

CBIZ, Inc.  
Form DEF 14A  
April 06, 2018  
**Table of Contents**

**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 Under Rule 14a-12

CBIZ, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

**Table of Contents**

**CBIZ, INC.**

**6050 Oak Tree Boulevard South, Suite 500**

**Cleveland, OH 44131**

April 6, 2018

Dear Stockholder:

We cordially invite you to attend the Annual Meeting of Stockholders of CBIZ, Inc., which will be held on Thursday, May 10, 2018, at 8:00 a.m. EDT, at Park Center Plaza III located at 6050 Oak Tree Boulevard South, Lower Level, Cleveland, Ohio 44131.

The matters to be considered at the meeting are described in the formal notice and proxy statement on the following pages.

We encourage your participation at this meeting. Whether or not you plan to attend in person, it is important that your shares be represented at the meeting. Please review the proxy statement and sign, date and return your proxy card in the enclosed envelope as soon as possible. Alternatively, you may vote via Internet or by telephone in accordance with the procedures set out on the proxy card.

If you attend the meeting and prefer to vote in person, your previous voting instructions can be revoked at your request.

We appreciate your confidence in CBIZ, Inc. and look forward to the opportunity to visit with you at the meeting.

Very truly yours,

CBIZ, INC.

Steven L. Gerard, Chairman of the Board

**Table of Contents**

**CBIZ, INC.**

**6050 Oak Tree Boulevard South, Suite 500**

**Cleveland, Ohio 44131**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD MAY 10, 2018**

**TO THE STOCKHOLDERS OF CBIZ, INC.:**

The Annual Meeting of Stockholders of CBIZ, Inc. will be held on Thursday, May 10, 2018, at 8:00 a.m. EDT, at Park Center Plaza III located at 6050 Oak Tree Boulevard South, Lower Level, Cleveland, Ohio 44131, for the following purposes:

1. To elect three of a class of three Directors, who are named in the Proxy Statement, to the Board of Directors of CBIZ, Inc. with terms expiring at the Annual Meeting in 2021;
2. To ratify the selection of KPMG LLP as the Company's independent registered public accounting firm;
3. To conduct an advisory vote to approve named executive officer compensation; and
4. To transact such other business as may properly come before the meeting or any adjournment thereof.

Only stockholders of record on March 19, 2018 will be entitled to vote at the meeting. This notice and proxy statement, a proxy and voting instruction card, and the 2017 Annual Report are being distributed on or about April 6, 2018.

You are cordially invited to attend the Annual Meeting. Your vote is important. **Whether or not you expect to attend in person, you are urged to sign, date and mail the enclosed proxy card as soon as possible so that your shares may be represented and voted.** The envelope enclosed requires no postage if mailed within the United States. If you attend the meeting and prefer to vote in person, your previous voting instructions can be revoked at your request. Alternatively, you may vote via Internet or by telephone in accordance with the procedures set out on the proxy card.

By Order of the Board of Directors,

Michael W. Gleespen, Corporate Secretary

Cleveland, Ohio

April 6, 2018

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE  
STOCKHOLDER MEETING TO BE HELD ON MAY 10, 2018:**

The proxy statement and annual report to security holders are available at [www.envisionreports.com/cbiz](http://www.envisionreports.com/cbiz).

**PLEASE SIGN AND DATE THE ENCLOSED PROXY  
AND RETURN IT IN THE ACCOMPANYING ENVELOPE,**

Edgar Filing: CBIZ, Inc. - Form DEF 14A

**OR VOTE BY INTERNET OR TELEPHONE AS SOON AS POSSIBLE**

**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
<u>Voting Rights and Solicitation</u>	1
<u>Proposal No. 1 Election of Directors</u>	2
<u>Proposal No. 2 Ratification of KPMG LLP as CBIZ's independent registered public accounting firm</u>	7
<u>Proposal No. 3 Advisory Vote to Approve Named Executive Officer Compensation</u>	8
<u>Security Ownership of Certain Beneficial Owners and Management</u>	9
<u>Director Meetings and Committees</u>	11
<u>Directors Role in Risk Oversight</u>	15
<u>ESG and CSR Programs</u>	15
<u>Director Independence</u>	15
<u>Report of the Audit Committee</u>	16
<u>Executive Compensation</u>	19
<u>Compensation Discussion &amp; Analysis</u>	19
<u>Overview of Compensation Program</u>	19
<u>Compensation Philosophy and Objectives</u>	19
<u>Role of Executive Officers in Compensation Decisions</u>	19
<u>Setting Executive Compensation</u>	19
<u>Executive Compensation Components</u>	22
<u>Tax and Accounting Implications</u>	32
<u>Report of the Compensation Committee</u>	33
<u>Compensation Risk Assessment</u>	33
<u>Clawback Policy</u>	33
<u>Summary Compensation Table</u>	34
<u>Pay Ratio Disclosure</u>	35
<u>Grants of Plan-Based Awards</u>	36
<u>Outstanding Equity Awards at Fiscal Year-End</u>	38
<u>Option Exercises and Stock Vested</u>	39
<u>Non-qualified Deferred Compensation</u>	39
<u>Potential Payments upon Termination or Change in Control</u>	39
<u>Director Compensation</u>	42
<u>Certain Relationships and Related Transactions</u>	44
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	45
<u>Equity Compensation Plan Information</u>	45
<u>Stockholder Proposals</u>	46
<u>Expenses of Solicitation</u>	46
<u>Householding</u>	46
<u>Other Matters</u>	47

---

**Table of Contents**

**CBIZ, INC.**

**PROXY STATEMENT**

**FOR ANNUAL MEETING OF STOCKHOLDERS**

This proxy statement is furnished in connection with the solicitation by the Board of Directors of CBIZ, Inc. ( "CBIZ" or the "Company" ) of proxies to be voted at the Annual Meeting of Stockholders (the "Annual Meeting" ) to be held on Thursday, May 10, 2018, and any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. The mailing of this proxy statement and accompanying form of proxy to stockholders will commence on or about April 6, 2018.

**VOTING RIGHTS AND SOLICITATION**

Shares represented by properly executed proxies received on behalf of CBIZ will be voted at the Annual Meeting in the manner specified therein. If no instructions are specified in a proxy returned to CBIZ, the shares represented thereby will be voted in favor of the election of the directors listed on the enclosed proxy card, in favor of ratification of KPMG LLP as CBIZ's independent registered public accounting firm, and in favor of the Company's named executive officer compensation. Any proxy may be revoked by the person giving it at any time prior to being voted at the meeting, by submitting a subsequently signed and dated proxy in person, by mail, or otherwise voting via the Internet or by telephone.

Directors Rick L. Burdick and Sherrill W. Hudson are designated as proxy holders in the proxy card. If no instructions are specified in a proxy returned to CBIZ, they will vote for the election as directors of Michael H. DeGroot, Gina D. France, and Todd J. Slotkin, who have been nominated by the Board of Directors. They will vote for the ratification of KPMG LLP as CBIZ's independent registered public accounting firm, and in favor of the Company's named executive officer compensation. If any other matters are properly presented at the Annual Meeting for consideration, the proxy holders will have discretion to vote on such matters in accordance with their best judgment. The Board of Directors knows of no other matters to be presented at the meeting.

The Board of Directors established March 19, 2018 as the record date (the "Record Date" ) for determining stockholders entitled to notice of and to vote at the Annual Meeting. On the Record Date, CBIZ had 54,988,463 shares of voting common stock issued and outstanding. The common stock is the only class of capital stock CBIZ has outstanding. Only stockholders of record at the close of business on the Record Date will be entitled to vote at the Annual Meeting. Each share of common stock is entitled to one vote on each matter presented.

The holders of a majority of the total shares of common stock issued and outstanding, whether present in person or represented by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. Abstentions and broker non-votes will be counted for purposes of determining whether a quorum is present for the transaction of business. Broker non-votes occur when a nominee holding shares of the Company's common stock for a beneficial owner returns a properly executed proxy but has not received voting instructions from the beneficial owner and such nominee does not possess or chooses not to exercise discretionary authority with respect to such shares. Brokers that have not received voting instructions from their clients cannot vote on their clients' behalf on Proposal No. 1, election of directors, or Proposal No. 3, to conduct an advisory vote to approve named executive officer compensation, although they may vote their clients' shares on Proposal No. 2, the ratification of KPMG LLP as the Company's independent registered public accounting firm.

The proposals regarding ratification of the selection of the Company's independent registered accounting firm, the advisory vote to approve named executive officer compensation, and the election of each of the director nominees require the affirmative vote of a majority of the votes present and entitled to vote on the matter. In determining whether each proposal has received the requisite number of affirmative votes, abstentions will be counted and will have the same effect as a vote against the proposal. Broker non-votes will have no effect on the vote for these matters.

**Table of Contents****ELECTION OF DIRECTORS****Proposal No. 1 (Item 1 on Proxy Card)**

CBIZ's Certificate of Incorporation divides the Board of Directors into three classes of directors, with one class to be elected for a three-year term at each annual meeting of stockholders. The Board of Directors currently consists of ten members, with three members' terms expiring at this Annual Meeting. The three members with terms expiring at the 2018 Annual Meeting, Michael H. DeGroot, Gina D. France and Todd J. Slotkin, have been nominated for reelection by the Nominating and Governance Committee.

If elected at the Annual Meeting, the nominees listed below will serve until the Annual Meeting of Stockholders in 2021, or until their successors are duly elected and qualified. All other directors will continue as such for the term to which they were elected. Although the Board of Directors does not contemplate that any of the nominees will be unable to serve, if such a situation arises prior to the Annual Meeting, the persons named in the enclosed proxy will vote for the election of another person as may be nominated by the Board of Directors. The approval of this proposal requires the affirmative vote of a majority of the votes present and entitled to vote on the matter. Abstentions will be counted and will have the same effect as a vote against this proposal. Broker non-votes will have no effect on the vote for this proposal.

*The Board, upon nomination by the Nominating and Governance Committee, recommends a vote FOR approval of the Directors Standing for Election listed below.*

**Directors Standing for Election**

Name	Age	Director Since	Expiration of Proposed Term
Michael H. DeGroot	57	2006	2021
Gina D. France	59	2015	2021
Todd J. Slotkin	65	2003	2021

**Directors Whose Terms Continue**

Name	Age	Director Since	Expiration of Current Term
Rick L. Burdick	66	1997	2019
Joseph S. DiMartino	74	1997	2020
Steven L. Gerard	72	2000	2019
Jerome P. Grisko, Jr.	56	2015	2019
Sherrill W. Hudson	74	2015	2020
Benaree Pratt Wiley	71	2008	2019
Donald V. Weir	76	2003	2020

**Director Qualifications and Experience**

The Nominating and Governance Committee's process for identifying and evaluating candidates to be nominated as directors consists of reviewing with the Board the desired experience, mix of skills and other qualities to assure appropriate Board composition; conducting candidate searches and inquiries; recommending to the Board qualified candidates for the Board who bring the background, knowledge, experience, skill sets, diversity and expertise that would strengthen the Board; and selecting appropriate candidates for nomination. A full description of the standards and processes used by the Nominating and Governance Committee in evaluating nominees and directors is set out below in the section entitled "Standing Committees of the Board of Directors", on page 11 of this proxy statement, and in the Charter of the Nominating and Governance Committee.



---

## **Table of Contents**

Set forth below is biographical information for the individuals nominated to serve as directors and each person whose term of office as a director will continue after the Annual Meeting. In addition, the biographical information for each Director nominee includes a summary of the specific experience, qualifications, attributes or skills that led the Board to conclude that the person should serve as a Director of the Company. It would not be possible to detail all experience, qualifications, attributes or skills possessed by each Director. Rather, the Company has attempted to set out those unique and important professional characteristics that each particular person brings to the Board.

### **Nominees For Directors**

*Michael H. DeGroot*, son of CBIZ founder Michael G. DeGroot, was appointed a Director of CBIZ in November 2006 and is an independent director. Mr. DeGroot currently serves as President of Westbury International, a full-service real estate development company, specializing in commercial/industrial land, residential development and property management. Prior to joining Westbury, Mr. DeGroot was Vice President of MGD Holdings, previously held a management position with Cooper Corporation, and previously served on the Board of Directors of Progressive Waste Solutions Ltd. He served on the Board of Governors of McMaster University in Hamilton, Ontario.

As the President of a full-service real estate development company specializing in commercial/industrial land, residential development and property management, Mr. DeGroot reflects the entrepreneurial background of most of CBIZ's acquisitions. His association with one of the founding stockholders of the Company fosters a consistent focus on attaining and improving stockholder value.

*Gina D. France* was appointed to the CBIZ Board in February, 2015 as an independent director. Ms. France founded France Strategic Partners, LLC, a strategy and transaction advisory firm, and has served as its President and Chief Executive Officer since 2003. Ms. France has over 35 years of experience in strategy, investment banking and corporate finance. Prior to founding France Strategic Partners, Ms. France was a Managing Director with Ernst & Young, LLP and directed the Firm's Center for Strategic Transactions. Prior to her work with Ernst & Young, Ms. France was a Senior Vice President with Lehman Brothers, Inc. in the investment banking division. Ms. France is a recognized financial expert for SEC purposes. She serves on the boards of two publicly-traded companies, Huntington Bancshares, Inc. and Cedar Fair, L.P., and chairs the Audit Committee for Cedar Fair. Previously, Ms. France served on the boards of FirstMerit Corporation, Dawn Food Products, Inc. and Mack Industries, and chaired FirstMerit's Nominating and Governance Committee.

Ms. France is qualified to serve on the Board because of her leadership experience in the investment banking, accounting and financial services fields and her service as a board member of several nationally recognized companies. Her considerable top-level experience in IT security principles, governance standards, strategic consulting and mergers and acquisitions provides CBIZ with valuable guidance in these key areas.

*Todd J. Slotkin* has served as a Director of CBIZ since September 2003, when he was elected as an independent director. Mr. Slotkin has served since 2014 as the Global Business Head of Alvarez & Marsal's Asset Management Services. Mr. Slotkin is also an independent director of the Apollo Closed End Fund Complex (Apollo Floating Rate Fund, Apollo Tactical Income Fund). In 2011, Mr. Slotkin was appointed the Managing Partner of Newton Pointe LLC, an advisory firm, a position he also held from 2007-2008. Mr. Slotkin served on the Board of Martha Stewart Living Omnimedia from 2008 to 2012, and was head of its Audit Committee and Special Committee. Between 2008 and 2010, Mr. Slotkin was a Senior Managing Director of Irving Place Capital. From 2006 to 2007 Mr. Slotkin served as a Managing Director of Natixis Capital Markets. From 1992 to 2006, Mr. Slotkin served as a SVP (1992-1998) and EVP and Chief Financial Officer (1998-2006) of MacAndrews & Forbes Holdings Inc. Additionally, he was the Executive Vice President and Chief Financial Officer of publicly owned M&F Worldwide (1998-2006). Prior to 1992, Mr. Slotkin spent 17 years with Citigroup, ultimately serving as Senior Managing Director and Senior Credit Officer. He was the Global Head of Citigroup's Leveraged Capital Group. Mr. Slotkin is a co-founder of the Food Allergy Research & Education, Inc., formerly known as the Food Allergy Initiative.

---

## **Table of Contents**

Mr. Slotkin's considerable experience in both public and privately-held companies as a director, audit and compensation committee member, audit committee financial expert, and chief financial officer is an important asset that assists the Company in addressing a broad range of regulatory and operational issues. His history with public banks and public and private companies makes him uniquely qualified to render advice on the Company's capital, strategic and transactional matters.

### **Remaining Directors**

*Rick L. Burdick* has served as a Director of CBIZ since October 1997, when he was elected as an independent director. In May 2007, Mr. Burdick was elected by the Board to be its Lead Director, a non-officer position. Previously, in October 2002, he was elected by the Board as Vice Chairman, a non-officer position. Mr. Burdick has been a partner at the law firm of Akin Gump Strauss Hauer & Feld LLP (Akin Gump) since April 1988. Mr. Burdick serves on the Board of Directors of AutoNation, Inc. Mr. Burdick is a National Association of Corporate Directors (NACD) Fellow and has earned the CERT Certificate in Cybersecurity Oversight through the NACD Cyber-Risk Oversight Program.

In his firm management role at Akin Gump, Mr. Burdick has gained extensive knowledge regarding the strategic operation of a national professional services organization that is directly applicable in the overview of CBIZ's professional divisions. His broad transactional experience as both a director and legal representative of large public and multinational companies, and maintenance of a complex practice involving regulatory and financial reporting issues, has informed CBIZ's acquisition program and the management of our highly regulated business operations.

*Joseph S. DiMartino* has served as a Director of CBIZ since November 1997, when he was elected as an independent director. Mr. DiMartino has been Chairman of the Boards of the funds in The Dreyfus Family of Funds since January 1995. Mr. DiMartino served as President, Chief Operating Officer and Director of The Dreyfus Corporation from October 1982 until December 1994 and also served as a director of Mellon Bank Corporation. He also served as Chairman of the Board of The Noel Group, a public buyout firm. Mr. DiMartino served on the Boards of SunAir Services Corp., LEVCOR International, Inc., The Newark Group and the Muscular Dystrophy Association.

Mr. DiMartino's service as a chairman, director and president of several significant public and New York Stock Exchange (NYSE) listed companies provides CBIZ with a wealth of financial, strategic and operating experience. The Company regularly draws on his leadership skills and impressive experience in his role as the Chairman of the Compensation Committee. His knowledge of the capital markets is extremely valuable in the structuring of the Company's sources of credit.

*Steven L. Gerard* was elected by the Board to serve as its Chairman in October 2002. He was appointed Chief Executive Officer and Director in October 2000, and served as CEO until March 2016. Mr. Gerard continues to serve as non-executive Chairman. Mr. Gerard was Chairman and Chief Executive Officer of Great Point Capital, Inc., a provider of operational and advisory services from 1997 to October 2000. From 1991 to 1997, he was Chairman and Chief Executive Officer of Triangle Wire & Cable, Inc. and its successor Ocean View Capital, Inc. Mr. Gerard's prior experience includes 16 years with Citibank, N.A. in various senior corporate finance and banking positions. Further, Mr. Gerard served seven years with the American Stock Exchange, where he last served as Vice President of the Securities Division. Mr. Gerard also serves on the Boards of Directors of Lennar Corporation and Las Vegas Sands Corporation, and was a member of the Board of Directors of Joy Global, Inc. until its acquisition by Komatsu Limited in 2017. Mr. Gerard has been recognized as an NACD Board Leadership Fellow.

Mr. Gerard has significant board-level experience with public companies, including three NYSE listed entities, in addition to his current membership on the boards of Lennar Corporation and Las Vegas Sands Corporation. He has served on the audit and compensation committees of several of these public companies, and

---

**Table of Contents**

is a recognized financial expert. Mr. Gerard has broad experience in operations, finance, banking, risk assessment and regulation, and has served as the chief executive officer of several companies.

*Jerome P. Grisko, Jr.* has served as a Director of CBIZ since his appointment in November 2015. Mr. Grisko was appointed Chief Executive Officer in March 2016, and has served as President since February 2000. He was Chief Operating Officer from February 2000 until his appointment as Chief Executive Officer. Mr. Grisko joined CBIZ as Vice President, Mergers & Acquisitions in September 1998 and was promoted to Senior Vice President, Mergers & Acquisitions and Legal Affairs in December of 1998. Prior to joining CBIZ, Mr. Grisko was associated with the law firm of Baker & Hostetler LLP, where he practiced from September 1987 until September 1998, serving as a partner from January 1995 to September 1998. While at Baker & Hostetler, Mr. Grisko concentrated his practice in the area of mergers, acquisitions and divestitures. Mr. Grisko is a Board Member of the Greater Cleveland Sports Commission and the Vice Chair of the Board of Directors of The Centers for Families & Children.

