces that connect merchants to consumers by offering discounted goods and services in Europe, North America and Africa. From February 2012 to October 2014, Mr. Hegde served as Vice President of Engineering and Global Online Marketing at Groupon. From 2000 to February 2012, Mr. Hegde served in various roles including Director, General Manager of Worldwide Marketing, and Manager, Global Payment Services - India at Amazon.com, which offers a range of products and services through its websites, including merchandise and content that it purchases for resale from vendors and those offered by third-party sellers. From 1998 to 2000, Mr. Hegde served as Senior Member Technical Staff at Oracle - India, a global enterprise software company, which also provides hardware and service to support customers' businesses. From 1997 to 1998, Mr. Hegde served as a Software Engineer at Verifone - India, a developer and supplier of electronic payment hardware and software for merchant-operated, consumer facing, and self-service payment systems globally. In addition, Mr. Hegde served in Software Engineer roles at Lucent, Tatas and Citicorp between 1995 and 1997. Mr. Hegde currently sits on the board of directors of nearby.com, an India-based online marketplace platform. Mr. Hegde received his Bachelor of Science degree in Electrical Engineering from the National Institute of Technology Karnataka in Karnataka, India. Mr. Hegde brings to our board of directors deep experience and strong business and technical skills in the digital/e-commerce space.

**MR. DARWIN K. LEWIS.** Mr. Lewis has been an independent member of our board of directors since February 2017. Mr. Lewis joined SC Johnson & Son, Inc., a global consumer packaged goods company, in 1981. During his career there, he has held a number of sales, marketing, acquisition and general manager positions both domestically and abroad. Since July 2015, Mr. Lewis has served as the Senior Vice President-Global Sales and Chief Customer Officer at SC Johnson. Prior to that, Mr. Lewis' roles at SC Johnson included Senior Vice President of North American Sales and Chief Customer Officer (from November 2008 to June 2015), Vice President, Group General Manager in Greater China (from 2005 to 2008), Vice President of North American Sales (from 2000 to 2004), and President and General Manager over SCJ Canada (From 1997 to 2000). Prior to 1997, Mr. Lewis served in various other roles at SC Johnson including National Director of Special Business, Division Sales Director over the Midwest Division, Marketing Associate, Sales Director, Director of Trade Marketing and Area Manager and Division Sales Director. Mr. Lewis received his Masters of Business Administration from the University of Colorado and his Bachelor of Science degree in Business Administration from the University of Minnesota. Mr. Lewis brings to our board of directors extensive experience in managing sales and international operations in a global consumer goods business.

**MR. GARRY MAURO.** Mr. Mauro has been an independent member of our board of directors since April 2008 and has served as the chairman of the board of directors since November 2013. Mr. Mauro is currently a practicing attorney in Texas and the District of Columbia. He is also a licensed stock broker. He has worked for over 30 years at the local, state and national levels on behalf of both private and public sector entities. From 1983 to 1999, he served as Commissioner of the Texas General Land Office overseeing the management of more than 20 million acres of state land, 18,000 oil and gas wells, and the state's benefit program for Veterans. During his tenure as Commissioner, he



also chaired the Veterans Land Board, the School Land Board, the Parks and Wildlife Board For Lease, the Texas Department of Corrections Board For Lease, the Permanent University Fund Board For Lease, the Coastal Coordination Council and the Texas Alternative Fuels Council and co-chaired the Sustainable Energy Development Council. He has received numerous honors and awards for his civic and philanthropic contributions in environmental, political and business arenas, including the “Man of the Year Award” from the Texas League of Women Voters and the “Rising Star of Texas Award” from Texas Business Magazine. In 1998, he was the Texas Democratic Party nominee for Governor. Mr. Mauro’s broad range of expertise brings to our board of directors experience in management and operations as well as strong leadership and oversight.

The following information is furnished with respect to each of our directors who are not standing for reelection at the Annual Meeting:

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Name	Age	Position with Company
Mr. George E. Metzger	70	Independent Director
Mr. Richard Okumoto	65	Independent Director
Mr. David Toole	62	Non-Employee Director

**MR. GEORGE E. METZGER.** Mr. Metzger has been an independent member of our board of directors since January 2012. Mr. Metzger has more than 30 years of experience in executive compensation, human resources, benefits and labor relations as well as workforce planning. In December 2007, Mr. Metzger retired from Textron Inc., a company with international operations in multiple industries. Mr. Metzger worked in various capacities while at Textron beginning in 1985, and most recently served as Vice President of Human Resources and Benefits from 2000 until December 2007. In this role, he was responsible for Textron's networked integrated human resource delivery system, including account based healthcare plans, retirement plan redesign and reward structure. From 1976 to 1985, he worked for Rockwell International, most recently as Director Human Resources. He worked at Clark Equipment Company from 1969 to 1976, where he served as Director Labor Relations at the time of his departure. From June 2008 until March 2014, Mr. Metzger served on the board of directors of WorkWell Systems, Inc., a privately-held physical medicine and workers' compensation solutions company. Mr. Metzger received his Bachelor of Science in Business Administration from Trine University. Mr. Metzger's extensive experience with executive compensation, labor relations and benefits brings to our board of directors experience in human resources oversight and workforce planning and development.