Throughout nearly nineteen years as SVP, COO, President, and now CEO of CBIZ, Mr. Grisko has been integrally involved in leading the management, operations and strategy of the Company. His expertise in mergers & acquisitions and his leadership in developing and fostering organic growth initiatives have been invaluable to the development of CBIZ.

*Sherrill W. Hudson* has served as a Director of CBIZ since his appointment in February 2015. Until July 2016, upon the sale of the TECO Energy, Inc. ( TECO ), Mr. Hudson served as the Chairman of the Board of TECO and was a member of its board since January 2003. He was executive chairman of TECO from August 2010 to December 2012, after having served as Chairman and Chief Executive Officer since July 2004. Mr. Hudson also serves on the boards of Lennar Corporation and United Insurance Holdings Corporation. He served on the Publix Super Markets, Inc. board from January 2003 until April 2015. Mr. Hudson is also Chairman of the Florida Chapter of the NACD and is an NACD Board Leadership Fellow. Mr. Hudson retired from Deloitte & Touche, LLP in August 2002, after 37 years of service.

The experience gained by Mr. Hudson in his career at Deloitte & Touche, LLP gives him broad subject-matter expertise in one of the Company's principal lines of business. This background is invaluable to the operational and strategic development of the Financial Services division. Mr. Hudson's prior role in senior management of one public company, as well as his prior membership on the boards of several others, effectively applies his financial services experience to matters at the highest policy levels. His role as Chairman of the Florida Chapter of the NACD provides ample qualification for Mr. Hudson's continued leadership of CBIZ's Nominating and Governance Committee.

*Donald V. Weir* has served as a Director of CBIZ since September 2003, when he was elected as an independent director. Mr. Weir is Vice President of Private Equity for Sanders Morris Harris Group Inc. ( SMHG ) and has been with SMHG for the past fifteen years. Prior to joining SMHG, Mr. Weir was Chief Financial Officer and director of publicly-held Deeptech International Inc. and two of its subsidiaries, Tatham Offshore, Inc. and Leviathan Gas Pipeline Company, both of which were publicly-held companies. Prior to his employment with Deeptech, Mr. Weir worked for eight years with Sugar Bowl Gas Corporation, as Controller and Treasurer and later in a consulting capacity. Mr. Weir was associated with Price Waterhouse, an international accounting firm, from 1966 to 1979.

As a director, chief financial officer, treasurer and controller of various public and privately-held companies, Mr. Weir has the depth of knowledge and experience needed to serve as a director of a public company with such diverse holdings and operations as CBIZ. His financial and accounting expertise, as well as his strategic and operational experience, properly qualifies him to act as the Chairman of the Company's Audit Committee.

*Benaree Pratt Wiley* has served as a Director of CBIZ since May 2008, when she was elected as an independent director. Ms. Wiley is a Principal of The Wiley Group, a firm specializing in personnel strategy,

**Table of Contents**

talent management, and leadership development primarily for global insurance and consulting firms. Ms. Wiley served as the President and Chief Executive Officer of The Partnership, Inc., a talent management organization for multicultural professionals in the greater Boston region for fifteen years before retiring in 2005. Ms. Wiley is currently a director on the boards of The Dreyfus Family of Funds and Blue Cross and Blue Shield of Massachusetts. Her civic activities include serving on the boards of the Efficacy Institute, Howard University and Dress for Success Boston. Ms. Wiley has earned the CERT Certificate in Cybersecurity Oversight through the NACD Cyber-Risk Oversight Program.

Ms. Wiley is a driving force in the advancement of leadership diversity. Under her leadership as president and chief executive officer, The Partnership, Inc. strengthened the capacity of greater Boston to attract, retain, and develop talented professionals of color and helped more than 1,300 African Americans integrate into the corporate community. This tenure is chronicled in a Harvard Business School case study on transformational non-profit leadership *Bennie Wiley and The Partnership, Inc.* Ms. Wiley has served as both a member and chair of audit and nominating committees of the boards on which she has served.

**Table of Contents**

**RATIFICATION OF AUDIT COMMITTEE SELECTION OF AUDITOR**

**Proposal No. 2 (Item 2 on Proxy Card)**

The Audit Committee of the Board has selected KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018, and the Board has directed that management submit the selection of KPMG LLP as the Company's independent registered public accounting firm for ratification by the stockholders at the Annual Meeting. KPMG LLP has been the Company's independent registered public accounting firm since 1996. Information on fees paid to KPMG LLP during the Company's 2016 and 2017 fiscal years can be found after the Audit Committee Report below.

Representatives of KPMG LLP are expected to be present at the Annual Meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Neither the Company's Bylaws nor any other governing documents or law require stockholder ratification of the selection of KPMG LLP as the Company's independent registered public accounting firm. However, the Board is submitting the selection of KPMG LLP to the stockholders for ratification as a matter of what it believes to be good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain the firm. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if they determine that such a change would be in the best interests of the Company and its stockholders.

The approval of this proposal requires the affirmative vote of a majority of the votes present and entitled to vote on the matter. Abstentions will be counted and will have the same effect as a vote against this proposal. Broker non-votes will have no effect on the vote for this proposal. If the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018 is not ratified, the Audit Committee will reconsider the appointment, as discussed above.

***The Board recommends a vote FOR the ratification of the Audit Committee's selection of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018.***

---

**Table of Contents****ADVISORY VOTE TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION****Proposal No. 3 (Item 3 on Proxy Card)**

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act and resulting Securities and Exchange Commission ( SEC ) rules, public companies are required to conduct a non-binding advisory vote on their executive compensation, as disclosed in applicable filings with the SEC. The Board of Directors has carefully considered the voting results at the 2017 Annual Meeting regarding timing of these advisory votes, which indicated that an annual vote should be taken in accordance with the recommendations of the Compensation Committee, the Nominating and Governance Committee and the full Board. Therefore, the Company has determined that the stockholders should consider this issue on an annual basis. Accordingly, the Company is again providing its stockholders with the opportunity to cast a non-binding advisory vote on the compensation of its Named Executive Officers, as disclosed in this proxy statement. Following the advisory vote to be held at the 2018 Annual Meeting, the next scheduled advisory vote on executive officer compensation is expected to be held at CBIZ 's 2019 Annual Meeting of Stockholders.

CBIZ believes its executive compensation and compensation policies and practices are focused on pay-for-performance principles, are strongly aligned with the interests of the Company 's long-term stockholders, help incentivize the Company 's Named Executive Officers, and are reasonable in comparison to the compensation practices of the Company 's competitors and other companies of similar size and complexity. The Company also believes that its executive compensation policies and practices help the Company maintain its ability to attract and retain superior employees in key positions and ensure that compensation provided to those employees remains fair relative to the compensation paid to similarly situated executives at peer companies. CBIZ 's executive compensation policies are designed to ensure that total compensation reflects an individual 's performance and potential. The performance of the Company 's Named Executive Officers is generally measured in accordance with an individual 's goals and objectives as well as their contribution to CBIZ 's corporate goals and initiatives. Such factors as teamwork, strategic vision, effective execution, initiative, mentoring and personal development strongly influence a non-quantitative component of compensation awards at CBIZ. The Company believes that its compensation policies and programs and fiscal 2017 compensation decisions, as each is described in this proxy statement, appropriately reward the Company 's Named Executive Officers for the Company 's performance and for their respective individual performances.

Accordingly, the Company recommends that its stockholders vote **For** the following resolution at the Annual Meeting:

RESOLVED, that the Company 's stockholders approve, on an advisory basis, the compensation of the Named Executive Officers, as disclosed in the Company 's proxy statement for the 2018 Annual Meeting of Stockholders pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the compensation tables, and the other narrative executive compensation disclosure contained in this proxy statement.

Because this vote is advisory, it will not be binding on the Board of Directors or the Compensation Committee, nor will it overrule any prior decision or require the Board or Compensation Committee to take any action. However, the Board and the Compensation Committee will review the voting results and will consider the outcome of the vote when making future decisions about executive compensation programs. The current recommendation of the Board of Directors and the Compensation Committee is based in part upon the vote of stockholders at the Company 's 2017 Annual Meeting, in which our stockholders approved our Named Executive Officer compensation, and upon discussions with representatives of individual stockholders that the Company conducts on an ongoing basis. The compensation policies and methodologies used to determine the compensation of our Named Executive Officers have not materially changed in the past year. You are strongly encouraged to read the full details of our compensation policies and programs under **Executive Compensation** below, including our discussion under **Comparison of Compensation to Targets** . The approval of this proposal requires the affirmative vote of a majority of the votes present and entitled to vote on the matter. Abstentions will be counted and will have the same effect as a vote against this proposal. Broker non-votes will have no effect on the vote for this proposal.

***The Board recommends a vote FOR approval of the compensation of the Company 's Named Executive Officers.***

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN****BENEFICIAL OWNERS AND MANAGEMENT**

The following table shows the beneficial ownership of CBIZ common stock as of March 19, 2018, by (1) each person known by CBIZ to own beneficially 5% or more of CBIZ's common stock, (2) each director, (3) each executive officer named in the Summary Compensation Table (see Executive Compensation ) and (4) all directors and executive officers of CBIZ as a group. The Company does not require directors or executive officers to hold a minimum number of shares in order to qualify for service as a director or executive officer. However, CBIZ has a stock retention policy recommending directors maintain stock valued at a multiple of three times the amount of their annual retainer, and recommending that the CEO maintain stock valued at a multiple of five times his base salary. The policy recommends that remaining Named Executive Officers maintain between two and three multiples of base salary. All of the Directors and Named Executive Officers are in compliance with this policy.

Name and Address of Beneficial Owner <sup>1</sup>	Amount and Nature of	
	Beneficial Ownership <sup>2</sup>	Percent of Class
Burgundy Asset Management Ltd.	4,897,020 <sup>3</sup>	8.9%
Dimensional Fund Advisors LP	4,621,553 <sup>4</sup>	8.4%
FMR LLC.	3,934,562 <sup>5</sup>	7.2%
Blackrock, Inc.	3,355,981 <sup>6</sup>	6.1%
Cardinal Capital Management LLC	2,749,632 <sup>7</sup>	5.0%
Steven L. Gerard	644,675 <sup>8</sup>	1.2%
Rick L. Burdick	158,200 <sup>9</sup>	*
Michael H. DeGroot	221,375 <sup>10</sup>	*
Joseph S. DiMartino	50,081 <sup>11</sup>	*
Gina D. France	90,375 <sup>12</sup>	*
Jerome P. Grisko, Jr.	1,042,231 <sup>13</sup>	1.9%
Sherrill W. Hudson	95,375 <sup>14</sup>	*
Todd J. Slotkin	43,875 <sup>15</sup>	*
Donald V. Weir	31,955 <sup>16</sup>	*
Benaree Pratt Wiley	95,375 <sup>17</sup>	*
Ware Grove	519,672 <sup>18</sup>	*
Chris Spurio	339,793 <sup>19</sup>	*
Michael Kouzelos	539,254 <sup>20</sup>	*
Richard Mills	70,500 <sup>21</sup>	*
All directors and executive officers as a group (14 persons)	3,942,736	7.2%
Total Shares Outstanding on March 19, 2018: 54,988,463		

\* Represents less than 1% of total number of outstanding shares. All shares are Common Stock and no other classes of stock have been issued.

(1) Except as otherwise indicated in the notes below, the mailing address of each entity, individual or group named in the table is 6050 Oak Tree Boulevard, South, Suite 500, Cleveland, Ohio 44131 and each person named has sole voting and investment power with respect to the shares of common stock beneficially owned by such person. Additionally, none of the listed directors and executive officers named in this beneficial ownership table has pledged shares as security, in conformity with the Company's anti-pledging and anti-hedging policy applicable to directors and officers.

(2)

## Edgar Filing: CBIZ, Inc. - Form DEF 14A

Share amounts and percentages shown for each person in the table may include shares purchased in the marketplace, restricted shares, and shares of common stock that are not outstanding but may be acquired upon exercise of those options exercisable within 60 days of March 19, 2018, the Record Date for the 2018 Annual Meeting. All restricted shares may be voted by the recipient upon award, but restrictions do not immediately lapse; unrestricted ownership of restricted stock occurs only upon the lapse of restrictions.



---

**Table of Contents**

- (3) Holdings stated are based solely on information in the Schedule 13G/A filed with the SEC on February 12, 2018 by Burgundy Asset Management Ltd. According to the report, Burgundy Asset Management Ltd., acting as an investment advisor, beneficially owns 4,897,020 shares, has sole voting power with respect to 3,681,366 shares and sole investment power with respect to 4,897,020 shares. The address of Burgundy Asset Management Ltd. is 181 Bay Street, Suite 4510, Toronto, Ontario M5J 2T3.
- (4) Holdings stated are based solely on information in the Schedule 13G/A filed with the SEC on February 9, 2018 by Dimensional Fund Advisors LP. According to the report, Dimensional Fund Advisors LP, acting as an investment advisor, beneficially owns 4,621,553 shares, and has sole voting power with respect to 4,432,284 shares. The address of Dimensional Fund Advisors LP is Building One, 6300 Bee Cave Road, Austin, Texas 78746.
- (5) Holdings stated are based solely on information in the Schedule 13G/A filed with the SEC on February 13, 2018, by FMR LLC and Abigail P. Johnson. According to the report, FMR LLC, as a parent holding company, beneficially owns 3,934,562 shares. FMR LLC has sole voting power with respect to 2,827,195 shares and sole investment power with respect to 3,934,562 shares. The address of FMR LLC is 245 Summer Street, Boston, Massachusetts 02210.
- (6) Holdings stated are based solely on information in the Schedule 13G/A filed with the SEC on January 29, 2018 by BlackRock, Inc. According to the report, BlackRock, Inc., acting as a parent holding company or control person, beneficially owns 3,355,981 shares, and has sole voting power with respect to 3,258,961 shares. The address of BlackRock, Inc. is 55 East 52nd Street, New York, NY 10055.
- (7) Holdings stated are based solely on information in the Schedule 13G/A filed with the SEC on February 13, 2018, by Cardinal Capital Management LLC. According to the report, Cardinal Capital Management LLC, acting as an investment advisor, beneficially owns 2,749,632 shares, and has sole voting power with respect to 2,101,995 shares. The address of Cardinal Capital Management LLC is Four Greenwich Office Park, Greenwich, Connecticut 06831.
- (8) Consists of 329,675 shares of common stock, including restricted stock, owned of record by Mr. Gerard, plus options to purchase 315,000 shares of common stock granted to Mr. Gerard under the Amended and Restated CBIZ, Inc. 2002 Stock Incentive Plan (the 2002 SIP ) and the CBIZ, Inc. 2014 Stock Incentive Plan (the 2014 SIP and, and together with the 2002 SIP, the SIPs ).
- (9) Consists of 158,200 shares of common stock owned of record by Mr. Burdick, including restricted stock.
- (10) Consists of 112,000 shares of common stock held in a fixed irrevocable trust, and 109,375 shares of common stock, including restricted stock, owned of record by Mr. DeGroot.
- (11) Consists of 50,081 shares of common stock owned of record by Mr. DiMartino, including restricted stock.
- (12) Consists of 40,375 shares of common stock, including restricted stock, owned of record by Ms. France, plus options to purchase 50,000 shares of common stock granted to Ms. France as an initial non-employee director grant under the 2014 SIP.
- (13) Consists of 604,731 shares of common stock, including restricted stock, owned of record by Mr. Grisko, plus options to purchase 437,500 shares of common stock granted under the SIPs.

## Edgar Filing: CBIZ, Inc. - Form DEF 14A

- <sup>(14)</sup> Consists of 45,375 shares of common stock, including restricted stock, owned of record by Mr. Hudson, plus options to purchase 50,000 shares of common stock granted to Mr. Hudson as an initial non-employee director grant under the 2014 SIP.
- <sup>(15)</sup> Consists of 43,875 shares of common stock owned of record by Mr. Slotkin, including restricted stock.
- <sup>(16)</sup> Consists of 31,955 shares of common stock owned of record by Mr. Weir, including restricted stock.
- <sup>(17)</sup> Consists of 95,375 shares of common stock owned of record by Ms. Wiley, including restricted stock.
- <sup>(18)</sup> Consists of 257,172 shares of common stock, including restricted stock, owned of record by Mr. Grove, plus options to purchase 262,500 shares of common stock granted under the SIPs.

---

## **Table of Contents**

- (19) Consists of 191,293 shares of common stock, including restricted stock, owned of record by Mr. Spurio, plus options to purchase 148,500 shares of common stock granted under the SIPs.
- (20) Consists of 266,573 shares of common stock, including restricted stock, owned of record by Mr. Kouzelos, plus options to purchase 248,000 shares of common stock granted under the SIPs.
- (21) Consists of 40,500 shares of common stock, including restricted stock, owned of record by Mr. Mills, plus options to purchase 30,000 shares of common stock granted under the SIPs.

### **Directors Meetings and Committees of the Board of Directors**

The Board of Directors conducted four regular meetings during fiscal 2017. In addition, there were three Actions in Writing in Lieu of a Meeting of the Board of Directors. Each director attended in person at least 75% of the aggregate of all meetings of the Board and Committees of the Board on which he or she served in accordance with the Company's expectations. The Company does not have a formal policy regarding directors' attendance at annual stockholders meetings. Nevertheless, the Company strongly encourages and prefers that directors attend regular and special Board meetings as well as the annual meeting of stockholders in person, although attendance by teleconference is considered adequate. The Company recognizes that attendance of the Board members at all meetings may not be possible, and excuses absences only for good cause. All directors attended the Company's 2017 Annual Meeting.

### **Independent Directors Meetings**

In addition to the meetings of the committees of the Board of Directors summarized below, our Independent Directors met four times in executive session during fiscal 2017. The Company's Lead Director and Vice Chairman, Mr. Burdick, chaired these executive sessions.

### **Communication with the Board of Directors**

Security holders may communicate with the members of the Board by forwarding written communications to the CBIZ Corporate Secretary at the Company's headquarters in Cleveland. The Corporate Secretary will present all communications, as received and without screening, to the Board at its next regularly scheduled meeting. This same method may be used by interested parties to contact Mr. Burdick, the Company's Lead Director and Vice Chairman, in his capacity as presiding director over the meetings of the independent directors, as well as to contact the Non-Employee Directors.

### **Standing Committees of the Board of Directors**

The Board of Directors has appointed an Audit Committee, a Compensation Committee, a Nominating and Governance Committee, and an Executive Management Committee as standing committees of the Board, all of which were active during 2017. The Board of Directors has determined that all members of the Audit Committee, Compensation Committee and Nominating and Governance Committee are independent as set forth in the NYSE Listed Company Manual and under applicable SEC rules. The following is a description of the committees of the Board of Directors:

#### ***Audit Committee***

The members of the Audit Committee are Directors DiMartino, Hudson, Slotkin and Weir (Chairman). CBIZ's Board of Directors has determined that the Audit Committee members meet the independence standards set forth in Rule 10A-3(b)(1) of the Exchange Act, as amended. In addition, the Board has determined that all members of the Audit Committee are audit committee financial experts, as that term is defined by the rules and regulations of the SEC, and meet the financial sophistication requirements of the NYSE. The Audit Committee conducted four regular meetings and five special meetings during 2017. In addition, the Committee acted through

---

## **Table of Contents**

one Action in Writing in Lieu of a Meeting of the Audit Committee. The Audit Committee appoints the Company's independent registered public accounting firm ( independent accountant or independent auditor ) and reviews issues raised by the independent accountants as to the scope of its audit and its audit reports, including questions and recommendations that arise relating to CBIZ's internal accounting and auditing control procedures. As part of the selection process, the Committee assesses the qualifications and work quality of the public accounting firm and its engagement team. The experience, background and expertise of the engagement team, the public accounting firm's system of quality control, the Public Company Accounting Oversight Board ( PCAOB ) report on the firm, the impact of changing auditors, and the existence of any significant involvement of the firm in known litigation matters are among the factors considered by the Audit Committee in selecting the Company's independent auditor. The Audit Committee is actively engaged in the selection of the public accounting firm's engagement team lead audit partner, who was appointed to lead the firm's engagement team in 2016. The Committee is free to hire any advisors or consultants as it may deem necessary or advisable at any time. The Audit Committee operates under a written charter adopted by the Board of Directors, a copy of which is available on the Investor Relations page of the Company's website, [www.cbiz.com](http://www.cbiz.com), or by writing to us at Attention: Investor Relations Department, 6050 Oak Tree Boulevard South, Suite 500, Cleveland, Ohio 44131.

### ***Compensation Committee***

The members of the Compensation Committee are Directors DiMartino (Chairman), Slotkin, and Wiley. The Compensation Committee conducted four regular meetings and no special meetings during 2017. In addition, the Committee acted through two Actions in Writing in Lieu of a Meeting of the Compensation Committee. The Compensation Committee reviews and makes recommendations to the Board of Directors with respect to compensation of CBIZ's non-employee Board members and executive officers, including salary, bonus and benefits. The Compensation Committee also administers CBIZ's executive incentive-compensation plans and all equity-based plans. The Charter of the Compensation Committee is available on the Investor Relations page of the Company's website, [www.cbiz.com](http://www.cbiz.com), or by writing to us at Attention: Investor Relations Department, 6050 Oak Tree Boulevard South, Suite 500, Cleveland, Ohio 44131.

The Compensation Committee was established to: (a) review and approve the Company's stated compensation philosophy, strategy and structure and assist the Board in ensuring that a proper system of long-term and short-term compensation is in place to provide performance-oriented incentives to management, and that compensation plans are appropriate and properly reflect the objectives and performance of management and the Company without creating undue compensation risk to CBIZ; (b) discharge the Board's responsibilities relating to compensation of the executive officers of the Company and its subsidiaries; (c) evaluate the Company's Chief Executive Officer and set his or her remuneration package; (d) evaluate the other executive officers of the Company and its senior management and set their remuneration packages; (e) prepare an annual report on executive compensation for inclusion in the Company's annual proxy statement; (f) make recommendations to the Board with respect to incentive compensation plans and equity-based plans; (g) oversee the risk assessment of the Company's compensation arrangements; (h) advise the Board regarding stockholder advisory votes on executive compensation arrangements; (i) review and approve certain services to be performed by compensation consultants to the Company; (j) monitor compliance with stock ownership guidelines for the Company's executive officers and directors; and (k) perform such other functions as the Board may from time to time assign to the Committee. The Committee may delegate to its Chairman, any member of the Committee, any member of senior management or any external consultant of the Committee any task or duty the Committee deems necessary to assist it in accomplishing its obligations under law and its Charter. Any final action taken to fulfill these obligations, however, is only permitted upon majority vote of the Committee members themselves. The Compensation Committee requests that the Chief Executive Officer should make recommendations regarding the amount or form of executive and director compensation annually, other than his own, or more often as the CEO or the Committee deems necessary throughout each year.

*Compensation Committee Consultants.* The Committee is free to hire any advisors or consultants, including compensation consultants in its sole discretion, as it may deem necessary or advisable at any time. The

---

**Table of Contents**

Committee and Management jointly consulted with Aon Hewitt to perform various director and executive compensation studies in prior years, including 2014, 2015 and 2016 as set out herein on pp. 19-23, 27, 30-32. In 2017 the Compensation Committee engaged an additional consultant, Meridian Compensation Partners, LLC, to evaluate and recommend updates to the Company's executive compensation program, and to provide refreshed benchmarking data following the 2018 proxy season. The Committee determined that its and the Company's use of Aon Hewitt and Meridian Compensation Partners as compensation consultants during the Company's last completed fiscal year did not involve any conflict of interest. In making this determination, the Committee considered all relevant factors, including those set forth in Rule 10C-1(b)(4)(i) under the Exchange Act, and confirmation of relevant facts received by the Committee from Aon Hewitt.

*Compensation Committee Interlocks and Insider Participation.* None of the members of the Compensation Committee during 2017 and continuing through 2018 is or has been an officer or employee of CBIZ or had any relationships requiring disclosure under Item 404 of Regulation S-K. There are no compensation committee interlocking relationships with respect to CBIZ.

***Nominating and Governance Committee***

The members of the Nominating and Governance Committee are Directors DeGroote, DiMartino, France, Hudson (Chairman), Slotkin, Weir and Wiley. No candidates were recommended by beneficial owners of more than 5% of the Company's voting common stock within the last year. The Committee conducted one regular meeting and no special meetings in 2017. In addition, the Committee acted through two Actions in Writing in Lieu of a Meeting of the Nominating and Governance Committee. The Committee was formed to propose and recommend candidates for the Board, review the continued suitability of directors following changes in their employment situations, review Board committee responsibilities and composition, review the effectiveness of the Board and of Company management, and monitor the Company's corporate governance policies and practices. The Committee is free to hire any advisors or consultants as it may deem necessary or advisable at any time. The Committee's Charter and its corporate governance guidelines are available on the Investor Relations page of the Company's website, [www.cbiz.com](http://www.cbiz.com), or by writing to us at Attention: Investor Relations Department, 6050 Oak Tree Boulevard South, Suite 500, Cleveland, Ohio 44131.

The Nominating and Governance Committee's process for identifying and evaluating candidates to be nominated as directors consists of reviewing with the Board the desired experience, mix of skills and other qualities to assure appropriate Board composition; conducting candidate searches and inquiries; recommending to the Board qualified candidates for the Board who bring the background, knowledge, experience, skill sets, and expertise that would strengthen the Board; and selecting appropriate candidates for nomination. The Nominating and Governance Committee and the Board have determined that a director should have the following characteristics: (1) the ability to comprehend the strategic goals of the Company and to help guide the Company towards the accomplishment of those goals; (2) a history of conducting his/her personal and professional affairs with the utmost integrity and observing the highest standards of values, character and ethics; (3) the availability for in-person or telephonic participation in Board or Committee meetings, as well as the Annual Meeting of Stockholders; (4) the willingness to demand that the Company's officers and employees insist upon honest and ethical conduct throughout the Company; (5) knowledge of, and experience with regard to at least some of: loans and securities, including any lending and financing activities related thereto, public company regulations imposed by the SEC and the NYSE, amongst others, portfolio and risk management, the major geographic locations within which the Company operates, sound business practices, accounting and financial reporting, and one or more of the principal lines of business in which the Company is engaged; and (6) the ability to satisfy criteria for independence established by the SEC and the NYSE, as they may be amended or otherwise modified from time to time.

In its recommendations of candidates for appointment, election and reelection to the Board, the Committee specifically follows the requirements of its Charter to recommend to the Board, with the input of the Chief Executive Officer, qualified candidates for the Board who bring the background, knowledge, experience, skill

## **Table of Contents**

sets and expertise that would strengthen and increase the diversity of the Board. The Committee believes that the current Board members, as well as the candidates considered and nominated for election at the 2018 Annual Meeting, represent a group that includes differences of background, viewpoint, professional experience and expertise, education, skills and other qualities and attributes that contribute to heterogeneity. The Committee and the Board have committed to broaden Board diversity as current members retire or as the Board is expanded beyond its current ten members. The appointment of Ms. France to the Board in 2015 was part of this effort.

The Nominating and Governance Committee will consider any candidate recommended by a stockholder, provided that the stockholder mails a recommendation to the Corporate Secretary at the Company's headquarters, prior to the deadline for stockholder proposals, that contains the following: (1) the recommending stockholder's name and contact information; (2) the candidate's name and contact information; (3) a brief description of the candidate's background and qualifications; (4) the reasons why the recommending stockholder believes the candidate would be well suited for the Board; (5) a statement by the candidate that the candidate is willing and able to serve on the Board; (6) a statement by the recommending stockholder that the candidate meets the criteria established by the Board; and (7) a brief description of the recommending stockholder's ownership of common stock of the Company and the term during which such shares have been held. In making its discretionary determination whether to nominate a candidate who has been recommended by a stockholder, the Nominating and Governance Committee will consider, among other things, (a) the appropriateness of adding another director to the Board, or of replacing a currently sitting director, (b) the candidate's background and qualifications, and (c) other facts and circumstances identified in the Committee's Charter. No candidate recommendations were received from stockholders for consideration in 2017 or to date in 2018.

### ***Executive Management Committee***

The members of the Executive Management Committee are Directors Burdick, Gerard, and Grisko. The Executive Management Committee approved five Unanimous Written Consents in Lieu of Meeting of the Executive Management Committee of CBIZ, Inc. during 2017. Subject to applicable law, the Executive Management Committee is empowered with the same authority as the full Board of Directors to take any action including the authorization of any transaction in the amount of \$10 million or less. With respect to acquisitions or divestitures, the Board of Directors has delegated to the Committee the power to cause the execution and delivery of documents in the name and on behalf of the Company, to cause the issuance of shares of Common Stock of the Company, and to take all actions necessary for the purpose of effecting acquisitions or divestments, so long as all members of the Committee approve the transaction and the total consideration to be paid to or by the Company in connection with the acquisition or divestiture does not exceed \$10 million. The Committee does not have the power or authority of the Board of Directors to approve or adopt or recommend to the stockholders any action or matter expressly required by the Delaware General Corporation Law to be submitted to stockholders for approval; adopt, amend or repeal any Bylaw of the Company; fill or approve Board or Board committee vacancies; declare or authorize the payment of dividends; fix compensation for service on the Board or any committee thereof; or elect Company executive officers.

### **Code of Professional Conduct and Ethics Guide**

CBIZ has a Code of Professional Conduct and Ethics Guide (the "Code") that applies to every director, officer, and employee of the Company. The Code is available on the Investor Relations page of the Company's website, [www.cbiz.com](http://www.cbiz.com), or by writing to us at Attention: Investor Relations Department, 6050 Oak Tree Boulevard South, Suite 500, Cleveland, Ohio 44131. Any amendments to or waivers from the Code that apply to our principal executive officer, principal financial officer, principal accounting officer or controller or any other person performing similar functions are approved by our Audit Committee and posted to the Company's website, [www.cbiz.com](http://www.cbiz.com).

**Table of Contents****Directors Role in Risk Oversight**

Risk is an integral part of Board and Committee deliberations throughout the year. Management, the full Board, and each Board Committee all review risk oversight and management issues pertaining to their respective areas of responsibility as established by the Company's organizational documents and the charters of its committees. The activities of the enterprise risk management program entail the identification, assessment, and prioritization of a broad range of risks including, for example, strategic, operational, financial, legal, regulatory, cybersecurity and reputational risks and the review of plans to mitigate their possible effects. This risk oversight program was overhauled during 2017. The Board and Management undertook a process to reassess, rank, and present mitigation plans to address the enterprise risks facing the Company. Input was received from all key function and operational areas of responsibility. Following a thorough review and adoption of the new program, the Board then received presentations throughout the year regarding the principal areas of risk, along with the efforts and programs undertaken to mitigate these risks. The Board and each of its committees were actively engaged in this program throughout 2017 and continuing in 2018.

***ESG and CSR Programs***

As part of their respective roles in managing risk as well as in addressing emerging stockholder priorities the Board and Management have undertaken a comprehensive effort to adopt and improve upon the Company's Environmental, Social and Governance ( ESG ) and Corporate Social Responsibility ( CSR ) programs. Our environmental efforts include extending the life of our desktop and laptop computers to reduce electronic and other waste, adopting highly efficient desktop alternatives that dramatically reduce energy usage compared to standard machines, changing to a more energy efficient data center technology, expanding document imaging and paper reduction and recycling processes in our work flow, implementing a toner recycling program to reduce landfill waste, limiting travel through desktop and group teleconferencing alternatives, enhancing our electronic document delivery systems to reduce the use of unnecessary paper and packaging, introducing flexible workplace arrangements, and renewing green workplace programs.

Through our workplace giving and philanthropy programs, the Company and our employees support non-profit and community development organizations that align with our values and the interests of our clients and team members, including United Way, Dress for Success, Red Cross blood drive and disaster relief fund-raising, our nationwide food drive competition to support our communities' food pantries, and our CBIZ Cares program in which employees are given paid time off to volunteer with co-workers in their local communities.

The Company's Great People, Great Place program embodies our commitment to making CBIZ a great place to work, establishes our common culture, and expresses our concern for employee development and engagement through the following resources, programs and initiatives: our staff satisfaction surveys, our Enrichment Educational Series, the CBIZ Women's Advantage program, our extensive cultural on-boarding program, our domestic partner benefits program, educational assistance programs, employee referral bonuses, relocation and sick & personal leave programs, our discounted Employee Stock Purchase Plan, our diversity training, our Sales and Producer Academies and CBIZ Leadership Council, personal awards initiatives, health coaches and well-being programs, retirement planning education, and military and veterans support programs.

CBIZ's commitment to good governance and corporate responsibility principles is demonstrated through our governance guidelines, our Client Service Promise, the charters of our Board committee, our code of ethics and workplace professional code of conduct policies and training programs, our conflicts resolution processes, the enterprise risk management program, our client confidentiality and cybersecurity policies and procedures, our extensive investor relations and engagement programs, and our quality control programs.

**Director Independence**

The NYSE Listed Company Manual provides that companies listed on the NYSE must have a majority of independent directors. A director is considered independent under NYSE rules if the Board of Directors

---

**Table of Contents**

affirmatively determines that the director does not have any direct or indirect material relationship with CBIZ and if such director satisfies such other criteria as specified by provisions of the NYSE Listed Company Manual.

The Nominating and Governance Committee and the Board of Directors have affirmatively determined that each of Rick L. Burdick, Michael H. DeGroot, Joseph S. DiMartino, Gina D. France, Sherrill W. Hudson, Todd J. Slotkin, Donald V. Weir and Benaree Pratt Wiley have no prohibited material relationships with CBIZ and are independent directors. The Nominating and Governance Committee and the Board of Directors affirmatively determined that each of the Audit, Compensation, and Nominating and Governance Committee's members meet the independence requirements set out in the NYSE Listed Company Manual and under applicable SEC rules. Mr. Gerard is not considered an independent director because of his employment as our Chief Executive Officer through March 9, 2016. Mr. Grisko is not considered an independent director because of his employment as our Chief Executive Officer and President.

In connection with these independence determinations, the Nominating and Governance Committee and the Board of Directors considered all of the relationships between each director and CBIZ, and in particular the following relationships:

The Committee and the Board determined that Mr. Burdick should be considered an independent director since the amounts paid to the law firm of Akin Gump for legal representation of CBIZ throughout 2017 were not, in the aggregate, significant under the NYSE rules governing director independence. Akin Gump performed legal work for CBIZ, for which the firm received approximately \$0.15 million, \$0.1 million and \$0.2 million from CBIZ during 2017, 2016 and 2015, respectively.

Michael H. DeGroot is also an officer or director of various privately held companies that obtain several types of insurance coverage through a CBIZ subsidiary. The commissions paid to CBIZ were approximately \$0.16 million, \$0.1 million, and \$0.1 million for the years ended December 31, 2017, 2016, and 2015, respectively. The Committee and the Board determined that Mr. DeGroot was an independent director since the amounts of these commissions were not collectively significant under the NYSE rules governing director independence.

**Company Leadership Structure**

The position of Chairman of the Board of Directors is held by Mr. Gerard in a non-executive capacity. The position of Chief Executive Officer is held by Jerome P. Grisko, Jr. In addition, the Board believes it is appropriate to have an independent Lead Director who, among other things, chairs all executive sessions of our independent directors and facilitates communication between the Board of Directors and the Company's executive officers. Mr. Burdick currently acts as the Company's Lead Director. It is the Board's belief that the current composition of its leadership positions, the committee system and the position of an independent Lead Director effectively maintain Board independence and independent oversight of management and Company performance. As in past years, each member of the Board and each Committee member participated in performance self-assessments regarding their respective roles, their performance in each role, the activities of each body, and the performance and structure of leadership at the Board and management levels. The results of these assessments were reviewed by the full Board, each Committee, and by the independent directors as a group. The Board believes the current structure provides the Board with a comprehensive understanding of ongoing operations and current issues, as well as facilitates the identification of emerging issues, communication of essential information to the Board and preparation of matters for Board consideration.

**REPORT OF THE AUDIT COMMITTEE**

The Board of Directors maintains an Audit Committee comprised of four of the Company's independent directors. The Board of Directors and the Audit Committee believe that the Audit Committee's current member composition satisfies the current rules of the NYSE and the SEC that govern audit committee composition,



---

**Table of Contents**

including the requirement that audit committee members all be independent directors as that term is defined by Rule 303A of the NYSE Listed Company Manual and by all other applicable laws or rules. Each of the Audit Committee members has been identified as audit committee financial experts, as that term is defined by the rules and regulations of the SEC, in light of their training, experience, and expertise.

The Audit Committee closely monitors developments in corporate governance, including those arising from the adoption of the Sarbanes-Oxley Act of 2002 (the Act) and rules related to the Act. The Audit Committee's Charter and the Company's Code of Professional Conduct and Ethics Guide reflect those portions of the Act and attendant rules promulgated by the SEC and the NYSE. The Audit Committee anticipates that changes to its Charter may be necessary from time to time if the SEC and the NYSE adopt additional rules bearing on the duties and activities of the Committee. The Audit Committee Charter and Code of Professional Conduct and Ethics Guide have been posted on the Investor Relations portion of the Company's website, at [www.cbiz.com](http://www.cbiz.com).

The Audit Committee oversees the Company's financial process on behalf of the Board of Directors. Management has the primary responsibility for the consolidated financial statements and the reporting process, including the systems of internal controls. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed the audited consolidated financial statements with management including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the consolidated financial statements. Quarterly results similarly were reviewed and discussed.

The Audit Committee has relied, without independent verification, on management's representation that the consolidated financial statements have been prepared with integrity and objectivity and in conformity with generally accepted U.S. accounting principles (GAAP). The Audit Committee's oversight does not provide it with an independent basis to determine that management has in fact maintained appropriate accounting and financial reporting principles or policies. Furthermore, the Audit Committee's considerations and discussions with management and the independent auditors do not ensure that the Company's consolidated financial statements are presented in accordance with GAAP, that the audit of the Company's consolidated financial statements has been carried out in accordance with generally accepted auditing standards or the standards of the PCAOB or that the Company's independent accountant is in fact independent.

The Audit Committee received, reviewed, and adopted management's report assessing the Company's internal control over financial reporting. The Committee continued to be very active in monitoring management's efforts to document and assess the Company's internal controls.

The Audit Committee discussed with the representatives of KPMG LLP, the independent auditors who are responsible for expressing opinions on the conformity of those audited consolidated financial statements with GAAP and the effectiveness of internal control over financial reporting in accordance with the standards of the PCAOB, their judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Audit Committee by the PCAOB Auditing Standard No. 1301 (formerly Auditing Standard No. 16), *Communications with Audit Committees*. In addition, the Audit Committee has discussed with the independent accountants the auditors' independence from management and the Company including the matters in the written disclosures and the letter required by applicable requirements of PCAOB Rule 3526 regarding the independent accountants' communications with the Audit Committee concerning independence.