**MR. RICHARD OKUMOTO.** Mr. Okumoto has been an independent member of our board of directors since November 2012. Mr. Okumoto has over 30 years of corporate finance, operations, and strategy development experience in rapid growth technology companies in Silicon Valley. Mr. Okumoto is currently an adjunct professor in the Lucas Graduate and Undergraduate Schools of Business at San Jose State University; a position he has held since 2008. He is also currently on faculty at California State University Long Beach and Keck Graduate Institute; positions he has held since 2014 and 2015, respectively. He teaches business strategy to MBA and post-doctoral students. He was a principal with the consulting firm of Miller-Okumoto, Inc. from 2007 to 2012. From 2008 to 2010 Mr. Okumoto was the audit committee chairman and a member of the compensation committee for Logic Vision, Inc., a publicly traded electronic design automation company. From 2007 to 2009 Mr. Okumoto was the chief financial officer of Advanced Micro-Fabrication Equipment, Inc., a global micro-fabrication equipment company. From 2003 to 2006 Mr. Okumoto was the chief financial officer of Photon Dynamics, Inc., a publicly held manufacturer of flat panel display test equipment. From 1998 to 2001 Mr. Okumoto was the chief executive officer of TMT, Inc., a manufacturer of test equipment for the global semiconductor industry, and the Vice-President and General Manager for the Analog, Linear, and RF test equipment division of the acquiring company, Credence Systems Corporation, a publicly traded manufacturer of test equipment for the global semiconductor industry. From 1993 to 1998 Mr. Okumoto was the executive vice president and chief financial officer of Credence Systems Corporation, where he completed that company's initial public offering. From 1990 to 1993 Mr. Okumoto was the Corporate Controller at Novellus Systems, Inc., a publicly traded supplier of wafer fabrication equipment and services. From 1974 to 1990 Mr. Okumoto held finance and operations roles at such companies as: Fairchild Semiconductor Corporation, Measurex Corporation (Honeywell), Commodore Business Machines, Inc., Basys, Inc., and Digital Research Corporation. Mr. Okumoto also serves on the board of directors of Vantage Technology Corporation, a privately held micro-analytical metrology tool company. Mr. Okumoto received his Bachelor of Science in Business Administration with an emphasis in Accounting from San Jose State University and his Master of Arts in Communication and Leadership from Gonzaga University. Mr. Okumoto holds a Registered Financial Consultant designation: RFC®. Mr. Okumoto brings to our board of directors extensive business background in finance and accounting, general management, and business strategy as a public company chief financial officer and audit committee chairman, as a chief executive officer and division general manager, and practitioner and academic of business strategy.

**MR. DAVID TOOLE.** Mr. Toole has been a non-employee member of our board of directors since January 2016. Mr. Toole brings over 35 years of experience as a technology, supply chain, digital media and video expert, and has been the Chief Executive Officer of MediaMobz, a private company that enables brands to increase their capacity to create video centric digital media that drives business results, since 2008. Mr. Toole is also currently the Chief Executive

Officer of Outhink Media, an emerging media incubator, a position he has held since 2001. Prior to Outhink Media, Mr. Toole spent 21 years at GaSonics International, a semiconductor capital equipment company, where he worked in various positions, including as Chief Executive Officer from 1993 to 2001. As Chief Executive Officer at GaSonics, Mr. Toole led the company's initial public offering in 1994 and the sale of the company to Novellus Systems in 2001. Mr. Toole began his career at Advance Micro Devices, a manufacturer of early computer chips, where he was a production supervisor from 1976 to 1979. Mr. Toole received his Bachelor of Arts degree in Business from the University of California, Santa Barbara. Mr. Toole's executive leadership experience, including as the Chief Executive Officer of a public company, and extensive digital media experience brings to our board of directors strong leadership and oversight as well as strategic leadership as our company leverages digital media to enhance our business initiatives.