The Audit Committee discussed with both the Company's internal auditor and independent auditors the overall scope, plans and results of their audit activities. The Audit Committee met regularly throughout 2017 with the independent auditors, and the leaders of the Company's Internal Audit staff, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting. The Committee once again reviewed the experience, background and expertise of the KPMG LLP engagement team, the public accounting firm's system

---

**Table of Contents**

of quality control, the PCAOB report on the firm, the impact of changing auditors, the absence of any significant involvement of the firm in known litigation matters, along with other factors and considerations, and determined that the selection of KPMG LLP as the Company's independent auditor was in the best interests of the Company and the stockholders.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board has approved) that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 for filing with the SEC.

**Audit Committee of the Board of Directors**

Donald V. Weir, Chairman

Joseph S. DiMartino

Sherrill W. Hudson

Todd J. Slotkin

**Auditor Fees**

The Company incurred the following fees for services performed by KPMG LLP in fiscal 2017 and 2016:

**Audit Fees:** Fees for the fiscal year 2017 audit and the review of the Company's Quarterly Reports on Forms 10-Q were \$895,000. Audit fees include fees related to the integrated audit of consolidated financial statements and SAS 100 quarterly review fees. Fees for the fiscal year 2016 audit and the review of the Company's Quarterly Reports on Forms 10-Q were \$870,000.

**Audit-Related Fees:** Audit-related fees of \$25,000 were billed through December 31, 2017 for services rendered in connection with the audit of the financial statements of the CBIZ Employee Retirement Savings Plan. Audit-related fees of \$110,000 were billed in the year ended December 31, 2016 in connection with the audit of the financial statements of the CBIZ Employee Retirement Savings Plan and Service Organization Control (SOC) 1 services to the Company's CBIZ Savitz Retirement Plan Services operation.

**Tax Fees:** There were no tax fees billed by KPMG LLP for the years ended December 31, 2017 and December 31, 2016.

**All Other Fees:** There were no other fees billed for professional services by our independent auditors during fiscal years 2017 and 2016.

Pursuant to its Charter and the Act, the Audit Committee is responsible for pre-approving all services performed by the Company's independent auditors, and certain services may not, under any circumstances, be performed for the Company by its independent auditors. KPMG LLP, the Company's independent auditor, may not be engaged to perform for the Company, and is prohibited from performing for the Company, any prohibited service enumerated in the Act, or in any other applicable law or regulation. In addition, the independent auditor is not permitted to perform services for the Company, whether associated with audit or non-audit functions, unless the services to be provided have been approved prior to their performance by this Committee, except as may otherwise be provided by applicable law or regulation.

However, certain non-prohibited services may be pre-approved by the Audit Committee Chairman personally in advance of full Audit Committee consideration and approval, provided, that each engagement total no more than \$20,000 in fees prior to the next regularly scheduled meeting of the Audit Committee, at which time the entire Audit Committee is required to consider and either approve or reject the engagement, provided the engagement otherwise does not appear reasonably likely to compromise KPMG LLP's independence. The Audit Committee pre-approved all of the services described above. The Audit Committee is responsible for fee negotiations with KPMG LLP, and is assisted by the active involvement of the Company's CFO.

---

**Table of Contents**

**EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis**

**Overview of Compensation Program**

The Compensation Committee of the Board (the Compensation Committee or the Committee) is responsible for establishing, implementing and monitoring the application of its compensation philosophy to the senior management and directors of the Company. At CBIZ, the Senior Management Group (SMG) consists of the Company's executive officers, certain Senior Vice Presidents, and certain other corporate officers. The Committee's goal is to ensure that the total compensation paid to the SMG is fair and reasonable. Generally, the types of compensation and benefits provided to members of this group are similar to those provided to executive officers at other comparable companies. Mr. Grisko (CEO), Ware Grove (CFO), Michael Kouzelos (President, Benefits & Insurance Services), Chris Spurio (President, Financial Services), and Richard Mills (COO, Financial Services) are referred to as the Named Executive Officers or NEOs, all of who are members of the SMG.

**Compensation Philosophy and Objectives**

The Company believes the most effective executive compensation program rewards executives' contribution in achieving and exceeding specific annual, long-term and strategic goals of the Company, and aligns executives' interests with those of the stockholders. Moreover, the Company believes a successful compensation structure will help the Company maintain its ability to attract and retain superior employees in key positions and ensure that compensation provided to those employees remains fair relative to the compensation paid to similarly situated executives at comparable companies. To that end, the Committee believes executive compensation packages provided by the Company to its executives, including the Named Executive Officers should include both cash and equity compensation that reward performance that meets or exceeds established goals.

CBIZ also believes that total compensation should also reflect an individual's performance and potential. Performance will generally be measured in accordance with an individual's goals and objectives as well as their contribution to the Company's corporate goals and initiatives. Such factors as teamwork, strategic vision, effective execution, initiative, mentoring and personal development will strongly influence a non-quantitative component of compensation awards at the Company.

Ultimately, compensation paid to members of the SMG, including amounts paid to the Named Executive Officers, is determined based on the discretionary judgment of the Compensation Committee with input from the Chairman, the CEO and compensation consultants.

**Role of Executive Officers in Compensation Decisions**

The Compensation Committee makes all compensation decisions for the SMG, including the Named Executive Officers, and reviews recommendations and makes determinations regarding equity awards to any CBIZ employee after considering the recommendation of the CEO. Decisions regarding the non-equity compensation of employees other than the SMG are made by management within the Financial Services and Benefits & Insurance Services divisions. The Chairman of the Compensation Committee and the CEO reviewed the performance of each member of the SMG other than the CEO. The conclusions reached and recommendations based on these reviews, including with respect to salary adjustments and annual award amounts, are presented to the Committee. The Committee can exercise its discretion to modify any recommended adjustments or awards to executives.

**Setting Executive Compensation**

In order to assist the Compensation Committee in applying its compensation philosophy and objectives, the Company, at the request of the Compensation Committee, engaged Aon Hewitt, an outside human resources

**Table of Contents**

consulting firm, to periodically conduct reviews of its compensation program for the SMG. Aon Hewitt was engaged to prepare comprehensive reports regarding these matters in prior years, including 2015 and 2016. The Compensation Committee received research from Aon Hewitt that indicated that the prevalent performance measures used as targets in the compensation incentive plans of peer group companies included profit measures, revenue targets, TSR measurements, and other return metrics. The Committee also monitored developments in compensation philosophy and statements of principles issued by investment consultants such as Glass Lewis and Institutional Shareholder Services (ISS). At the request of the Committee, CBIZ subscribes to the executive compensation analysis services of a leading compensation and governance consulting firm (the Governance Firm). The Committee regularly reviewed and used compensation analysis reports of this consulting firm as benchmarks to evaluate the compensation packages of members of the SMG.

In 2017, the Compensation Committee engaged an additional consultant, Meridian Compensation Partners, LLC, to evaluate and recommend updates to the Company's executive compensation program. The Committee has also requested that Meridian provide refreshed benchmarking data following the 2018 proxy season, so that the Committee will have a more current basis for comparing median compensation levels for the SMG once that data becomes available.

Aon Hewitt was asked to analyze target compensation components and levels for the SMG, including the Named Executive Officers. The most recent Aon Hewitt analysis, delivered to the Compensation Committee in July of 2016, compares each element of total compensation for the SMG primarily against two groups, with relevant compensation data common to the groups. The first group is a custom peer group of 78 publicly traded, privately-held, and non-profit professional services, insurance, information technology, and other companies reflecting some aspect of CBIZ's product and service offerings (collectively, the Survey Peer Group). The constituent companies contained in the Survey Peer Group is periodically reviewed and updated by Aon Hewitt as part of its studies. Because of differences in the size and business focus among the companies comprising the Survey Peer Group, regression analysis is used to adjust the compensation data for differences in revenues. This adjusted value estimates the market value of compensation and is used as the basis of comparison of compensation between CBIZ and the companies in the Survey Peer Group.

The second group is a set of 13 select peer companies that Aon Hewitt selected for the purpose of comparing compensation of the Named Executive Officers to positions of companies in businesses comparable to those of our two principal divisions (collectively, the Proxy Peer Group). The Proxy Peer Group has many of the same companies as those noted in ISS's assessment of our pay practices.

The Survey Peer Group consists of the following companies:

Accenture Plc	Gartner, Inc.	Randstad North America L.P.
Alliance Data Systems Corporation	Global Payments Inc.	Republic Services, Inc.
Ally Financial Inc.	Harland Clarke	Robert Half International Inc.
American Express Company	ICF International, Inc.	Ronin Capital, LLC
American Family Insurance Group	IHS Inc.	Sallie Mae
American International Group, Inc.	Insperty, Inc.	Science Applications International Corporation
Ameriprise Financial, Inc.	Iron Mountain Incorporated	Sentry Insurance
Automatic Data Processing, Inc.	Kelly Services, Inc.	Sodexo, Inc.
Bain & Company, Inc.	Leidos Holdings, Inc.	State Street Corporation
Capital One Financial Corporation	Lincoln National Corporation	Teradata Corporation
Cardtronics, Inc.	LPL Financial Services	The Advisory Board Company

**Table of Contents**

CME Group Inc.	ManpowerGroup	The Allstate Corporation
O Financial Group Inc.	Maritz Holdings Inc.	The Bank of New York Mellon
Convergys Corporation	MasterCard Incorporated	The Dun & Bradstreet Corporation
Country Insurance & Financial Services	Merrill Corporation	The Hartford Financial Services Group, Inc.
Deloitte & Touche L.L.P.	MetLife, Inc.	The Nielsen Company
Deluxe Corporation	Mutual of Omaha Insurance Company	Total System Services, Inc.
Dst Systems, Inc.	National Rural Utilities Cooperative Finance Corp.	TransUnion LLC
E Trade Group, Incorporated	Nationwide Mutual Insurance Company	Trugreen, Inc.
Equifax Inc.	Navigant Consulting, Inc.	Tyco International, Ltd.
Expedia, Inc.	NeuStar, Inc.	Underwriters Laboratories Inc.
Fair Isaac Corporation	Northern Trust Corporation	Viad Corp
Fannie Mae	Paychex, Inc.	Visa International
Freddie Mac	Pitney Bowes Inc.	Voya Financial, Inc.
Federal Reserve Information Technology	Power Plant Management Services LLC	Wolters Kluwer U.S.
Fiserv, Inc.	PricewaterhouseCoopers International Limited	Xerox Corporation
The Proxy Peer Group included in the Aon Hewitt 2016 study includes:		

Arthur J. Gallagher & Co.	Brown & Brown Inc.	Crawford & Company
FTI Consulting, Inc.	Hackett Group, Inc.	HMS Holdings Corp.
Huron Consulting Group Inc.	Insperty, Inc.	Korn/Ferry International
Liberty Tax, Inc.	Navigant Consulting Inc.	Paychex, Inc.
	Resources Connection Inc.	

Aon Hewitt's database and statistical methods are helpful to the Compensation Committee because they create a broad basis on which to establish the market value compensation targets for the various members of the SMG, including the Named Executive Officers. Because CBIZ is composed of units in widely different business lines, which are not mirrored in the aggregate by any other precisely comparable individual companies, the regression analysis offered by Aon Hewitt is particularly useful because it creates a possible basis for compensation comparison for our Named Executive Officers, as well as our SMG from a statistical amalgamation of many companies that otherwise would individually reflect only one facet of our business or which are either too small or too large to serve as fair one-to-one comparators. Taken together, their data provides CBIZ with a benchmark not available from each Survey Peer Group member company individually.

The Committee targets aggregate compensation for the collective SMG, including Named Executive Officers, at approximately the 50<sup>th</sup> percentile of total compensation paid to similarly situated executives of the companies comprising the comparison groups. Variations to this objective in general, and in evaluating compensation targets for individual Named Executive Officers, as well as other members of the SMG, may occur as dictated by the experience level of the individual, the need to retain the individual, his or her relative importance or unique function within the organization, special meritorious conduct during the year or over a

---

## **Table of Contents**

longer period, and market factors. Adjustments may also be made on the basis of ancillary compensation data that the Company has obtained from publicly available competitive intelligence, the Governance Firm benchmark data, CBIZ acquisition efforts, and other sources of information pertaining to compensation for comparable positions.

A significant percentage of total compensation is allocated to incentives as a result of the Company's philosophy to maintain a variable compensation model based on both Company and individual performance. There is no pre-established policy or target for the allocation between either cash and non-cash or short-term and long-term incentive compensation, other than consistency with the percentile target range for the aggregate of the various components of total compensation. The Committee reviews information provided by Aon Hewitt, as well as the other sources of information mentioned above, to determine the appropriate level and mix of incentive compensation. Income from such incentive compensation is realized as a result of the performance of the Company or the individual, depending on the type of award, compared to established goals.

Historically, and in fiscal 2017, the Committee granted a majority of total compensation to CBIZ executive officers in the form of cash, cash-incentive, and equity compensation. The Committee determined that the total compensation programs for the collective members of the SMG, including the Named Executive Officers, were generally consistent with targets. In addition, the Committee believes that to the extent compensation was paid in excess of median levels reflected in Aon Hewitt data, such payments were appropriate because they served as appropriate recognition of the continued leadership contributions of the individuals concerned, reflected merit awards resulting from specific accomplishments of the individuals, and served as a useful talent retention mechanism. The Committee and management believe that this approach is necessary in order to attract and to retain key talent needed to ensure the long-term success of the Company. The Committee also noted that departures from the median data suggested by the most recent Aon Hewitt report were acceptable as discussed in *Comparison of Compensation to Targets*, p. 30.

### **2017 Executive Compensation Components**

For the fiscal year ended December 31, 2017, the principal components of compensation for Named Executive Officers were:

base salary;

performance-based short-term incentive compensation;

long-term equity incentive compensation;

deferred compensation and retirement savings plans;

participation in the CBIZ 2007 Amended and Restated Employee Stock Purchase Plan; and

perquisites and other personal benefits.

Based on the data available to the Committee through its compensation consultant, Aon Hewitt, and the market data available to the Committee through publicly available competitive intelligence, the Committee believes that these compensation components provide effective incentives for our senior management team to drive successful results related to the Company's principal performance measures of earnings per share (EPS) and organic revenue growth.

#### *Base Salary*

The Company provides the Named Executive Officers and other employees with base salary to compensate them for services rendered during the fiscal year. As in past years, the Company continued to compare the compensation of the members of the SMG, including Named Executive Officers, to the Survey Peer Group and the Proxy Peer Group, and to target total compensation collectively at or near median levels, with

salaries changing if called for by the Company's ancillary compensation data.

---

**Table of Contents**

During its review of base salaries for each member of the SMG, including Named Executive Officers, the Committee primarily considers:

market data and analysis provided by its compensation consultants;

market information from acquisition discussions, new hires, and other ancillary sources;

internal review of the executive's compensation, both individually and relative to other officers; and

individual performance of the executive.

Promotions or changes in job responsibility may also result in modifications to an executive's salary level. Any merit-based increases for the Named Executive Officers (other than the CEO) would be based on the evaluation and recommendation of the CEO and ultimately upon the Committee's own assessment of an individual executive's performance. Merit-based increases for the CEO are based upon the Committee's assessment of his performance as well as upon the data reflected in the Aon Hewitt report. In 2017, the Compensation Committee determined that no increase in base salary should be granted to members of the SMG other than for the CEO and the COO of the Financial Services division. Mr. Grisko's base compensation was raised to \$725,000 and Mr. Mills' base salary was raised to \$509,040. The adjustment to Mr. Grisko's compensation package brought it closer to the median levels indicated by the Aon Hewitt studies. The adjustment to Mr. Mills' compensation was made to offset incremental payroll taxes increases related to a change in location of his principal office, which adjustment was consistent with the treatment of other employees who were moved to that location.

The Aon Hewitt 2016 study indicates that CBIZ's base salary compensation to the members of the SMG, including the Named Executive Officers, is collectively comparable to the 50th percentile paid to similarly situated executives within the two comparison groups. The Committee determined that any variations were reasonably close to the median levels of compensation represented in the two comparison groups, and therefore the base compensation levels for the SMG satisfied the compensation philosophy, objectives and targets established by the Compensation Committee.

*Performance-Based Incentive Compensation*

At the 2014 Annual Meeting, stockholders approved the CBIZ, Inc. 2014 Stock Incentive Plan (the 2014 SIP). The 2014 SIP gives the Committee the ability to design cash and stock-based incentive compensation programs to promote high performance and achievement of corporate goals by the Named Executive Officers and other members of the SMG and other key employees throughout the Company. The Company believes that the 2014 SIP encourages the growth of stockholder value and allows key employees to promote and benefit from the long-term growth and profitability of CBIZ.

The Committee has awarded short-term non-equity incentive compensation to the SMG, including the Named Executive Officers, under the 2014 SIP through the adoption of Annual Executive Incentive Plans (EIP). The Committee also has awarded stock options and restricted stock as long-term equity incentive compensation to this group. Members of the SMG, including the Named Executive Officers, are granted equity awards based on their performance during the prior year and in accordance with the Company's long-term equity incentive program. In 2017, the annual EIP was adopted by the Compensation Committee pursuant to the 2014 SIP. Members of the SMG, including several of the Named Executive Officers, received cash incentive compensation under the 2014 SIP and attendant EIP for their performances in 2017.

The COO, Financial Services, was not eligible to participate in the EIP because of his relatively high base salary compared to the Presidents of the Company's principal operating divisions. Prior to his employment as COO of the Financial Services division, Mr. Mills was the President of the Financial Services division's Kansas City office, and was awarded a high base salary as a result of the superior performance of that unit under his leadership. The Chairman, CEO and Compensation Committee determined that Mr. Mills should not experience



**Table of Contents**

a decrease in base salary as a result of his promotion, but that he should not also participate in the EIP. Bonus payments to Mr. Mills are based upon a merit assessment, recommendation by the CEO, and approval by the Compensation Committee.

As discussed in detail in the section titled CBIZ Annual Executive Incentive Plan below, in 2017 the EIP cash incentive compensation component consisted of a financially based award ( Financially Based Award ) and an individual performance award ( IPA ) dependent on the Company's financial performance results in terms of diluted earnings-per-share from continuing operations ( continuing EPS ), and as a function of the Company's organic revenue growth, a non-GAAP financial measure. Organic revenue represents total revenue adjusted to reflect comparable periods of activity for acquisitions and divestitures. For example, for a business acquired on July 1, 2016, revenue for the period January 1, 2017 through June 30, 2017 would be reported as revenue from acquired businesses; same-unit revenue would include revenue for the periods July 1 through December 31 of both years. The Committee applied these measures after careful consideration and examination of the Company's objectives, including that continuing EPS and organic revenue growth are the Company's key financial objectives, that continuing EPS and organic revenue growth appear to be the primary objectives of our stockholders, that achieving the Company's continuing EPS target will ensure an acceptable margin assuming an appropriate share repurchase program, that these two primary performance metrics do not preclude our commitment to re-investing in the Company, and that information provided by Aon Hewitt indicates that factors related to organic revenue growth and growth in EPS are more prevalent measures used by peer companies to trigger performance compensation.

The Named Executive Officers and other members of the SMG were also eligible to receive additional merit-based cash bonuses for 2017 performance, which bonuses would be issued under the authority of the 2014 SIP based upon the evaluation and recommendation of the CEO, and ultimately upon the Committee's own assessment of an individual executive's performance. Such compensation is discretionary and awards are made by the Committee upon recommendation of the CEO. Only one merit-based cash bonus was awarded in 2017. The COO, Financial Services was awarded a merit cash bonus in recognition of his contributions to managing the operations and operating results of the Financial Services division, his efforts to meet revenue and margin targets, and his efforts to realize the Financial Services division's strategic goals. He was not eligible to participate in the EIP and received no EIP award.

**CBIZ Annual Executive Incentive Plan**

The 2017 EIP was an annual cash incentive program adopted by the Committee under the authority of the 2014 SIP. The 2017 EIP provided guidelines for the calculation of non-equity incentive-based compensation, subject to Committee oversight and modification. At its regular February meeting each year, the Committee considers whether an annual EIP should be continued and, if so, approves the members of the SMG eligible to participate in the EIP and sets incentive levels based on the participant's position, management authority over and accountability for operations or corporate processes, and potential to impact revenue or expenses.

The 2017 EIP calculated cash incentive awards as a function of the Company's organic growth as well as its EPS growth. As in prior years, under the Financially Based Award component of the 2017 EIP, Target Award ( TA ) opportunities are established as a percentage of each executive's base salary, and are subject to a Target Multiplier ( TM ) that increases or reduces award opportunities based on the Company's ability to exceed, meet, or fail to meet predetermined targets. In 2017, the predetermined targets consisted of a diluted continuing EPS target related to continuing operations ( EPS Target ), and an organic revenue growth measure related to continuing operations target ( ORG Target ), which is a non-GAAP financial measure. The Committee is permitted under the terms of the EIP to make adjustments to the targets that would cause them to be characterized as non-GAAP financial measures. Seventy percent (70%) of an executive's TA opportunity is dependent on the Company's performance with respect to the EPS Target and thirty percent (30%) of an executive's TA opportunity is dependent on the Company's performance with respect to the ORG Target. The TA opportunities for members of the SMG, including the Named Executive Officers, assuming the Company's

---

**Table of Contents**

final EPS results related to continuing operations coincide with the EPS Target and organic growth results coincide with the ORG Target, range from 40% to 80% of base salary.

The TM range for the EPS Target may reduce the awards to 0% or increase the awards to 180% of the EPS Target-related portion of an executive's bonus opportunity. The TM range for the ORG Target may reduce the awards to 0% or increase the awards to 200% of the ORG Target-related portion of an executive's bonus opportunity. For fiscal 2017, 100% of each Named Executive Officer's financially-based EIP award was calculated as a function of corporate financial objectives relating to EPS Targets and ORG Targets.

The 2017 EIP also contained an additional IPA component, under which each member of the SMG, including the Named Executive Officers, could have earned an additional award, ranging from 25-30% of the executive's base TA for extraordinary individual performance. The range of potential IPA for each individual depended in part upon the position and relative responsibility of each member of the SMG. The Compensation Committee determined that a predetermined percentage of the Base Target Award of the SMG should be granted to them if they are determined to achieve financial and certain non-financial goals set jointly by the CEO and the Compensation Committee. Under the 2017 EIP, the Committee again determined that the CEO's IPA percentage of Base Target Award should be 30%, and the IPA percentage of Base Target Award for each remaining member of the Named Executive Officers and SMG should be 25%. Measurement of individual performance under this component was based upon the assessment by the Compensation Committee and the CEO of an executive's performance related to the individual's personal contributions toward the achievement of the Company's financial results. The CEO's recommendations and underlying assessments regarding the performance of members of the SMG other than himself were presented to the Compensation Committee, and the Committee had the opportunity to accept, reject, or modify the recommendations. The CEO's eligibility for his IPA award was directly judged by the Compensation Committee. In 2017, the CEO declined to accept the Committee's award of his full IPA potential award, and voluntarily reduced his IPA award by \$20,600. The Committee accepted the CEO's recommendations that the full IPA award established under the 2017 EIP should be given to the members of the SMG, with the exception of a 100% reduction in the IPA awards to the President of the Financial Services division and the President of the Benefits & Insurance Services division. The reductions in IPA awards recommended by the CEO were deemed to be appropriate given divisional financial performance measured against budget targets.

Upon completion of the fiscal year, the Committee reviewed the diluted EPS from continuing operations and organic growth performance of the Company, determined the TMs applicable to the SMG's respective TAs, determined the applicable IPA percentage, calculated the EIP award earned for each member of the participating group, made applicable adjustments, and certified the appropriate EIP awards.

For 2017, the Committee set the EPS Target at \$0.82 per diluted share from continuing operations. For the covered executives, including the Named Executive Officers, to earn any EIP Target-related bonus for 2017, the Company was required to post results that were approximately 94% of the EPS Target, or \$0.77 per share. In order to earn the maximum possible EIP bonus, the Company's results would have had to exceed target EPS requirements under the plan by approximately 7.3%, or \$0.88.

For 2017, the Committee again set the ORG Target at 3.0%. This standard is considered to be a non-GAAP financial measure, as previously explained. For the covered executives, including the Named Executive Officers, to earn any ORG Target-related bonus for 2017, the Company was required to post results that were 86.7% of the ORG Target, or a 2.6% organic revenue growth result. In order to earn the maximum possible EIP bonus, the Company's results would have to exceed the ORG Target by approximately 26.7%, or an organic revenue growth result of 3.8%.

The Committee believes these EPS Targets and ORG Targets are consistent with the EIP's purpose in encouraging the achievement of positive long-term performance in the Company's financial results and not penalizing the management team for challenging market conditions faced by each of the Company's respective divisions.

**Table of Contents**

The range of potential Target Multipliers applicable to 2017 Financially Based Awards is set out in the table below.

Earnings Per Share Component	Multiplier	Organic Revenue Growth Component	Multiplier
At least \$0.77	0.5	At least 2.6%	0.5
\$0.78	0.6	2.7%	0.6
\$0.79	0.7	2.8%	0.7
\$0.80	0.8	2.9%	0.9
\$0.81	0.9	3.0%	1.0
\$0.82	1.0	3.1%	1.1
\$0.83	1.1	3.2%	1.2
\$0.84	1.2	3.3%	1.4
\$0.85	1.3	3.4%	1.6
\$0.86	1.4	3.5 3.7%	1.7
\$0.87	1.6	3.8% and above	2.0
\$0.88 and above	1.8		

The Compensation Committee, at the recommendation of the CEO, determined that it was appropriate to lower the final EPS Target Multiplier in order to make a downward adjustment to EIP payouts, which adjustment converted this GAAP financial measure to a non-GAAP measure. The 2017 results include a \$0.05 per share increase related to the effect of new tax rates applied to a deferred tax asset on the Company's balance sheet. In addition, results also include an additional \$0.06 per share positive impact related to unbudgeted favorable tax rates applied to stock compensation. Because management had no influence on the variables used to produce the favorable tax treatment, and that a number of additional unforeseeable adverse events outside of management's control negatively affected results, the CEO recommended that the EPS component of the EIP be lowered by a net effect of \$0.09 per share. The Committee agreed that such an adjustment fairly accounted for both positive and negative uncontrollable effects on EPS results. Without the adjustment, diluted EPS related to continuing operations for purposes of the EIP would have been \$0.92 and the Target Multiplier would have been 1.8. With the adjustment, EPS results for purposes of the EIP were reduced to \$0.83, and therefore the EPS TM was lowered to 1.1. Organic revenue growth results were 2.2% and therefore the ORG TM was determined to be 0. There were no other special adjustments that affected these targets for 2017.

For each of the Named Executive Officers, the Target Awards, applicable TM, Individual Performance Adjustments, and EIP Bonuses for 2017 performance were:

Name	2017 Base Pay	Base		Indiv. Perform. Award (\$)	70% Based on EPS			30% Based on ORG			Total EIP Bonus
		Target Award (% Base Pay)	Base Target Award (\$)		70% of Base Target Award	Target Multi- plier	EPS- Based Award	30% of Base Target Award	Target Multi- plier	ORG- Based Award	
Jerome P. Grisko, Jr.	\$ 725,000	80	580,000	153,400 <sup>1</sup>	406,000	1.1	446,600	174,000	0.0	0	600,000
Ware Grove	\$ 428,500	60	257,100	64,275	179,970	1.1	197,967	77,130	0.0	0	262,242
Chris Spurio	\$ 463,500	50	231,750	0 <sup>2</sup>	162,225	1.1	178,447	69,525	0.0	0	178,448
Michael Kouzelos	\$ 443,000	50	221,500	0 <sup>2</sup>	155,050	1.1	170,555	66,450	0.0	0	170,555
Richard Mills <sup>3</sup>	n/a										

(1) Represents a voluntary reduction of approximately 12% in the IPA award to the CEO, due to failure to meet budget targets.

(2) Represents a 100% reduction in the IPA award to the Presidents of the two principal divisions, due to failure to meet budget targets.

(3) The COO, Financial Services was not eligible to participate in the 2017 EIP for the reasons stated in *Performance-Based Incentive Compensation*, p. 23.

In making the annual determination of the minimum, target and maximum levels for the EIP bonuses, the Committee considers any appropriate factor including but not limited to anticipated risks and rewards,

---

**Table of Contents**

performance metrics, internal revenue and margin estimates, as well as specific circumstances facing the Company during the coming year. The judgment of the Committee, as well as that of the CEO in his role of assisting the Committee, in determining whether or not the members of the SMG have met their goals and fulfilled their duties throughout the year, constitutes an exercise of both objective investigation as well as discretion. The goals set for these executives included achieving budgetary targets for the operations under their direction mitigated by any events or reasons outside their control that caused any failure to meet budget targets, supporting key strategic initiatives of the Company, meeting or exceeding cross-serving program goals for the operations under their control, generating acquisition opportunities, meeting the requirements of the One CBIZ client service model, working together as a coherent and mutually supportive senior management team, and meeting expectations related to leadership performance.

Awards made to Named Executive Officers under the EIP for performance in 2017 are reflected in column (g) of the Summary Compensation Table on p. 34.

The Aon Hewitt 2016 study indicates that CBIZ's total cash compensation to the members of the SMG, including the Named Executive Officers, is collectively slightly less than the 50th percentile paid to similarly situated executives within the two comparison groups. The Committee noted that the award to the CEO was less than the median level compared to levels prevailing in the two groups of comparative companies. The Committee determined that the variations were reasonably close to the median levels of compensation represented in the two comparison groups, and therefore the total cash compensation levels for the SMG satisfied the compensation philosophy, objectives and targets established by the Compensation Committee.

**Merit Bonuses**

Promotions, changes in job responsibility, and extraordinary program achievements may also result in a merit-based bonus that is not awarded pursuant to the authority of the 2014 SIP. Merit-based bonuses are based, in the case of the CEO, on the evaluation of the Compensation Committee, and in the case of members of the SMG other than the CEO, on the recommendation of the CEO, subject to the Committee's approval.

Only one special merit bonus was paid to a member of the SMG for his performance in 2017. The COO, Financial Services, who was not eligible to participate in the 2017 EIP, was awarded a merit-based cash bonus in recognition of his contributions to managing the operations and operating results of the Financial Services division, his efforts to meet revenue and margin targets, and his efforts to realize the Financial Services division's strategic goals of developing our government healthcare consulting and transaction advisory services businesses. However, as with the IPA award to the President of the Financial Services division, his 2017 merit bonus was reduced in comparison to the merit bonus he received in 2016 due to the failure of his division to meet budget targets.

**Long-Term Equity Incentive Compensation**

**Stock Option and Restricted Stock Programs**

The Company believes that the Stock Option and Restricted Stock Programs under the 2014 SIP enable the Company to:

enhance the link between the creation of stockholder value and long-term executive incentive compensation;

provide an opportunity for increased equity ownership by executives; and

maintain fair and competitive levels of total compensation.

Equity awards are determined based on market data and vary among participants based on their positions and functions within the Company. Option awards vest, restrictions on stock awards lapse, grants are awarded, conditions and terms apply, and pricing is set by the Compensation Committee according to the procedures described on pp. 36-38.

---

**Table of Contents**

The Aon Hewitt 2016 study indicates that CBIZ's long-term incentive compensation in the form of stock options or restricted stock grants to the members of the SMG, including the Named Executive Officers, is collectively within the competitive range of long-term incentive compensation and very close to the 50<sup>th</sup> percentile paid to similarly situated executives within the two comparison groups. Again this year, the Committee noted that the awards to the CEO were less than the median level compared to levels prevailing in the two groups of comparative companies. The Committee determined that the variations were reasonably close to the median levels of compensation represented in the two comparison groups, and therefore the compensation levels for the SMG satisfied the compensation philosophy, objectives and targets established by the Compensation Committee. The 2016 awards for the Named Executive Officers are set out in the "Grants of Plan-Based Awards" table on p. 36.

*Deferred Compensation and Retirement Savings Plans*

*Retirement Savings Plan*

The CBIZ Retirement Savings Plan (the "Savings Plan") is a tax qualified retirement savings plan pursuant to which all U.S. based associates, including the Named Executive Officers, are able to contribute the lesser of up to 80% of their annual salary or \$17,500 (plus an additional \$5,500 if the participant was at least 50 years old) to the Savings Plan on a before tax basis. The Company will match 50% of the first 6% of pay that is contributed to the Savings Plan. Employees who have attained age 21 are permitted to become participants in the Savings Plan after the earlier of 60 consecutive days of service or 12 full months of employment and 1,000 hours of service within the 12-month period. Employer matching payments commence after participants have been employed for one year. Employer contributions on behalf of participants are fully vested after a participant has been employed for three years of vesting service. Participants deposit savings in one or more of 28 stock and bond investment funds. The 2017 at-market annual rates of return of the investment choices available to participants ranged from 3.58% to 36.79%, depending on each participant's fund selections.

*Non-qualified Deferred Compensation Plan*

The Named Executive Officers, as well as any other member of the SMG, any Business Unit Leader ("BUL") and any other employee scheduled to earn more than \$200,000 annually are entitled to participate in the CBIZ Employee Non-qualified Deferred Compensation Plan. Pursuant to this deferred compensation program, eligible employees can defer up to 100% of any bonus and commission payments, as well as up to 25% of their base compensation. There is no employer match in this program. The Company does not pay any gains that participants may obtain through investment in the plan. Gains and losses are strictly related to the investment returns of the mutual fund choices within the plan. For additional information about this plan, please refer to the discussion beginning on p. 34.

*CBIZ 2007 Amended and Restated Employee Stock Purchase Plan*

At the 2011 Annual Meeting, stockholders approved the CBIZ 2007 Amended and Restated Employee Stock Purchase Plan ("ESPP"), under which employees may purchase up to 2,000,000 shares of CBIZ stock at a 15% discount, and may contribute up to \$21,250 toward annual purchases of stock by payroll deduction or otherwise, in accordance with the terms of the ESPP. The Named Executive Officers and all other members of the SMG are entitled to participate in the ESPP, along with and upon the same terms as all other qualified employees of CBIZ and its subsidiaries. Several members of the SMG, including the CEO and the President, Financial Services, are regular participants in the ESPP.

*Perquisites and Other Personal Benefits*

The Company provides the Named Executive Officers and other members of the SMG with perquisites and other personal benefits that the Company and the Committee believe are reasonable and consistent with the

**Table of Contents**

Company's overall compensation program to better enable the Company to attract and retain superior employees for key positions. The Committee periodically reviews the levels of perquisites and other personal benefits provided to Named Executive Officers and did so again in 2017. Certain of the Named Executive Officers, as set out in the Summary Compensation Table and the Other Compensation Table, are provided with the use of Company automobiles, tax preparation assistance, participation in the plans and programs described above, long-term disability plans, life insurance, an excess liability umbrella insurance policy, an executive health program, the use of Company golf club memberships for personal use, and tax gross-up payments. Other perquisites are noted in the Other Compensation table on p. 34. The SMG, like all full-time employees of the Company, are provided with a death benefit program that provides for a payment of up to \$50,000 in the event of death during employment. This program is provided to all full-time employees at no charge, and the enrollment of the Named Executive Officers in this program has been determined by the Company to have no aggregate incremental cost. When the Named Executive Officers use the Company's golf club memberships for personal use, they reimburse CBIZ for any and all charges incurred in connection with their personal use. The occasional personal use of these memberships has been determined by the Company to have no aggregate incremental cost. Unless otherwise noted, the value of each perquisite is calculated based upon actual costs incurred by the Company in securing these benefits. In the case of leased automobiles, the cost of perquisites is calculated based upon the percentage of each executive's personal use of the vehicle, which usage is then valued by reference to the IRS table related to usage valuation for leased autos.

Mr. Grisko incurred, and was reimbursed for and received a tax gross-up payment for, payments related to a contractually required golf club membership. The Company also paid for the cost of a life insurance policy called for in the CEO's 2016 employment agreement, as well as a tax gross-up payment to cover the income imputed to Mr. Grisko by the existence of this life insurance policy. The Committee believes that such a benefit is common for positions of this stature, and that the existence of the policy was a negotiated requirement necessary to secure Mr. Grisko's services as CEO. The Committee determined that provision of the life insurance policy, including the tax gross-up payment, was a more cost-effective method of securing a comparable benefit than through other methods such as a SERP or other more costly forms of pension benefits.

Attributed costs of the personal benefits described above for the Named Executive Officers for the fiscal year ended December 31, 2017, are included in column (i) of the Summary Compensation Table on p. 34. The Company has entered into employment agreements or severance protection agreements with certain key employees, including several of the Named Executive Officers, as noted on p. 35. These agreements are designed to promote stability and continuity of key members of senior management. Information regarding applicable payments under such agreements for the Named Executive Officers is provided under the headings Employment or Other Agreements on p. 35 and Potential Payments upon Termination or Change in Control on p. 39-42.

*Consideration of 2017 Say-on-Pay Vote, Institutional Investor Opinion, and Institutional Advisory Firm Comments*

In order to remain apprised of stockholder reaction to the compensation of the Company's Named Executive Officers, the Company recommended, and the Stockholders concurred, that an annual stockholder vote should be held on this issue. The Company has determined that annual say-on-pay votes will be held.

The Committee considered the results of the say-on-pay vote, its discussions with institutional investors and the comments of advisory firms in its review of the compensation of the entire SMG, as well as that of the Named Executive Officers in particular. In arriving at the pay packages for the Named Executive Officers, the Compensation Committee reviewed and considered the results of the Stockholders' votes on the say-on-pay issue presented at the Company's 2017 Annual Meeting. While the Committee noted that a significant majority of Stockholders approved the compensation of the Company's Named Executive Officers, it also was again mindful of Stockholders with different views. The Committee also noted that the Company again continued its intensive efforts throughout 2017 to engage with all major institutional investors to ensure, in part, that its policies and actions are compatible with the views of the investors. The CEO, CFO and the Head of our Investor Relations

---

## **Table of Contents**

Program met with individuals representing approximately 46.9% of the Company's stockholders in 2017. The Compensation Committee was provided with and considered the substance of these investor discussions in arriving at the compensation of the Named Executive Officers.

The Committee also noted that the Company's 2017 say-on-pay proposal received support from ISS, a leading independent governance analysis and proxy voting advisor to institutional investors. The Compensation Committee has again determined that the presence of the tax gross-up payments in the CEOs' total compensation packages were the most reasonable and cost effective method for the Company to provide the life insurance and other benefits required by Mr. Grisko's employment agreement. Any other means of providing this benefit would have been much more expensive for the Company on a GAAP P&L basis as well as on a cash basis, and therefore significantly more adverse to investor interests.

In 2017, the Committee again used compensation modeling provided by the Governance Firm's services to assess the suitability of the CEOs' compensation packages and believes that the results of modeling using the compensation numbers contained in this Proxy Statement indicated that the current CEO's compensation package presented a Low level of concern in all four categories (Relative Degree of Alignment, Multiple of Median, Pay-TSR Alignment, and Financial Performance Assessment) evaluated by the Governance Firm's quantitative analysis tools. According to analysis of the CEO's pay during 2017 using the Governance Firm's modeling, Mr. Grisko's pay package scored a Relative Degree of Alignment of approximately 49.77, a Multiple of Median of approximately 0.99, a Pay-TSR Alignment score of approximately 13.3, and a Financial Performance Assessment score of 14.5. All of these metrics confirm the Compensation Committee's conclusion that there is a low level of overall concern with respect to the CEO's compensation program.