**Required Vote**

Directors are elected by a plurality of the votes properly cast in person or by proxy. Cumulative voting is not permitted. The six nominees receiving the highest number of "FOR" votes will be elected.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE DIRECTOR NOMINEES ABOVE.**

**PROPOSAL 2 - APPROVAL OF AN AMENDMENT TO  
THE 2017 LONG-TERM INCENTIVE PLAN TO INCREASE AUTHORIZED SHARES**

Our board of directors is recommending that our shareholders approve an amendment to our 2017 Long-Term Incentive Plan (“2017 Plan”) to increase the number of shares of our common stock that are available for issuance under the 2017 Plan by 675,000 shares. If the amendment is approved by shareholders, the maximum number of shares available for issuance under the 2017 Plan would increase from 1,125,000 to 1,800,000 (which includes up to 475,000 shares previously reserved for issuance under our 2010 Long-Term Incentive Plan that may become available under the 2017 Plan). Our board of directors approved the amendment on November 16, 2017(the “Amendment”), subject to shareholder approval. Other than the increase in shares, the Amendment effects no other material changes to the 2017 Plan.

As of December 6, 2017, the record date for our fiscal 2018 Annual Meeting of Shareholders, there were awards with respect to [\_\_\_] shares of restricted stock and restricted stock units outstanding under the 2017 Plan. [No options to purchase shares of our common stock were outstanding under the 2017 Plan as of such date.] As of December 6, 2017, [\_\_\_] shares remained available for future equity grants under the 2017 Plan and the fair market value of a share of our common stock (as determined by the closing price quoted on the Nasdaq on such date) was \$[\_\_\_].

Our board of directors believes the proposed Amendment is necessary to the long-term health of our company in order to support the effectiveness of our compensation, including executive and director compensation programs. We provide long-term incentives to our executives, employees, advisors and directors in the form of equity compensation, which we believe aligns their interests with the interests of our shareholders and fosters an ownership mentality that drives optimal decision-making for the long-term health and profitability of our company. Equally important, equity compensation is critical to our continuing ability to attract, retain and motivate qualified service providers. Having an adequate number of shares available for future grants is necessary to promote our long-term success and the creation of shareholder value by:

- Enabling us to continue to attract and retain the services of key employees and other service providers who would be eligible to receive grants;
- Aligning participants' interests with shareholders' interests through incentives that are based upon the performance of our common stock;
- Motivating participants, through equity incentive awards, to achieve long-term growth in the company's business, in addition to short-term financial performance; and
- Providing a long-term equity incentive program that is competitive as compared to other companies with who we compete for talent.

If the proposed Amendment to the 2017 Plan is not approved by shareholders, we anticipate that we will not have shares available to make grants of equity compensation awards to employees and directors after the date of the fiscal 2018 Annual Meeting of Shareholders. The proposed Amendment is intended to provide us with a sufficient number of shares to satisfy our expected equity grant requirements through approximately January 2019, based on the anticipated structure and timing of annual grants of our equity incentive program. We intend, beginning immediately following the fiscal 2018 Annual Meeting of Shareholders, to resume granting stock options to certain of our employees, including our executive officers, in addition to or in lieu of full value awards, as our compensation committee believes that stock options offer the best performance-based incentive at this time and stage of the company’s life. As we transition from full value awards to stock options, we anticipate that our share usage will increase in order to allow us to provide market competitive long-term incentive compensation. The additional 675,000 shares of common stock that would become available for grant under the 2017 Plan represents approximately [\_\_\_]% of the number of shares of our common stock outstanding as of December 6, 2017. Increasing the shares available for grant under the 2017 Plan would have a dilutive effect of approximately [\_\_\_]% of the requested share reserve. The approximate impact of the requested share reserve for the 2017 Plan on shareholder dilution is shown in the below table (the below figures are a percentage of our outstanding shares as of December 6, 2017, the record date of our fiscal 2018 Annual Meeting of Shareholders):

Dilutive effect of new reserve shares under the 2017 Plan	[_____]
Total potential dilution (including currently outstanding equity compensation awards)	[_____]

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The complete text of the 2017 Plan, as proposed to be amended, is attached as Annex A to this proxy statement. Shareholders are urged to review it together with the following information, which is qualified in its entirety by reference to the

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complete text of the 2017 Plan. If there is any inconsistency between the description of the 2017 Plan included in this proxy statement and the terms of the 2017 Plan, the terms of the 2017 Plan shall govern.

#### Description of the 2017 Plan

On December 6, 2016, our board of directors approved the 2017 Plan, which was subsequently approved by our shareholders at our fiscal 2017 Annual Shareholders Meeting. The 2017 Plan permits the discretionary award of incentive stock options, non-statutory stock options, restricted stock, stock units, stock appreciation rights and performance-based cash awards to eligible service providers.

#### General Plan Administration

**Eligibility to Receive Awards.** Our employees, officers, directors, consultants and advisors are eligible to receive awards under the 2017 Plan. The compensation committee determines, in its discretion, the eligible persons who will be granted awards under the 2017 Plan. As of December 6, 2017, approximately [\_\_\_\_] employees (including each of our executive officers) and each of our non-employee directors were eligible to participate in the 2017 Plan.