### *Comparison of Compensation to Targets*

The Committee examined the compensation metrics made available to it from compensation consultant Aon Hewitt in 2016 and the ancillary data sources, again made a full assessment of the individual performance of each member of the SMG, and compared the personal performance of the Named Executive Officers to the compensation data available at the companies reviewed by Aon Hewitt. Based on its analysis of the compensation of these officers, the Committee believes that the compensation of the Named Executive Officers is appropriate in accordance with the Company's compensation philosophy and objectives, compatible with the individual performance of each member of the SMG as well as that of the Company in 2017, consistent with the views and interests of the Company's institutional and individual investors, and generally in agreement with the range of target levels suggested by the data compiled by Aon Hewitt, the Governance Firm, and available from other ancillary sources.

As previously stated, the Committee generally targets aggregate compensation for the collective SMG, including the Named Executive Officers, at approximately the 50th percentile of total compensation paid to similarly situated executives of the companies comprising the Survey Peer Group and the Proxy Peer Group. Variations to this objective in general, and in evaluating compensation targets for individual members of the SMG, including the Named Executive Officers, may occur as dictated by the experience level of the individual, his or her relative importance or unique function within the organization, special meritorious conduct during the year or over a longer period, continued leadership contributions, talent retention concerns, and other market factors.

The compensation levels of the Named Executive Officers compare appropriately to the Committee's aggregate targets for their respective positions. The Committee found that the aggregate compensation of the Named Executive Officers was generally consistent with the median targets of the 2016 Aon Hewitt study.

The CEO's total compensation in 2017, including the grant date fair value of long-term equity grants was \$2,918,938, compared with the 2016 Aon Hewitt study's 50th percentile total compensation targets of \$2,610,000 for the Survey Peer Group and \$3,220,035 for the Proxy Peer Group. Therefore, the CEO's total

**Table of Contents**

compensation is indicated to be within the median target values for comparable positions. The Committee determined that the payment of CEO compensation was up to 9.4% lower than the high median data provided by Aon Hewitt. This data was confirmed by compensation modeling provided by the Governance Firm, which indicated that the CEO's total compensation package was only approximately 99% of the median indicated by the Governance Firm's data. The Compensation Committee acknowledged that the CEO's compensation was consistent with the targets established by the Committee.

The Committee also determined that the inclusion of the tax gross-up amount present in the CEO's total compensation was not material for a number of reasons. First, the amount of the gross-up payment was 3.7% of the total compensation paid to the CEO, and therefore did not by itself constitute a material amount of total compensation when compared to the whole. Second, the largest portion of the tax gross-up payment relates to a Company commitment to provide the CEO with a life insurance policy called for under his amended employment agreement negotiated at the time of his appointment as CEO. Second, the total amount of the compensation paid to the CEO presented a low concern according to standards applied by the Governance Firm, which compared CEO compensation to its selected group of peer CEOs. According to the Governance Firm's analysis, the CEO was paid slightly less than the median for CEOs considered comparable under its Pay-For-Performance standards, even when the tax gross-up payment is included. Therefore, even including the tax gross-up payment, the total amount of compensation paid to the CEO is considered a low concern under the Governance Firm's Pay-For-Performance standards (Relative Degree of Alignment, Multiple of Median, Pay to Total Shareholder Return, and Financial Performance Assessment). The Committee is aware that the Governance Firm is not in favor of any tax gross-up payment that is not de minimis. However, since the amount of the tax gross-up payment was itself only 3.7% of total CEO compensation, it constituted a very small fraction of a pay package that is, in total, a low level of concern. Therefore the Committee believes that the tax gross-up payment itself is fairly characterized as being of low level of concern as well.

The CFO's total compensation of \$1,448,731, including the grant date fair value of equity grants, was approximately aligned with the 2016 Aon Hewitt study's 50th percentile total compensation targets of \$1,118,461 for the Survey Peer Group and \$1,386,015 for the Proxy Peer Group. The Committee determined that to the extent the compensation package for the CFO exceeded median target ranges expressed in the 2016 Aon Hewitt study, the package was justified in that the 2016 data reflected in the study were somewhat out of date, and that ancillary compensation data available to the Committee suggested that the CFO's compensation package was consistent with median CFO compensation standards for peer and other comparable companies. The Committee concluded that the compensation for the CFO was justified and consistent with the philosophy and targets established by the Committee.

The President, Financial Services' total compensation in 2017 was \$1,379,639. The 2016 Aon Hewitt study reflected 50th percentile total compensation of a division president as \$1,462,358 for the Survey Peer Group and \$1,621,600 for the Proxy Peer Group. The Committee noted that the compensation package paid was near the lower end of the median target range for roughly similar positions according to the Aon Hewitt data. The Committee also had access to market data available to the Committee through the Company's acquisition discussions and publicly available competitive intelligence. The Committee is aware of the unique nature of this position compared to such positions at more traditional professional accounting, tax and consulting firms. In light of the data, and the unique nature of this position relative to similar industry positions, the Committee determined that the compensation of the President, Financial Services was consistent with targets based upon the Aon Hewitt and competitive data.

The President, Benefits & Insurance Services' total compensation was \$1,264,212 in 2017. The 2016 Aon Hewitt study reflected just under the 50th percentile total compensation of a division president as \$1,367,804 for the Survey Peer Group and \$1,387,303 for the Proxy Peer Group. The Committee again had access to market data regarding this position available to the Committee through the Company's acquisition discussions and publicly available competitive intelligence. The Committee is aware of the unique nature of this position compared to such positions at more traditional insurance and benefits brokering companies. In light of the data,



**Table of Contents**

and the unique nature of this position relative to similar industry positions, the Committee determined that the President, Benefits & Insurance Services was compensated in a manner that was consistent with the targets set by the Committee.

The COO, Financial Services' total compensation, including the grant date fair value of equity grants, was \$889,516 in 2017. The 2016 Aon Hewitt study indicated that the 50th percentile of total compensation for the third highest paid officer other than the CEO and CFO for the Proxy Peer Group was \$1,499,996, and the 25<sup>th</sup> percentile was \$759,936. The Committee noted that the compensation package paid was within the median target range for roughly similar positions according to the Aon Hewitt data. The Committee also had access to market data available to the Committee through the Company's acquisition discussions and publicly available competitive intelligence that supported this determination. The Committee is aware of the unique nature of this position compared to such positions at more traditional professional accounting, tax and consulting firms. In light of the data, and the unique nature of this position relative to similar industry positions, the Committee determined that the compensation of the COO, Financial Services was consistent with targets based upon the Aon Hewitt and ancillary competitive data.

**Tax and Accounting Implications***Deductibility of Executive Compensation*

As part of its role, the Committee reviews and considers the expected tax treatment to the Company and its executive officers as one of the factors in determining compensation matters. Section 162(m) of the Internal Revenue Code generally provides that the Company may not deduct compensation of more than \$1,000,000 that is paid to a covered employee in any fiscal year, although, prior to January 1, 2018, there was an exception to the Section 162(m) deduction limit for certain qualifying performance-based compensation. For these purposes, prior to January 1, 2018, covered employees generally were our named executive officers serving on the last day of the year other than the chief financial officer. Among other changes to Section 162(m), the ability to rely on the exception for performance-based compensation was eliminated, effective as of January 1, 2018, unless it qualifies for transition relief applicable to certain written binding contracts in place as of November 2, 2017, and the scope of covered employees was expanded to include the chief financial officer and certain former named executive officers. The Committee currently considers the deductibility under Section 162(m) of compensation awarded to its executives to the extent reasonably practical and consistent with our objectives, but the Committee may nonetheless approve compensation that does not fall within these requirements and may authorize compensation that results in non-deductible amounts above the limits if it determines that such compensation is in our best interests. However, the Company intends to comply with the transition rule for written binding contracts in place as of November 2, 2017, as long as the Committee determines that to be in the Company's best interest.

*Accounting for Stock Based Compensation*

Beginning on January 1, 2006, the Company began accounting for any stock-based awards or payments under its 2014 SIP and prior stock option plan in accordance with the requirements of FASB ASC Topic 718. In March 2016, FASB issued ASU No. 2016-09, *Compensation Stock Compensation (Topic 718) - Improvements to Employee Share-Based Payment Accounting* (ASU 2016-09), which requires the tax effects related to share-based payments be recorded through the income statement and simplifies the accounting requirements for forfeitures and employers' tax withholding requirements. ASU 2016-09 was effective for CBIZ on January 1, 2017.

**Table of Contents**

**COMPENSATION COMMITTEE REPORT**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussion, recommended to the Board of Directors that it be included (or incorporated by reference as applicable) in the Company's proxy statement.

**Compensation Committee of the Board of Directors**

Joseph S. DiMartino, Chairman

Todd J. Slotkin

Benaree Pratt Wiley

**COMPENSATION RISK ASSESSMENT**

The Compensation Committee again conducted a full review of the compensation policies and practices of the Company in order to determine if these factors are reasonably likely to have a material adverse effect on the Company. It was the Committee's conclusion, after careful consideration of all the information presented, that CBIZ's compensation policies and practices are not reasonably likely to have a material adverse effect on the Company.

CBIZ has a policy that prohibits pledging or hedging of Company shares by officers or directors. CBIZ also has a stock retention policy requiring directors to maintain stock valued at a multiple of three times the amount of their annual retainer, and requiring the CEO to maintain stock valued at a multiple of five times his base salary. Other SMG members, including the remaining Named Executive Officers, are required to maintain between two and three multiples of base salary.

**Clawback Policy**

In February 2018, the Compensation Committee and the Board adopted a recoupment policy for compensation paid to certain executive officers, including our NEOs. The Company's Board of Directors may, in appropriate circumstances following an assessment and recommendation by the Compensation Committee, require disgorgement of certain payments to an officer, including the Named Executive Officers identified in our Proxy Statements, where: (1) the payment was predicated upon achieving certain financial results that were subsequently the subject of a substantial restatement of our financial statements filed with the SEC; and (2) the Compensation Committee determines the executive engaged in intentional misconduct that caused or substantially caused the need for the substantial restatement; and (3) a lower payment would have been made to the executive based upon the restated financial results.

In each such instance, following an assessment of the executive officer's accountability for the loss and to the extent practicable and for the applicable look-back period, the Compensation Committee, in its discretion, may then recommend that the Board take such actions as it deems necessary or appropriate, in its discretion, to address the events that gave rise to the restatement, to prevent its recurrence, and to recoup appropriate amounts from the individual executive officer. Such actions may include, to the extent permitted by applicable law: (1) requiring the executive officer to repay some or all of any bonus or other incentive compensation paid; and/or (2) requiring the executive officer to repay any gains realized on the exercise of stock options or on the open-market sale of vested shares; and/or (3) canceling some or all of the executive officer's restricted stock or deferred stock awards and outstanding stock options; and/or (4) adjusting the executive officer's future compensation; and/or (5) terminating or initiating legal action against the executive officer.

The Compensation Committee will continue to review this clawback policy and amend it as necessary, consistent with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act, other applicable federal acts, and related regulations as statutes or regulations are adopted.

**Table of Contents****Summary Compensation Table**

Name and Principal Position (a)	Year (b)	Salary (\$) (c)	Bonus <sup>1</sup> (\$) (d)	Restricted Stock Awards <sup>2</sup> (\$) (e)	Stock Option Awards <sup>2</sup> (\$) (f)	Non-Equity Incentive Plan Compensation <sup>3</sup> (\$) (g)	All Other <sup>4</sup> Compensation (\$) (i)	Total (\$) (j)
Jerome P. Grisko, Jr. PEO, CEO & President	2017	714,625		746,400	628,200	600,000	229,713	2,918,938
	2016	628,750		496,800	432,000	749,856	195,441	2,502,847
	2015	536,277		336,600	257,400	508,128	26,387	1,664,792
Ware Grove PFO, SVP, CFO	2017	428,500		466,500	261,750	262,242	29,739	1,448,731
	2016	426,938		310,500	180,000	362,511	30,014	1,282,525
	2015	416,319		280,500	175,500	289,536	30,497	1,192,352
Chris Spurio President, Financial Services	2017	463,500		466,500	261,750	178,448	9,441	1,379,639
	2016	461,813		310,500	180,000	326,767	9,811	1,288,891
	2015	444,027		280,500	175,500	232,875	9,711	1,142,613
Michael Kouzelos President, Benefits & Insurance Services	2017	443,542		388,750	251,280	170,555	10,085	1,264,212
	2016	440,833		258,750	172,800	256,940	9,811	1,139,134
	2015	425,000		233,750	168,480	222,525	9,711	1,059,466
Richard Mills COO, Financial Services	2017	509,040	58,795	186,600	125,640		9,441	889,516
	2016	509,040	112,896	124,200	86,400		9,811	842,347

(1) Represents a special merit bonus recommended by the CEO and approved by the Compensation Committee. The bases for such bonuses, if any, are stated in the Merit Bonuses and Comparison of Compensation to Targets sections of the Compensation Discussion and Analysis.

(2) Represents the grant date fair value as computed in accordance with FASB ASC Topic 718. This does not reflect taxable income to the individual until restrictions lapse or options are exercised. See 2017 Grants of Plan-Based Awards table for the awards to which these values relate, p. 36. The assumptions used in calculating these amounts are incorporated herein by reference to Note 14 to the Company's consolidated financial statements, set forth in the Form 10-K for the fiscal year ended December 31, 2017, as filed on March 1, 2018.

(3) Pursuant to the applicable year's EIP adopted by the Compensation Committee in advance of that year's performance, which incentive compensation plans were established pursuant to the 2014 SIP or 2002 SIP, as applicable.

(4) See Other Compensation table, below.

**Other Compensation**

Name	Year	Perquisites and Other Personal Benefits (\$)	Airfare (\$)	Hotel (\$)	Insurance Premiums (\$)	Company Contributions to 401(k) Plans (\$)	Automobile Adjustments & Car Service (\$)	Tax Gross-Up Reimbursement (\$)	Total (\$)

Edgar Filing: CBIZ, Inc. - Form DEF 14A

Jerome P. Grisko, Jr.	2017	99,159 <sup>1</sup>	1,341 <sup>2</sup>	8,100	13,086 <sup>3</sup>	108,027	229,713
Ware Grove	2017		1,341 <sup>2</sup>	8,100	11,540 <sup>3</sup>	8,758	29,739
Chris Spurio	2017		1,341 <sup>2</sup>	8,100			9,441
Mike Kouzelos	2017	644 <sup>4</sup>	1,341 <sup>2</sup>	8,100			10,085
Richard Mills	2017		1,341 <sup>2</sup>	8,100			9,441

<sup>(1)</sup> Life insurance premium for policy required under employment contract, plus annual club dues.

**Table of Contents**

- (2) Includes premium payment for Executive Group Personal Excess Liability Insurance policy written for coverage of \$10 million given to all members of the Board of Directors and the SMG, which coverage was instituted in the fourth quarter of 2008, and Long-Term Disability Insurance premium.
- (3) Leased auto adjustment.
- (4) Spousal travel.

**Pay Ratio Disclosure**

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 402(u) of Regulation S-K, we are providing the following information about the relationship of the annual total compensation of our employees and the annual total compensation of Mr. Grisko, our CEO. Mr. Grisko had fiscal 2017 annual total compensation of \$2,918,938 as reflected in the Summary Compensation Table included in this Proxy Statement. We estimate that the annual total compensation for our median employee was \$64,828 for 2017. We determined the total annual compensation of our median employee by using 2017 W-2 wages for all CBIZ employees other than our CEO. We selected December 31, 2017 as the date upon which we would identify the median employee. Only seasonal and other workers with no 2017 compensation were excluded from the calculation. Mr. Grisko's 2017 total annual compensation was approximately 45 times that of the median annual total compensation for our median employee.

**Employment or Other Agreements**

On September 1, 2016, the Compensation Committee of the Board entered into a new employment agreement with CEO Jerome P. Grisko, Jr. The terms of this agreement require the following: (1) base salary of not less than \$642,000; (2) participation as CEO in any Executive Incentive Plan ( EIP ) authorized by the Compensation Committee, including the 2017 EIP under which the CEO is eligible for a Base Target Award of 80% of his base pay, an Individual Performance Award of 30% of his Base Target Award, as well as Target Multipliers that increase or decrease the Base Target Award depending on the Company's achievement of earnings per share and organic revenue growth targets; (3) eligibility for equity compensation grants valued at no less than 80% of the grant date fair value of the grants awarded to the CEO on May 10, 2016; (4) reimbursement or payment of premiums sufficient to fund a \$2,000,000 death benefit life insurance policy; (5) payment of club membership fees and dues to a private club of his choosing; (6) payment of tax gross-up fees related to the life insurance policy and club membership fees; (7) inclusion of double-trigger provisions for compensation to be paid in various events of termination, including but not limited to (a) in the event of a Termination by the CEO with Good Reason (as defined in the CEO's employment agreement) related to a change in control, compensation in the amount of three times the sum of the CEO's then current Base Salary plus Average Bonus, and (b) in the event of a termination by the Company without Cause or by the CEO with Good Reason not related to a change in control, compensation in the amount of two times the sum of the CEO's then current Base Salary plus Average Bonus; (8) acceleration of the vesting of equity grants in the event the CEO is terminated by the Company without Cause or by the CEO for Good Reason; (9) continued participation for two years in CBIZ health and welfare benefit plans following termination; (10) receipt at termination other than for cause of title to any company vehicle then in use by the CEO; (11) restrictions on payments to the CEO related to compliance with IRS Sections 162(m) and 409A; and (12) imposition of non-disclosure, non-interference, and non-disparagement restrictive covenants on the CEO.

The CFO's employment agreement, executed December 12, 2000, and amended November 22, 2010, provides for payment of a base salary, continuing discretionary bonuses, an automobile allowance, and participation in CBIZ welfare, pension and incentive benefit plans. In addition, the contract provides for the payment of severance upon termination without cause, or upon voluntary termination for Good Cause (as defined in the CFO's employment agreement). Severance would include (1) a cash payment equal to two times the sum of his current year base pay plus the average of his bonus payments for the prior three years, payable over a

**Table of Contents**

twenty-four month period, and (2) continued participation for two years in CBIZ health and welfare benefit plans, and (3) immediate vesting of, and ability to exercise, any unvested but previously granted stock options. The contract also contains provisions designed to address certain issues related to Code Sections 162(m) and 409A. The contract contains restrictive covenants that obligate Mr. Grove to (1) maintain CBIZ's confidential information, (2) return Company information or other personal and intellectual property, (3) abide by a one-year non-compete, and one-year employee, customer, and supplier non-solicitation and non-interference term, and (4) avoid disparagement of the Company. Mr. Grove's employment agreement was further amended on March 30, 2017, to replace modified single-trigger terms with double-trigger provisions for compensation to be paid in various events of termination.

Both the President, Financial Services and the President, Benefits & Insurance Services are entitled to participate in the compensation programs available to the SMG, and are subject to the restrictive covenants of their confidentiality and non-solicitation agreements. Under the CBIZ Executive Severance Policy, Mr. Spurio and Mr. Kouzelos are entitled to six months base pay if they are terminated other than for cause, or twelve months base pay if they are terminated in the event of a change in control.

As COO, Financial Services, Mr. Mills is entitled to participate in the compensation programs available to the SMG, and is subject to the restrictive covenants of his confidentiality, non-solicitation and non-competition agreements. Under the CBIZ Executive Severance Policy, Mr. Mills is entitled to six months base pay if he is terminated other than for cause, or twelve months base pay if he is terminated in the event of a change in control.