**Administration of the 2017 Plan.** Our board of directors has determined that its compensation committee will administer the 2017 Plan. Subject to the terms of the 2017 Plan, the compensation committee has the sole discretion, among other things, to:

- select the individuals who will receive awards,
- determine the terms and conditions of awards (for example, performance conditions, if any, and vesting schedule),
- correct any defect, supply any omission, or reconcile any inconsistency in the 2017 Plan or any award agreement,
- accelerate the vesting, extend the post-termination exercise term or waive restrictions of any awards at any time and under such terms and conditions as it deems appropriate, and
- interpret the provisions of the 2017 Plan and outstanding awards.

The compensation committee may also use the 2017 Plan to issue shares under other plans or subplans as may be deemed necessary or appropriate, such as to provide for participation by non-U.S. employees and those of any of our subsidiaries and affiliates. In addition, awards may be subject to any policy that we may implement on the recoupment of compensation (referred to as a clawback policy). We will indemnify the members of our board of directors, the compensation committee and their delegates to the maximum extent permitted by applicable law for actions taken or not taken regarding the 2017 Plan.

#### Types of Awards

Awards issued under the 2017 Plan will be evidenced by a written agreement entered into between our company and the participant. Such agreements will recite the specific terms and conditions of the award.

**Stock Options.** A stock option is the right to acquire shares at a fixed exercise price over a fixed period of time. The compensation committee will determine the number of shares covered by each stock option and the exercise price of the shares subject to each stock option, but such per share exercise price cannot be less than the fair market value of our common stock on the date of grant of the stock option.

Stock options granted under the 2017 Plan may be either incentive stock options, or “ISOs,” or nonstatutory stock options, or “NSOs.” As required by the Internal Revenue Code of 1986, as amended (the “Code”) and applicable regulations, ISOs are subject to various limitations. For example, the exercise price for any ISO granted to any employee owning more than 10% of our common stock may not be less than 110% of the fair market value of our common stock on the date of grant and the ISO must expire not later than five years after the grant date. The aggregate fair market value (determined at the date of grant) of common stock subject to all ISOs held by a participant that are first exercisable in any single calendar year cannot exceed \$100,000. ISOs may not be transferred other than upon death, or to a revocable trust where the participant is considered the sole beneficiary of the stock option while it is held in trust. The 2017 Plan, as proposed to be amended, provides that no more than 1,800,000 shares plus (i) shares underlying forfeited or terminated awards that become available again for issuance under the 2017 Plan and (ii) shares that are utilized to pay an award’s exercise price or tax withholding obligations, may be issued pursuant to the exercise of ISOs.

A stock option granted under the 2017 Plan cannot be exercised until it becomes vested. The compensation committee establishes the vesting schedule of each stock option at the time of grant. The maximum term life for stock options granted under the 2017 Plan may not exceed 10 years from the date of grant.

The exercise price of each stock option granted under the 2017 Plan must be paid in full at the time of exercise, either with cash or through a broker-assisted “cashless” exercise and sale program, or through another method approved by the



compensation committee. The optionee must also make arrangements to pay any taxes that we are required to withhold at the time of exercise.

**Stock Appreciation Rights.** A stock appreciation right, or “SAR,” is the right to receive, upon exercise, an amount equal to the excess of the fair market value of the shares of common stock on the date of the SAR’s exercise over the fair market value of the shares of common stock covered by the exercised portion of the SAR on the date of grant. The compensation committee determines the terms of SARs including the exercise price (provided that such per share exercise price cannot be less than the fair market value of our common stock on the date of grant), the vesting and the term of the SAR. The maximum term life for SARs granted under the 2017 Plan may not exceed 10 years from the date of grant. The compensation committee may determine that a SAR will only be exercisable if our company satisfies performance goals established by the compensation committee. Settlement of a SAR may be in shares of common stock or in cash, or any combination thereof, as the compensation committee may determine.

**Restricted Stock.** Awards of restricted stock are shares of common stock that vest in accordance with the terms and conditions established by the compensation committee. The compensation committee also will determine any other terms and conditions of an award of restricted shares. In determining whether an award of restricted shares should be made, and/or the vesting schedule for any such award, the compensation committee may impose whatever conditions to vesting as it determines to be appropriate. For example, the compensation committee may determine that an award of restricted shares will vest only if our company satisfies performance goals established by the compensation committee.

**Stock Units.** Stock units are the right to receive an amount equal to the fair market value of the shares covered by the stock unit at some future date after the grant. The compensation committee will determine all of the terms and conditions of an award of stock units, including the vesting period. Upon each vesting date of a stock unit, the holder thereof will be entitled to receive an amount equal to the then fair market value of the shares on the settlement date. The compensation committee may determine that an award of stock units will vest only if our company satisfies performance goals established by the compensation committee. Payment for vested stock units may be in shares of common stock or in cash, or any combination thereof, as the compensation committee may determine. Settlement of stock units will generally occur within 30 days of vesting unless the participant has timely elected to defer such compensation.

**Cash Awards.** We may also award cash-based performance bonus opportunities to participants under the 2017 Plan. Such awards will be (i) payable in cash, (ii) paid based on achievement of performance goal(s) applying the performance criteria specified below and (iii) intended to qualify as performance-based compensation under Code Section 162(m).

**Performance Goals and Annual Grant Limits.** The 2017 Plan specifies performance goals that the compensation committee may include in awards that are intended to qualify as performance-based compensation under Code Section 162(m). These performance goal criteria shall be limited to one or more of the following target objectives:

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operating income	earnings before interest, taxes, depreciation and amortization	earnings
cash flow	market share	sales or revenue, including with respect to a particular product, business line, geography or market
expenses	cost of goods sold	profit/loss or profit margin
working capital	return on equity or assets or investment	earnings per share
economic value added	stock price including without limitation total shareholder return	price/earnings ratio
debt or debt-to-equity	accounts receivable	writeoffs
cash	assets	liquidity
operations	research or related milestones	business development
intellectual property	product development	regulatory activity
information	financings	product quality control
technology	human resources	corporate governance
management	legal matters	internal controls
compliance program	accounting and reporting	strategic alliances, licensing and partnering
policies and procedures		
site, plant or building development	corporate transactions including without limitation mergers, acquisitions, divestitures and/or joint ventures	customer satisfaction
capital expenditures	Company advancement milestones	

Including one or more of the foregoing performance conditions in awards of restricted stock and stock units or in cash-based awards to Covered Employees (as defined below in the federal income tax section) can permit these awards to qualify as performance-based compensation under Code Section 162(m). Certain other awards, such as stock options, may qualify as performance-based compensation under Code Section 162(m) without the inclusion of any of the above performance criteria.

The 2017 Plan imposes the following annual grant limits on awards, including limits that are intended to constitute qualified performance-based compensation under Code Section 162(m). No individual employee may be granted awards covering more than 300,000 shares subject to each type of equity award specified under the 2017 Plan (stock options, SARs, restricted stock awards and stock units) during a single fiscal year, with such number doubled in the year in which the employee is, as applicable, first hired or promoted to a position such that their compensation would be subject to the deduction limitation imposed by Code Section 162(m). In addition, no individual employee may be granted awards covering more than 600,000 shares during any single fiscal year.

In addition, the fiscal year-based annual limit on the value of cash awards granted under the 2017 Plan to any individual employee is \$5,000,000. It is within the discretion of our compensation committee to determine whether or not to grant awards to Covered Employees that qualify as performance-based compensation under the 2017 Plan, and it is within the committee's authority to award or grant to Covered Employees compensation under the 2017 Plan, or outside of the plan, that does not so qualify and that may not be tax deductible by us. See also the discussion under the heading "Certain Federal Income Tax Information-Internal Revenue Code Section 162(m) Limits" below for further information on Code Section 162(m).

**Limited Transferability of Awards.** Awards granted under the 2017 Plan generally are not transferrable other than upon death, or pursuant to a court-approved domestic relations order. However, the compensation committee may in its discretion permit awards other than ISOs to be transferred. Generally, where transfers are permitted, they will be permitted only by gift to a member of the participant's immediate family or to a trust or other entity for the benefit of the member(s) of the participant's and/or his or her immediate family.

**Termination of Employment, Death or Disability.** The compensation committee will determine the effect of the termination of employment on awards, which determination may be different depending on the nature of the

termination, such as terminations due to cause, resignation, death, disability or retirement, and the status of the award as vested or unvested.

Adjustments Upon Changes in Capitalization. In the event of a subdivision of the outstanding shares, stock dividend, dividend payable in a form other than shares in an amount that has a material effect on the price of the shares, consolidation, combination or reclassification of the shares, recapitalization, spin-off, or other similar occurrence, then the number and class of shares issued under the 2017 Plan and subject to each award, along with any exercise prices and repurchase prices, as well as

the number and class of shares available for issuance under the 2017 Plan, shall each be equitably and proportionately adjusted by the compensation committee.