**2017 Grants of Plan-Based Awards**

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>1</sup>			Estimated Future Payments Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards <sup>2</sup>
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)				
Jerome P. Grisko, Jr.	1-1-17	290,000	754,000	1,252,800	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	5-10-17	n/a	n/a	n/a	n/a	n/a	n/a	48,000	n/a	n/a	746,400
	5-10-17	n/a	n/a	n/a	n/a	n/a	n/a	n/a	180,000	15.55	628,200
Ware Grove	1-1-17	128,550	321,375	542,481	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	5-10-17	n/a	n/a	n/a	n/a	n/a	n/a	30,000	n/a	n/a	466,500
	5-10-17	n/a	n/a	n/a	n/a	n/a	n/a	n/a	75,000	15.55	261,750
Chris Spurio	1-1-17	115,875	289,688	488,992	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	5-10-17	n/a	n/a	n/a	n/a	n/a	n/a	30,000	n/a	n/a	466,500
	5-10-17	n/a	n/a	n/a	n/a	n/a	n/a	n/a	75,000	15.55	261,750
Michael Kouzelos	1-1-17	110,750	276,875	467,365	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	5-10-17	n/a	n/a	n/a	n/a	n/a	n/a	25,000	n/a	n/a	388,750
	5-10-17	n/a	n/a	n/a	n/a	n/a	n/a	n/a	72,000	15.55	251,280
Richard Mills <sup>3</sup>	1-1-17	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	5-10-17	n/a	n/a	n/a	n/a	n/a	n/a	12,000	n/a	n/a	186,600
	5-10-17	n/a	n/a	n/a	n/a	n/a	n/a	n/a	36,000	15.55	125,640

(1) Represents range of potential payouts under the EIP. All awards under the EIP are at risk; therefore potential award is \$0.00 for each participant if all minimum performance levels are not achieved. Threshold values assume lowest award possible assuming Company achieves minimum EPS and ORG Targets and that no IPA is granted. Target values assume Company achieves EPS and ORG Targets and that the IPA is granted. Maximum values assume Company achieves earnings sufficient to meet maximum TM for each EPS and ORG Target and that the individual is awarded the maximum IPA.

(2) Represents grant date fair value of stock options and restricted stock awards as computed in accordance with FASB ASC Topic 718. This does not reflect taxable income to the individual until restrictions lapse or options are exercised.



---

**Table of Contents**

(3) The COO, Financial Services was not eligible to participate in the 2017 EIP for the reasons stated in Performance-Based Incentive Compensation, p. 23, and instead participated in a discretionary bonus program.

At the 2014 Annual Meeting, the 2014 SIP was approved by the stockholders. The 2014 SIP gives the Committee the sole authority to grant participants shares of CBIZ common stock, restricted stock, share units, stock options, stock appreciation rights, performance units and/or performance bonuses. In granting these awards, the Committee may establish any conditions or restrictions it deems appropriate. The 2014 SIP does not permit issued options to be repriced, replaced, or regranted through cancellation or by lowering the option exercise price of a previously granted award. The 2014 SIP contains a variety of business criteria on which performance goals may be based for performance-based incentive awards, limits the number of available shares that can be granted in the form of any award other than Stock Options and Stock Appreciation Rights, and establishes the maximum number of shares available for grant under the 2014 SIP. The 2014 SIP gives the Committee the ability to design cash and stock-based incentive compensation programs to promote high performance and achievement of corporate goals by the Named Executive Officers, other members of the SMG, and other key employees throughout the Company.

In 2017, equity awards consisting of stock options and restricted stock were granted to the Named Executive Officers in accordance with the Company's long-term equity incentive programs. The Committee also awarded cash performance bonuses in 2017 under the 2014 SIP through the adoption of an EIP.

Options typically are awarded to vest 25% on each of the four anniversaries following the grant date and to expire six years after the date of grant. Restricted shares typically are granted with temporal restrictions that were set to lapse in 25% increments on each of the four anniversaries following the grant date. The Compensation Committee generally applies these vesting principles to its equity grants, including those awards granted in 2017 to our Named Executive Officers, although more rapid vesting of both options and restricted stock have been made from time to time for reasons such as an incentive to induce employment with the Company or as a reward for exemplary personal performance or commitment.

All stock options have an exercise price equal to the closing price of CBIZ stock on the date of grant. Annual awards of stock options to the SMG, and at times certain other corporate officials and practice group managers, are considered at the Compensation Committee's regularly scheduled meeting in February, and then tabled until the Committee can consider all other performance grants to operating BULs and other high performers within the Company under its annual grant program. The Compensation Committee adopted this procedure to avoid inequities in option pricing that might occur if awards to these respective groups were not granted simultaneously. After recommendations for operating unit-level grants are solicited and vetted by management, they are presented along with the underlying reasons supporting them to the Committee for review and action. Recommendations for all annual equity incentive grants are considered by the Committee at a special meeting typically held between March and May of each year.

The Compensation Committee has never granted options with an exercise price that is less than the closing price of the Company's common stock on the grant date, nor has it granted options which are priced on a date other than the grant date.

Vesting rights, restriction lapses, rights to exercise, terms related to the events of death, disability, retirement, or change in control rules related to equity grant expiration and termination, and all other terms and conditions related to option and restricted stock awards are set out in the terms of the 2014 SIP and the option and restricted stock agreements which executives must sign in order to preserve their equity grants. All recipients of equity grants must agree to certain restrictive covenants that prevent the executive, upon leaving CBIZ, from soliciting clients and employees of CBIZ or its subsidiaries for a period of two years.

Management's recommendations to the Compensation Committee regarding equity grants to newly hired or promoted executives are presented to the Committee at the next regularly scheduled Committee meeting



**Table of Contents**

following the promotion or the completion of an agreement to hire the executive. On occasion, the Committee will award grants through written action without a meeting.

At the 2011 Annual Meeting, stockholders approved the ESPP, under which any employee may purchase CBIZ stock at a 15% discount, and may contribute up to \$21,250 toward purchases of stock by payroll deduction or otherwise, in accordance with the terms of the ESPP. The Named Executive Officers and other members of the SMG are entitled to participate in the ESPP, along with and upon the same terms as all other qualified employees of CBIZ subsidiaries.

**Outstanding Equity Awards at 2017 Fiscal Year-End**

Name	Option Awards					Stock Awards				
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date*	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)	
Jerome P. Grisko, Jr.	0	180,000 <sup>1</sup>	n/a	15.55	05-10-2023	48,000 <sup>2</sup>	741,600	n/a	n/a	
	45,000	135,000 <sup>1</sup>	n/a	10.35	05-10-2022	36,000 <sup>2</sup>	556,200	n/a	n/a	
	55,000	55,000 <sup>1</sup>	n/a	9.35	05-15-2021	18,000 <sup>2</sup>	278,100	n/a	n/a	
	82,500	27,500 <sup>1</sup>	n/a	8.36	05-14-2020	12,500 <sup>2</sup>	193,125	n/a	n/a	
	110,000	0 <sup>1</sup>	n/a	6.52	05-09-2019	n/a	n/a	n/a	n/a	
Ware Grove	0	75,000 <sup>1</sup>	n/a	15.55	05-10-2023	30,000 <sup>2</sup>	463,500	n/a	n/a	
	18,750	56,250 <sup>1</sup>	n/a	10.35	05-10-2022	22,500 <sup>2</sup>	347,625	n/a	n/a	
	37,500	37,500 <sup>1</sup>	n/a	9.35	05-15-2021	15,000 <sup>2</sup>	231,750	n/a	n/a	
	56,250	18,750 <sup>1</sup>	n/a	8.36	05-14-2020	7,500 <sup>2</sup>	115,875	n/a	n/a	
	75,000	0 <sup>1</sup>	n/a	6.52	05-09-2019	n/a	n/a	n/a	n/a	
Chris Spurio	0	75,000 <sup>1</sup>	n/a	15.55	05-10-2023	30,000 <sup>2</sup>	463,500	n/a	n/a	
	18,750	56,250 <sup>1</sup>	n/a	10.35	05-10-2022	22,500 <sup>2</sup>	347,625	n/a	n/a	
	37,500	37,500 <sup>1</sup>	n/a	9.35	05-15-2021	15,000 <sup>2</sup>	231,750	n/a	n/a	
	18,000	18,000 <sup>1</sup>	n/a	8.36	05-14-2020	6,300 <sup>2</sup>	97,335	n/a	n/a	
Michael Kouzelos	0	72,000 <sup>1</sup>	n/a	15.55	05-10-2023	25,000 <sup>2</sup>	386,250	n/a	n/a	
	18,000	54,000 <sup>1</sup>	n/a	10.35	05-10-2022	18,750 <sup>2</sup>	289,688	n/a	n/a	
	35,000	35,000 <sup>1</sup>	n/a	9.35	05-15-2021	12,500 <sup>2</sup>	193,125	n/a	n/a	
	52,500	17,500 <sup>1</sup>	n/a	8.36	05-14-2020	6,000 <sup>2</sup>	92,700	n/a	n/a	
	70,000	0 <sup>1</sup>	n/a	6.52	05-09-2019	n/a	n/a	n/a	n/a	
Richard Mills	0	36,000 <sup>1</sup>	n/a	15.55	05-10-2023	12,000 <sup>2</sup>	185,400	n/a	n/a	
	0	27,000 <sup>1</sup>	n/a	10.35	05-10-2022	9,000 <sup>2</sup>	139,050	n/a	n/a	
	0	18,000 <sup>1</sup>	n/a	9.35	05-15-2021	6,000 <sup>2</sup>	92,700	n/a	n/a	
	0	3,000 <sup>1</sup>	n/a	8.36	05-14-2020	1,500 <sup>2</sup>	23,175	n/a	n/a	

\* Options expire six (6) years after the date of grant.

(1) Grant of non-qualified options under the SIPs. Option vesting is time-based in increments of 25% in each of the four anniversaries of the grant date. Options expire after six years; grant date is six years prior to expiration date.

- <sup>(2)</sup> Grant of restricted shares under the SIPs. Restrictions are time-based and lapse in increments of 25% in each of the four years following the grant date, as shown in the Grants of Plan-Based Awards Table above.

**Table of Contents****Option Exercises and Stock Vested in 2017**

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise <sup>1</sup> (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting <sup>1</sup> (\$)
Jerome P. Grisko	220,000	1,728,456	46,000	707,600
Ware Grove	75,000	695,746	30,000	461,250
Chris Spurio	16,250	140,840	26,800	412,050
Michael Kouzelos	70,000	636,110	24,500	376,700
Richard Mills	22,750	130,470	8,250	126,863

(1) This amount represents the total taxable compensation on the exercise of options or vesting of restricted shares, as applicable, prior to payment of taxes, commissions, transaction fees, and handling fees.

**2017 Non-qualified Deferred Compensation**

Name	Executive Contributions in Last FY <sup>1</sup> (\$)	Registrant Contributions in Last FY (\$)	Aggregate Earnings in Last FY (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last FYE <sup>2</sup> (\$)
Jerome P. Grisko, Jr.	471,603		384,770	163,226	2,817,877
Ware Grove	92,850		462,433		3,220,675
Chris Spurio			17,104	150,881	94,881
Michael Kouzelos			43,181		256,266
Richard Mills	11,713		173,513		962,487

(1) Contributions are derived entirely from salary, bonus, and non-equity incentive plan compensation already reported for each individual in the Summary Compensation Table.

(2) 100% of these funds were amounts already otherwise reported in the Summary Compensation Table for 2017 and prior years, plus market earning on amounts contributed by the individuals listed. 0% of these funds are derived from registrant contributions.

The CBIZ Employee Non-qualified Deferred Compensation Plan allows participants to contribute up to 25% of their base compensation, and up to 100% of any commission and bonus compensation earned throughout the year, and to invest such compensation in one or more of 36 stock, bond and money market investment funds available during the year. The 2017 at-market rates of return of the investment choices available to participants ranged from 0.61% to 35.1%, depending on each participant's fund selections. Contributions are deposited into a rabbi trust, a grantor trust that limits management's ability to use deposits in the trust by isolating the funds from the Company's working capital. Money in the trust is always subject to the claims of the Company's general creditors. Contributors' interests in the trust are not subject to assignment, alienation, pledge, or attachment. Withdrawals and payouts generally are only permitted upon retirement or expiration of a term of years established by the participant in advance of contributions. Following death and disability, distributions are made as soon as administratively possible. Hardship withdrawals are permitted only under restricted circumstances. In the event of termination of employment, all funds in a participant's account are payable to the participant no earlier than six months following termination, except for funds in designated retirement accounts once an employee has completed ten years of employment service, which retirement account funds are payable over a period of up to ten years. All payouts and changes to distribution elections are subject to the provisions of Code Section 409A. There is no employer match in this program.

**Potential Payments upon Termination or Change in Control**

## Edgar Filing: CBIZ, Inc. - Form DEF 14A

The table on p. 41 reflects the amount of compensation that would be payable to each of the Named Executive Officers in the event of termination of such executive's employment. The amount of compensation

---

**Table of Contents**

payable to each Named Executive Officer upon voluntary termination, involuntary not for cause termination, termination following a change in control and in the event of disability or death of the executive is shown. The Company does not have an early retirement plan, and the Named Executive Officers do not have agreements calling for or permitting payments based upon an early retirement. The amounts shown assume termination was effective as of December 31, 2017, and are estimates of the amounts that would be paid to the executives upon their termination, as a result of their termination, or as a result of a change in control. The table does not include payments of already vested sums or rights that are due and owing to the employee by virtue of their service through the date of termination, assumed to be December 31, 2017. Moreover, the amounts that would actually be paid can only be determined at the time of such executive's actual separation from the Company.

***Payments Made Upon Termination or Retirement***

Regardless of the manner in which a Named Executive Officer's employment terminates, he is entitled to receive amounts earned during his term of employment. These payments are not caused or precipitated by termination or change in control, and are payable or due to any employee of the Company regardless of whether or not the employee was terminated or a change in control has occurred. Such amounts include:

non-equity incentive compensation earned during the fiscal year;

vested option or restricted share grants pursuant to the 2014 SIP or its predecessor plan; and

vested amounts under the CBIZ Employee Retirement Savings Plan and the Non-qualified Deferred Compensation Plan.

***Payments Made Upon Death or Disability***

In the event of the death or disability of a Named Executive Officer, in addition to the benefits listed under the headings *Payments Made Upon Termination or Retirement* above, the Named Executive Officer will receive benefits under the Company's disability plan or payments under the Company's group life insurance plan, as appropriate. Each CBIZ employee receives an automatic death benefit of up to one times their annual base salary, up to a maximum of \$50,000, paid by a life insurance carrier. CBIZ pays the de minimis monthly premium per person for this group benefit policy. Supplemental life insurance policies are available to all CBIZ employees as well, at an additional cost borne by the employee. The applicable life insurance carriers, and not CBIZ, pay death benefits under these policies.

All CBIZ employees are eligible for short-term disability payments, which are limited to 60% of the employee's base pay for a maximum period of 26 weeks, and are paid for by the Company. Thereafter, Named Executive Officers, if suffering from a permanent total disability and enrolled in the Company's Long-Term Disability program, may receive up to 60% of the employee's pay up to a maximum monthly benefit of \$10,000, which is paid for by the Long-Term Disability plan insurance carrier. Actual coverage and maximum benefits are

**Table of Contents**

dependent solely on the nature of a particular disability, the employee's age, and the position of an employee at the time disability occurs.

Name	Benefit	Before Change in	After Change in	Voluntary	Death	Disability
		Termination w/o Cause or for Good Reason	Control Termination w/o Cause or for Good Reason			
Jerome P. Grisko, Jr.	Severance Pay	2,688,656 <sup>1</sup>	4,032,984 <sup>2</sup>	n/a	n/a	n/a
	Death Benefit Payments	n/a	n/a	n/a	<sup>3</sup>	n/a
	Disability Payments	n/a	n/a	n/a	n/a	277,500 <sup>4</sup>
	Option Acceleration	3,352,200 <sup>5</sup>	3,352,200 <sup>5</sup>	n/a	n/a	n/a
	Restricted Stock Acceleration	1,769,025 <sup>6</sup>	1,769,025 <sup>6</sup>	n/a	n/a	n/a
	Automobile	59,902 <sup>7</sup>	59,902 <sup>7</sup>	n/a	n/a	n/a
	2 Years Benefits Continuation Club Membership	35,800 <sup>8</sup> 16,218, <sup>9</sup>	35,800 <sup>8</sup> 16,218 <sup>9</sup>	n/a	n/a	n/a
Ware Grove	Severance Pay	1,466,526 <sup>10</sup>	1,466,526 <sup>10</sup>	n/a	n/a	n/a
	Death Benefit Payments	n/a	n/a	n/a	<sup>3</sup>	n/a
	Disability Payments	n/a	n/a	n/a	n/a	188,550 <sup>4</sup>
	Option Acceleration	2,039,974 <sup>11</sup>	2,039,974 <sup>11</sup>	n/a	n/a	n/a
	Restricted Stock Acceleration	n/a	1,158,750 <sup>12</sup>	n/a	n/a	n/a
	2 Year Benefits Continuation	21,974 <sup>13</sup>	21,974 <sup>13</sup>	n/a	n/a	n/a
Chris Spurio	Severance Pay	231,750 <sup>14</sup>	463,500 <sup>15</sup>	n/a	n/a	n/a
	Death Benefit Payments	n/a	n/a	n/a	<sup>3</sup>	n/a
	Disability Payments	n/a	n/a	n/a	n/a	199,050 <sup>4</sup>
	Option Acceleration	n/a	1,095,240 <sup>16</sup>	n/a	n/a	n/a
	Restricted Stock Acceleration	n/a	1,140,210 <sup>12</sup>	n/a	n/a	n/a
Michael Kouzelos	Severance Pay	221,771 <sup>14</sup>	443,542 <sup>15</sup>	n/a	n/a	n/a
	Death Benefit Payments	n/a	n/a	n/a	<sup>3</sup>	n/a
	Disability Payments	n/a	n/a	n/a	n/a	193,063 <sup>4</sup>
	Option Acceleration	n/a	1,927,800 <sup>16</sup>	n/a	n/a	n/a
	Restricted Stock Acceleration	n/a	961,762 <sup>12</sup>	n/a	n/a	n/a
Richard Mills	Severance Pay	254,520 <sup>14</sup>	509,040 <sup>15</sup>	n/a	n/a	n/a
	Death Benefit Payments	n/a	n/a	n/a	<sup>3</sup>	n/a
	Disability Payments	n/a	n/a	n/a	n/a	212,712 <sup>4</sup>
	Option Acceleration	n/a	268,770 <sup>16</sup>	n/a	n/a	n/a
	Restricted Stock Acceleration	n/a	440,325 <sup>12</sup>	n/a	n/a	n/a

(1) Amount represents two times the sum of the then current year base salary plus the average of three prior year EIP and bonus payments, pursuant to CEO's First Amended and Restated Employment Agreement.

(2) Amount represents 3 times the sum of the then current year base salary plus the average of three prior year EIP and bonus payments, pursuant to CEO's First Amended and Restated Employment Agreement.

(3) Death benefits under life insurance policies are not paid by the Company. Any death benefit is paid by the applicable insurance carrier. Each Named Executive Officer is eligible to receive the \$50,000 death benefit paid by a group life insurance carrier. Officers also are enrolled in a supplemental life insurance program, purchased through the Company from a group life carrier, for which they pay the premiums.