**Corporate Transaction.** In the event that our company is a party to a merger or other reorganization, outstanding 2017 Plan awards will be subject to the agreement of merger or reorganization. Such agreement may provide, without limitation, for (i) the continuation of the outstanding awards if our company is a surviving corporation, (ii) the assumption of the outstanding awards by the surviving corporation or its parent, (iii) full exercisability or full vesting, or (iv) cancellation of outstanding awards with or without consideration, in all cases with or without the consent of the participant. The compensation committee will decide the effect of a change in control of our company on outstanding awards. The compensation committee may, among other things, provide that awards will fully vest upon a change in control, or upon a change in control followed by an involuntary termination of employment within a certain period of time.

**Term of the 2017 Plan.** The 2017 Plan will continue in effect until December 5, 2026, or until earlier terminated by our board of directors.

**Governing Law.** The 2017 Plan is governed by the laws of the State of Utah.

**Amendment and Termination of the 2017 Plan.** Our board of directors generally may amend or terminate the 2017 Plan at any time and for any reason, except that our board of directors must obtain shareholder approval of certain material amendments, including any addition of shares, expansion of the class of persons eligible to participate, or any repricing or as may be required by applicable stock exchange rules.

#### **Certain Federal Income Tax Information**

The following is a general summary as of the date of this proxy statement of the U.S. federal income tax consequences to the Company and to U.S. participants for awards granted under the 2017 Plan. The federal tax laws may change and the federal, state and local tax consequences for any participant will depend upon his or her individual circumstances. Tax consequences for any particular individual may be different. This summary is not intended to be exhaustive and does not discuss the tax consequences of a participant's death or provisions of income tax laws of any municipality, state or other country. The Company advises participants to consult with their own tax advisors regarding the tax implications of their awards under the 2017 Plan.

**Incentive Stock Options.** For federal income tax purposes, the holder of an ISO has no taxable income at the time of the grant or exercise of the ISO. If such person retains the common stock acquired under the ISO for a period of at least two years after the stock option is granted and one year after the stock option is exercised, any gain upon the subsequent sale of the common stock will be taxed as a long-term capital gain. A participant who disposes of shares acquired by exercise of an ISO prior to the expiration of two years after the stock option is granted or before one year after the stock option is exercised will realize ordinary income as of the date of exercise equal to the difference between the exercise price and the fair market value of the stock. Any additional gain or loss recognized upon any later disposition of the shares will be treated as short-term or long-term capital gain or loss depending on how long the shares have been held by the participant. The difference between the option exercise price and the fair market value of the shares on the exercise date of an ISO is an adjustment in computing the holder's alternative minimum taxable income and may be subject to an alternative minimum tax which is paid if such tax exceeds the participant's regular income tax for the year.

**Nonstatutory Stock Options.** A participant who receives an NSO generally will not realize taxable income on the grant of such option, but will realize ordinary income at the time of exercise of the stock option equal to the difference between the option exercise price and the fair market value of the stock on the date of exercise. Any additional gain or loss recognized upon any later disposition of the shares will be treated as short-term or long-term capital gain or loss depending on how long the shares were held by the participant.

**Stock Appreciation Rights.** No taxable income is generally reportable when a stock appreciation right is granted to a participant. Upon exercise, the participant will recognize ordinary income in an amount equal to the value of the shares or other consideration received. Any additional gain or loss recognized upon any later disposition of any shares received will be treated as short-term or long-term capital gain or loss depending on how long the shares were held by the participant.

**Restricted Stock.** A participant will generally not have taxable income upon grant of unvested restricted shares unless he or she elects to be taxed at that time pursuant to a Code Section 83(b) election. Instead, he or she will recognize ordinary income at the time(s) of vesting equal to the fair market value (on each vesting date) of the shares received minus any amount paid for the shares.

**Stock Units.** No taxable income is generally reportable when unvested stock units are granted to a participant. Upon settlement of the vested stock units, the participant will recognize ordinary income in an amount equal to the value of the payment received pursuant to the vested stock units.

Income Tax Effects for the Company. The Company generally will be entitled to a tax deduction in connection with an award under the 2017 Plan in an amount equal to the ordinary income realized by a participant at the time the participant recognizes such income (for example, upon the exercise of an NSO). As described herein, Code Section 162(m) may limit the deductibility of awards granted under the 2017 Plan.