## Edgar Filing: CBIZ, Inc. - Form DEF 14A

- (4) Benefits shown represent the first year of disability payments assuming total permanent disability. Benefits are payable under the CBIZ Short-Term Disability plan, which amount to 60% of the employee's pay for a maximum period of 26 weeks, and the Company's Long-Term Disability program ( LTD ), which amount to 60% of the employee's pay up to a maximum monthly benefit of \$10,000 for permanent total disability. After the first year following disability, payments are only under the LTD, with benefits amounting to a maximum of \$120,000 per year, until maximum benefits are reached, for each Named Executive Officer. Actual coverage and maximum benefits are dependent solely on the nature of a particular disability. For those aged under 63, LTD benefits terminate at age 65.

---

**Table of Contents**

- (5) Value is calculated as the number of in-the-money options at December 31, 2017 multiplied by the difference between the closing price on the last trading day of 2017 and the exercise price for each share. Payable pursuant to CEO's September 1, 2016 employment agreement.
- (6) Value is calculated as the number of restricted shares held by executive at December 31, 2017 multiplied by the closing price on the last trading day of 2017. Payable pursuant to CEO's September 1, 2016 employment agreement.
- (7) Kelley Blue Book value of current automobile provided to executive by the Company, the title of which must be transferred to President for any termination other than for cause, pursuant to his Amended Severance Protection Agreement.
- (8) Cost of maintaining benefits in which CEO was enrolled at the end of 2017 for period of two years. At the end of 2017, the CEO was entitled to be enrolled in a \$2,000,000 life insurance program called for under the CEO's September 1, 2016 employment agreement; however, such a policy was not in effect at that time.
- (9) CEO's September 1, 2016 employment agreement calls for payment of membership fees in a club of his choice. Amount stated is the annual membership fees and dues.
- (10) Amount represents two times the sum of the then current year base salary plus the average of his EIP and bonus payments for the prior three years, payable over 24 months, pursuant to CFO's employment agreement.
- (11) Value is calculated as the number of in-the-money options held by executive at December 31, 2017 multiplied by the difference between the closing price on the last trading day of 2017 and the exercise price for each share. Payable pursuant to CFO's Amended Employment Agreement.
- (12) Value is calculated as the number of in-the-money options at December 31, 2017 multiplied by the difference between the closing price on the last trading day of 2017 and the exercise price for each share. Payable pursuant to Compensation Committee action taken May 22, 2012 to accelerate pending restricted share grants to employees in the event of a change in control.
- (13) Represents payment for a period of two years, as required by CFO's employment agreement, of the cost of CFO's 2017 year-end medical, dental, vision plans, as well as a small supplemental life policy, which benefits were available to all CBIZ employees.
- (14) Amount represents six months base pay for terminations other than for cause, pursuant to the CBIZ Executive Severance Policy.
- (15) Amount represents one year base pay for terminations related to change in control, pursuant to the CBIZ Executive Severance Policy.
- (16) Option awards are accelerated pursuant to the terms of the 2014 SIP. Value is calculated as the number of in-the-money options held by executive at December 31, 2017 multiplied by the difference between the closing price on the last trading day of 2017 and the exercise price for each share.

**Director Compensation**

For fiscal 2017, Non-Employee Director Compensation consisted of:



## Edgar Filing: CBIZ, Inc. - Form DEF 14A

a \$60,000 annual retainer paid either in cash or into the CBIZ Non-Employee Director Deferred Compensation Plan;

a \$15,000 Audit Committee Chair fee, a \$10,000 Compensation Committee Chair fee, a \$7,500 Nominating and Governance Committee Chair fee to the chairpersons of each respective committee, a Lead Director fee of \$20,000, and a Chairman of the Board fee of \$75,000;

a meeting attendance fee of \$1,500 for each Board and committee meeting attended; and

**Table of Contents**

an annual equity grant of approximately \$100,000 worth of restricted shares (valued on grant date) to each Non-Employee Director, with restrictions lapsing on one-half of the shares on each of the first and second anniversaries of the date of grant. The annual equity grant is awarded at, or shortly after, the first regularly scheduled meeting of the Compensation Committee each year. The equity grant is awarded upon passage of a resolution of the Compensation Committee and the time-lapsing of restrictions is tied to the date of the actual grant.

Our Non-Employee Directors are permitted to participate in the CBIZ Non-Employee Director Deferred Compensation Plan. Directors may direct that their retainer and meeting attendance fees be deposited into the Plan. There is no matching payment into the Plan by the Company, and directors may select from the same investment choices available to participants in the CBIZ Employee Nonqualified Deferred Compensation Plan. During 2017, the rates of return for these investment choices ranged from 0.61% to 35.1%, depending on a participant's fund selections.

Non-Employee Directors receive no compensation other than directors' fees and the noted equity grant. Employee directors receive no director fee compensation.

**Director\* Compensation Table**

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) <sup>1</sup>	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) <sup>2</sup>	All Other Compensation (\$) <sup>3</sup>	Total (\$)
Rick L. Burdick	64,500 <sup>4</sup>	100,012			21,500 <sup>4</sup>	1,212	187,224
Michael H. DeGroot	69,000 <sup>5</sup>	100,012				1,212	170,224
Joseph S. DiMartino	98,500 <sup>6</sup>	100,012				1,212	199,724
Gina D. France	69,000 <sup>7</sup>	100,012				1,212	170,224
Steven L. Gerard	141,000 <sup>8</sup>	100,012				31,798 <sup>9</sup>	272,810
Sherrill H. Hudson	90,000 <sup>10</sup>	100,012				1,212	191,224
Todd J. Slotkin	88,500 <sup>11</sup>	100,012				1,212	189,724
Donald V. Weir	97,500 <sup>12</sup>	100,012				1,212	198,724
Benaree Pratt Wiley		100,012			75,000 <sup>13</sup>	1,212	176,224

\* Director Jerome P. Grisko, Jr. also acts as CEO, and he received no additional compensation or awards in connection with his role as a director. Therefore his compensation is not included in the Director Compensation Table, and appears in the Summary Compensation Table at p. 34.

(1) Amount represents grant date fair value of 7,783 shares of restricted stock awarded to each non-employee director in 2017 as computed in accordance with FASB ASC Topic 718. This does not reflect taxable income to the individual until restrictions lapse.

(2) No preferential payments are made by the Company to the participants of the Directors Deferred Compensation Plan.

(3) Amount represents Executive Group Personal Excess Liability Insurance premium payments. An Excess Liability policy written for coverage of \$10 million is provided to all members of the Board of Directors and the SMG. Other than premium payments for this coverage, no Other Compensation is provided to Directors.

(4) Contributions consist of annual retainer fee, Lead Director fee, and fees for attending meetings of the Board. The plan recorded earnings on contributions. On December 31, 2017, the aggregate number of unvested restricted stock awards held by Mr. Burdick was 12,587 shares.

## Edgar Filing: CBIZ, Inc. - Form DEF 14A

- <sup>(5)</sup> Annual retainer fee and fees for attending meetings of the Board. On December 31, 2017, the aggregate number of unvested restricted stock awards held by Mr. DeGroot was 12,587 shares.

**Table of Contents**

- (6) Annual retainer fee, Compensation Committee Chairman fee, and fees for attending meetings of the Audit Committee, the Compensation Committee, the Nominating & Governance Committee, and of the Board. On December 31, 2017, the aggregate number of unvested restricted stock awards held by Mr. DiMartino was 12,587 shares.
- (7) Annual retainer fee and fees for attending meetings of the Board. On December 31, 2017, the aggregate number of unvested restricted stock awards held by Ms. France was 12,587 shares.
- (8) Annual retainer fee, Chairman of the Board fee, and fees for attending meetings of the Board. On December 31, 2017, the aggregate number of unvested restricted stock awards held by Mr. Gerard was 53,087 shares.
- (9) Amount represents Executive Group Personal Excess Liability Insurance premium payments, tax preparation fees, plus payments under Mr. Gerard's consulting agreement disclosed in the Company's Current Report on Form 8-K on March 9, 2016.
- (10) Annual retainer fee and fees for attending meetings of the Audit Committee and of the Board, and partial Nominating and Governance Committee Chairman fee. On December 31, 2017, the aggregate number of unvested restricted stock awards held by Mr. Hudson was 12,587 shares.
- (11) Annual retainer fee and fees for attending meetings of the Audit Committee, Compensation Committee, the Nominating & Governance Committee, and of the Board. On December 31, 2017, the aggregate number of unvested restricted stock awards held by Mr. Slotkin was 12,587 shares.
- (12) Annual retainer fee, Audit Committee Chairman fee, and fees for attending meetings of the Audit Committee, the Nominating & Governance Committee, and of the Board. On December 31, 2017, the aggregate number of unvested restricted stock awards held by Mr. Weir was 12,587 shares.
- (13) Contributions consist of annual retainer fee, and fees for attending meetings of the Compensation Committee, the Nominating & Governance Committee, and the Board. The plan recorded earnings on contributions. On December 31, 2017, the aggregate number of unvested restricted stock awards held by Ms. Wiley was 12,587 shares.

**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

The following is a summary of certain agreements and transactions between or among CBIZ and certain related parties. It is CBIZ's policy to enter into transactions with related parties on terms that, on the whole, are no less favorable than those that would be available from unaffiliated parties. Based on CBIZ's experience and the terms of its transactions with unaffiliated parties, it is the Audit Committee of the Board of Directors and management's belief that the transactions described below met, at the time of the transactions, and currently meet, these standards. Management reviews these transactions as they occur and monitors them for compliance with the Company's Code of Conduct, internal procedures and applicable legal requirements. The Audit Committee reviews and ratifies such transactions annually, or as they are more frequently brought to the attention of the Committee by the Company's Directors of Internal Audit, General Counsel or other members of management.

A number of the businesses acquired by the Company are located in properties owned indirectly by, and leased from persons employed by, the Company, none of whom are members of the Company's SMG. In the aggregate, we paid approximately \$3.3 million, \$3.2 million and \$3.2 million during the years ended December 31, 2017, 2016 and 2015, respectively, under such leases.

Rick L. Burdick, CBIZ's Lead Director, is a partner of Akin Gump. Akin Gump performed legal work for CBIZ for which the firm received approximately \$0.15 million, \$0.1 million and \$0.2 million from CBIZ during 2017, 2016 and 2015, respectively.



**Table of Contents**

Michael H. DeGroot, a director of CBIZ, is an officer or director of various privately held companies that obtain several types of insurance coverage through CBIZ. The commissions paid to CBIZ for the years ended December 31, 2017, 2016 and 2015 were approximately \$0.16 million, \$0.1 million, and \$0.1 million, respectively.

CBIZ maintains joint-referral relationships and administrative service agreements with independent licensed CPA firms under which CBIZ provides administrative services in exchange for a fee. These firms are owned by licensed CPAs who are employed by CBIZ subsidiaries, and provide audit and attestation services to clients including CBIZ's clients. The CPA firms with which CBIZ maintains administrative service agreements operate as limited liability companies, limited liability partnerships or professional corporations. The firms are separate legal entities with separate governing bodies and officers. CBIZ has no ownership interest in any of these CPA firms, and neither the existence of the administrative service agreements nor the providing of services thereunder is intended to constitute control of the CPA firms by CBIZ. CBIZ and the CPA firms maintain their own respective liability and risk of loss in connection with performance of each of its respective services, and CBIZ does not believe that its arrangements with these CPA firms result in additional risk of loss.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act, requires CBIZ's officers and directors, and persons who own more than 10% of a registered class of CBIZ's equity securities, to file reports of ownership and changes in ownership with the SEC. Officers, directors and greater than 10% stockholders are required by the SEC regulations to furnish CBIZ with copies of all Section 16(a) reports they file.

Based on our review of copies of Section 16(a) reports received by the Company, or written representations from reporting persons that no other reports were required for such persons, CBIZ believes that during the 2017 fiscal year, its officers, directors and 10% stockholders complied with all Section 16(a) filing requirements in a timely fashion.

**EQUITY COMPENSATION PLAN INFORMATION**

The following table summarizes information about our equity compensation plans as of December 31, 2017. All outstanding awards relate to our common stock.

Plan Category	A  Number of securities to be issued upon exercise of outstanding options (shares)	B  Weighted average  exercise price of outstanding options  (\$)	C  Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A)
Equity compensation plans approved by stockholders	3,843,880 <sup>1</sup>	\$ 9.67	7,674,472 <sup>2</sup>
Equity compensation plans not approved by stockholders			
<b>Total</b>	<b>3,843,880</b>	<b>\$ 9.67</b>	<b>7,674,472</b>

<sup>(1)</sup> Stock option awards under the 2002 SIP and the 2014 SIP.

<sup>(2)</sup> Includes reduction for currently issued restricted stock. Also includes 1,289,286 shares of our common stock remaining available for purchase under the ESPP during the purchase period that included December 31, 2017. After the stockholder approval of the 2014 SIP, no

further new grants may be made under the 2002 SIP.

---

**Table of Contents**

**STOCKHOLDER PROPOSALS**

In order to be considered for inclusion in the Proxy Statement distributed to the Stockholders prior to the 2019 Annual Meeting of Stockholders, a stockholder proposal pursuant to SEC Rule 14a-8 under the Exchange Act must be received by CBIZ not later than December 7, 2018. It is suggested that proponents submit their proposals by certified mail, return receipt requested, to the Corporate Secretary at the address provided below. Detailed information for submitting resolutions will be provided upon written request to CBIZ's Corporate Secretary at CBIZ, Inc., 6050 Oak Tree Boulevard South, Suite 500, Cleveland, Ohio 44131, Attention: Corporate Secretary. With respect to any stockholder proposal not submitted pursuant to SEC Rule 14a-8 under the Exchange Act in connection with the 2019 Annual Meeting of Stockholders, the proxy for such meeting will confer discretionary authority to vote on such proposal unless CBIZ is notified of such proposal no later than February 21, 2019, and the proponent complies with the other requirements set forth in SEC Rule 14a-4(c) under the Exchange Act. No stockholder proposals were received for inclusion in this proxy statement.

**EXPENSES OF SOLICITATION**

CBIZ is soliciting proxies and bears the expense of preparing and mailing the materials in connection with the solicitation of proxies, as well as the cost of solicitation. Computershare Investor Services (Computershare) subsidiary, Georgeson Shareholder Communications, Inc. (Georgeson) has been retained by CBIZ to assist in the solicitation of proxies. Computershare, which has a contract to act as the transfer agent for CBIZ, will not be paid any additional fees for these services. Georgeson will be reimbursed for its broker search and mailing expenses. Computershare will receive reimbursement of out-of-pocket expenses it incurs in connection with its efforts. In addition, CBIZ will reimburse brokers, nominees, banks and other stockholders of record for their expenses incurred in forwarding proxy materials to beneficial owners. CBIZ expects that the solicitation of proxies will be primarily by mail, but directors, officers and employees of CBIZ may solicit proxies by personal interview, telephone or telecopy. These persons will receive no additional compensation for such services.

CBIZ's Annual Report on Form 10-K for the year ended December 31, 2017, including financial statements and a Letter to Stockholders is being mailed to all stockholders entitled to vote at the Annual Meeting. The Annual Report does not constitute a part of the proxy solicitation material. CBIZ will mail additional copies of its Annual Report on Form 10-K for the year ended December 31, 2017, to each stockholder or beneficial owner of shares of common stock without charge upon such person's written request to the Investor Relations Department at CBIZ's Executive Offices at 6050 Oak Tree Boulevard South, Suite 500, Cleveland, Ohio 44131.

**HOUSEHOLDING**

Unless you advised otherwise, if you hold your shares in street name and you and other residents at your mailing address share the same last name and own shares of our common stock in an account at the same brokerage firm, bank, or other nominee, we delivered a single Notice or set of proxy materials to your address. This method of delivery is known as householding. Householding reduces the number of mailings you receive, saves on printing and postage costs, and helps the environment. Stockholders who participate in householding will continue to receive separate voting instruction forms. We will deliver promptly, upon written or oral request, a separate copy of the Notice or set of proxy materials to a stockholder at a shared address to which a single copy of the materials was delivered. A stockholder who wishes to receive a separate copy of the Notice or proxy materials for the Annual Meeting should submit this request by contacting CBIZ's Corporate Secretary at 6050 Oak Tree Boulevard South, Suite 500, Cleveland, Ohio 44131, phone (216) 447-9000. If you would like to opt out of householding, please contact your broker, bank, or other nominee. Beneficial owners sharing an address who are receiving multiple copies of the proxy materials and who wish to receive a single copy of these materials in the future will need to contact their broker, bank, or other nominee to request that only a single copy of each document be mailed to all stockholders at the shared address in the future.



**Table of Contents**

**OTHER MATTERS**

Management does not intend to present any other items of business and knows of no other matters that will be brought before the Annual Meeting. However, if any additional matters are properly brought before the Annual Meeting, it is intended that the shares represented by proxies will be voted with respect thereto in accordance with the judgment of the persons named in such proxies.

The accompanying form of proxy has been prepared at the direction of the Board of Directors and is sent to you at the request of the Board of Directors. The Board of Directors has designated the proxies named therein.

By Order of the Board of Directors,

Michael W. Gleespen, Corporate Secretary

Cleveland, Ohio

April 6, 2018

**Table of Contents**

**Electronic Voting Instructions**

**Available 24 hours a day, 7 days a week!**

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

**Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Eastern Time, on May 10, 2018.**

**Vote by Internet**

Go to [www.envisionreports.com/cbiz](http://www.envisionreports.com/cbiz)

Or scan the QR code with your smartphone

Follow the steps outlined on the secure website

**Vote by telephone**

Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone

Follow the instructions provided by the recorded message

Using a **black ink** pen, mark your votes with an **X** as shown in this example. Please do not write outside the designated areas.

**Annual Meeting Proxy Card - Common and Retirement Savings Plan**

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

**A Election of Directors** The Board of Directors recommends a vote **FOR** all the nominees listed.

1. Election of Directors:	<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>	<b>+</b>
01 - Michael H. DeGroot				02 - Gina D. France			03 - Todd J. Slotkin			

**B Proposals**

The Board of Directors recommends a vote **FOR** Proposal 2.

The Board of Directors recommends a vote **FOR** Proposal 3.

	<b>For</b>	<b>Against</b>	<b>Abstain</b>		<b>For</b>	<b>Against</b>	<b>Abstain</b>
2. Ratification of KPMG, LLP as CBIZ's independent registered public accounting firm.				3. Say on Pay An advisory vote on the approval of executive compensation.			

The Board of Directors recommends a vote **FOR** Proposal 4.

4. Upon such other business as may properly come before said meeting, or any adjournment thereof.

**C**

**Change of Address** Please print new address below.

**D Authorized Signatures** This section must be completed for your vote to be counted. **Date and Sign Below**

Please sign EXACTLY as name appears on this card. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee, guardian or corporate officer, please give full title.

Date (mm/dd/yyyy) Please print date below. Signature 1 Please keep signature within the box. Signature 2 Please keep signature within the box.

/ /



02R7RA

**Table of Contents**

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

**Proxy CBIZ, Inc. - Common and Retirement Savings Plan**

**2018 Annual Meeting**

**Park Center Plaza III**

**6050 Oak Tree Boulevard South, Lower Level**

**Cleveland, Ohio 44131**

**Proxy Solicited by Board of Directors for Annual Meeting May 10, 2018**

Rick L. Burdick and Sherrill W. Hudson, or any of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Stockholders of CBIZ, Inc. to be held on May 10, 2018, or at any postponement or adjournment thereof.

**Shares represented by this proxy will be voted by the stockholder. If no such directions are indicated, the Proxies will have authority to vote FOR the election as directors of Michael H. DeGroot, Gina D. France, and Todd J. Slotkin, FOR ratification of KPMG LLP as CBIZ's independent registered public accounting firm and, FOR the executive compensation practices of the Company as disclosed in this proxy statement.**

**In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.**

(Items to be voted appear on reverse side)