Internal Revenue Code Section 162(m) Considerations. Code Section 162(m) generally disallows a tax deduction to public companies for compensation in excess of \$1,000,000 paid to a company's principal executive officer and each of the other three most highly compensated officers (other than the principal financial officer) ("Covered Employees") in any one fiscal year. Stock options and stock appreciation rights are exempt from this limitation if (a) the exercise price is at least 100% of the fair market value of the underlying stock on the date the option or stock appreciation right is granted and (b) the plan under which the options are granted is approved by the shareholders and contains a limit on the number of options or stock appreciation rights granted to any one individual under the plan during a specified period. Various other rules apply with regard to compensation committee independence and the procedures that must be followed by the committee in connection with performance-based awards that may be fully deducted under Code Section 162(m). Among other requirements, stock awards such as restricted stock and stock units, and performance cash awards must vest contingent upon the achievement of performance goals, the material terms of which have been approved by the shareholders, in order to be exempt from this limitation. The 2017 Plan includes certain fiscal year limits, as described above, on the number of shares or total dollars that may be granted to an individual under options, stock appreciation rights, restricted stock, stock units and performance-based cash awards in order to comply with the Code Section 162(m) requirements. The above description is subject to proposed changes to Section 162(m) that would eliminate the exception from the general rule for performance-based compensation. If that proposed statutory change is enacted, we would not expect to be able to deduct compensation in excess of \$1 million paid during a single year to a Covered Employee.

Internal Revenue Code Section 409A. Code Section 409A governs the federal income taxation of certain types of nonqualified deferred compensation arrangements. A violation of Code Section 409A generally results in an acceleration of the recognition of income of amounts intended to be deferred and the imposition of a federal excise tax of 20% on the employee over and above the income tax owed plus possible penalties and interest. The types of arrangements covered by Code Section 409A are broad and may apply to certain awards available under the 2017 Plan (such as stock units). The intent is for the 2017 Plan, including any awards available thereunder, to comply with the requirements of Code Section 409A to the extent applicable. As required by Code Section 409A, certain nonqualified deferred compensation payments to specified employees may be delayed to the seventh month after such employee's separation from service.

#### New Plan Benefits

All awards under the 2017 Plan will be granted at the compensation committee's discretion and, with respect to stock-based awards, the value of awards to be granted is not determinable because it depends on the value of our stock on future dates. Accordingly, the size and value of 2017 Plan awards cannot be determined in advance.

#### Existing Plan Benefits

The following table sets forth the number of shares of common stock for which restricted shares and stock units have been granted under the 2017 Plan between February 16, 2017 (the date the 2017 Plan was originally approved by the Company's shareholders) and June 30, 2017, as to each of the executive officers named in the Summary Compensation Table contained in this proxy statement in the section entitled "Executive Compensation," each non-employee director, and the various indicated groups. No stock options were granted to any current employees, including executive officers, in fiscal 2017.

Name and Position	Number of Restricted Shares Granted	Number of Stock Units Granted
Darren Jensen President and Chief Executive Officer	—	186,600 <sup>(1)</sup>
Steve Fife Chief Financial Officer	90,000	—
Ryan Goodwin Chief Marketing Officer	—	93,400 <sup>(1)</sup>
Courtland Pearson Senior Vice President International	—	93,400 <sup>(1)</sup>
Justin Rose Chief Sales Officer	—	93,400 <sup>(1)</sup>
Mark Jaggi <sup>(2)</sup> Former Chief Financial Officer	—	—
Gary Koos <sup>(3)</sup> Former Interim Chief Financial Officer	—	—
All current executive officers as a group	90,000	466,800
Michael A. Beindorff	—	—
Raymond B. Greer	—	—
Vinayak R. Hegde	—	—
Darwin K. Lewis	—	—
David Manovich <sup>(4)</sup>	—	—
Garry Mauro	—	—
George E. Metzger	—	—
Richard Okumoto	—	—
David Toole	—	—
All non-employee directors as a group	—	—

All employees as a group (excluding executive officers) — —

(1) Messrs. Jensen, Goodwin, Pearson and Rose were each granted performance-based restricted stock units in March 2017, the vesting of which is tied to the Company's TSR during a three-year performance period commencing January 1, 2017 and ending on December 31, 2019. The number of shares included in this table are based upon the maximum achievement.

(2) Mr. Jaggi's employment with the Company was terminated effective January 18, 2017.

(3) Mr. Koos served as our Interim Chief Financial Officer from January 18, 2017 through March 13, 2017.

(4) Mr. Manovich served as a non-employee director until the annual meeting of shareholders held in February 2017.

#### Required Vote

The proposed amendment to the 2017 Plan will be approved by our shareholders if the votes cast "FOR" the proposal exceed the votes cast "AGAINST" the proposal. In the event that shareholder approval is not obtained, we may not issue more than 1,125,000 shares of our common stock under the 2017 Plan.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR APPROVAL OF THE AMENDMENT TO THE 2017 LONG-TERM INCENTIVE PLAN TO INCREASE THE AUTHORIZED SHARES AVAILABLE TO BE ISSUED UNDER THE PLAN.**

**PROPOSAL 3 - RATIFICATION OF SELECTION OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The audit committee of our board of directors has selected WSRP, LLC as our independent registered public accounting firm for the fiscal year ending June 30, 2018, and has further directed that the selection of such firm be submitted to our shareholders for ratification.

Shareholder ratification of the selection of our independent registered public accounting firm is not required.

However, the audit committee is submitting this proposal to our shareholders as a matter of good corporate governance. If our shareholders do not vote on an advisory basis in favor of the ratification of the selection of WSRP, LLC as our independent registered public accounting firm for the fiscal year ending June 30, 2018, the audit committee will review its future selection of an independent registered public accounting firm. Regardless of whether the selection is ratified, the audit committee in its discretion may, without resubmitting the matter for shareholders to approve or ratify, appoint a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of our company and our shareholders.

We expect representatives of WSRP, LLC to be present at the annual meeting and they will have the opportunity to make a statement at the annual meeting if they so desire. We also expect such representatives to be available to respond to appropriate questions.

The aggregate fees for professional services rendered for us by WSRP, LLC are described in the Audit Related Matters section of this proxy statement.

**Required Vote**

The ratification of the selection of WSRP, LLC as our independent registered public accounting firm for the fiscal year ending June 30, 2018 will be approved by our shareholders if the votes cast "FOR" the proposal exceed the votes cast "AGAINST" the proposal.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE FOR RATIFICATION OF THE SELECTION OF WSRP, LLC AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.**



#### PROPOSAL 4 - APPROVAL OF THE REINCORPORATION OF THE COMPANY FROM THE STATE OF COLORADO TO THE STATE OF DELAWARE

For the reasons discussed below, the Board has unanimously approved and declared it is advisable and in the best interests of LifeVantage and its shareholders to change the state of incorporation of LifeVantage from the State of Colorado to the State of Delaware (the “Reincorporation”), which includes adopting a new certificate of incorporation (the “Delaware Certificate”) and bylaws (the “Delaware Bylaws”) to govern LifeVantage.

##### Summary

The principal effects of the Reincorporation will be that:

The affairs of the Company will cease to be governed by the Colorado Business Corporation Act (the “CBCA”) and its existing articles of incorporation and bylaws (the “Colorado Articles” and the “Colorado Bylaws”, respectively) and will become subject to the Delaware General Corporation Law (the “DGCL”)

The resulting Delaware corporation (“LifeVantage-Delaware”) will be the same entity as the Company as currently incorporated in Colorado (“LifeVantage-Colorado”), will possess all of the properties of LifeVantage-Colorado, will continue with all of the debts, liabilities and obligations of LifeVantage-Colorado and will continue with the same officers and directors of LifeVantage-Colorado immediately prior to the Reincorporation, as more fully described below.

When the Reincorporation becomes effective, all of the issued and outstanding shares of common stock of LifeVantage-Colorado will be automatically converted into issued and outstanding shares of common stock of LifeVantage-Delaware, without any action on the part of our shareholders. The Reincorporation will have no effect on the trading of our shares of common stock on the Nasdaq Global Market under the same symbol “LFVN”.

LifeVantage-Delaware will continue to file periodic reports and other documents as and to the extent required by the rules and regulations of the SEC. Shares of our common stock that are freely tradeable prior to the Reincorporation will continue to be freely tradeable as shares of LifeVantage-Delaware common stock, and shares of our common stock that are subject to restrictions prior to the Reincorporation will continue to be subject to the same restrictions as shares of LifeVantage-Delaware common stock. The Reincorporation will not change the respective positions of LifeVantage or our shareholders under federal securities laws.

Upon effectiveness of the Reincorporation, all of our employee benefit and incentive plans will become LifeVantage-Delaware plans, and each option, restricted stock unit, equity award or other right issued under such plans will automatically be converted into an option, restricted stock unit, equity award or right to purchase or receive the same number of shares of LifeVantage-Delaware common stock, at the same price per share, upon the same terms and subject to the same conditions as before the Reincorporation. In addition, our employment contracts and other employee benefit arrangements also will be continued by LifeVantage-Delaware upon the same terms and subject to the same conditions in effect at the time of the Reincorporation.

Upon effectiveness of the Reincorporation, all outstanding warrants to purchase shares of common stock will automatically be converted into a warrant to purchase or receive the same number of shares of LifeVantage-Delaware common stock, at the same price per share, upon the same terms and subject to the same conditions as before the Reincorporation.

As part of the Reincorporation, the Board determined that it was in the best interest of the Company and its shareholders to reduce the number of shares of common stock and preferred stock the Company is authorized to issue. Under the Colorado Articles of Incorporation (the “Colorado Articles”), the Company is authorized to issue up to 250,000,000 shares of common stock and up to 50,000,000 shares of preferred stock. The Delaware Certificate authorizes the C