

Monotype Imaging Holdings Inc.
Form DEF 14A
April 04, 2019
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

MONOTYPE IMAGING HOLDINGS 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:

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**600 Unicorn Park Drive
Woburn, Massachusetts 01801**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 2, 2019**

Notice is hereby given that the 2019 Annual Meeting of Stockholders (the "Annual Meeting") of Monotype Imaging Holdings Inc., a Delaware corporation (the "Company"), will be held on Thursday, May 2, 2019, at 8:30 a.m. local time at the Company's headquarters at 600 Unicorn Park Drive, Woburn, MA 01801 for the following purposes:

1. To elect three Class I directors nominated by the board of directors to serve until the 2022 annual meeting of stockholders and until their respective successors are duly elected and qualified or until their earlier resignation or removal;
2. To hold an advisory vote to approve the compensation of the Company's named executive officers;
3. To ratify the audit committee's appointment of Deloitte & Touche, LLP as the Company's independent registered public accounting firm for 2019; and
4. To consider and vote upon such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

Any action may be taken on the foregoing matters at the Annual Meeting on the date specified above, or on any date or dates to which, by original or later postponement or adjournment, the Annual Meeting may be postponed or adjourned.

The board of directors has fixed the close of business on March 22, 2019 as the record date for determining the stockholders entitled to receive notice of and to vote at the Annual Meeting and at any postponements or adjournments thereof. Only holders of record of the Company's common stock, par value \$0.001 per share, at that time will be entitled to receive notice of and to vote at the Annual Meeting and at any postponements or adjournments thereof.

You must bring to the Annual Meeting picture identification and proof that you are a stockholder of record in order to vote your shares at the Annual Meeting.

By Order of the Board of Directors,

Janet M. Dunlap

Executive Vice President, Chief Administrative Officer, General Counsel and Secretary

Woburn, Massachusetts

April 4, 2019

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Questions and Answers about Monotype's Annual Meeting

This proxy statement (the "Proxy Statement") is being furnished in connection with the solicitation of proxies by the board of directors (the "Board") of Monotype Imaging Holdings Inc., a Delaware corporation (the "Company" or "Monotype"), for use at the Company's 2019 Annual Meeting of Stockholders (the "Annual Meeting"). This Proxy Statement and form of proxy will be made available to stockholders on or about April 4, 2019.

When and where is the Annual Meeting?

Time: 8:30 a.m. Eastern
Date: Thursday, May 2, 2019
Location: Company Headquarters

600 Unicorn Park Drive

Woburn, Massachusetts 01801

Who can vote?

Stockholders of record as of March 22, 2019 (our "Record Date") are entitled to vote. As of our Record Date, there were 41,391,437 shares of our common stock (the "Common Stock") entitled to vote. Each share of our Common Stock is entitled to one vote for each Nominee (as defined herein) and one vote for each Proposal.

How many shares must be present to conduct the Annual Meeting?

The presence at the meeting in person or by proxy of holders of shares representing a majority of all the votes entitled to be cast at the meeting, or 20,695,719 voting shares, will constitute a quorum for the transaction of business at the Annual Meeting.

What is the difference between a stockholder of record and a street name holder?

These terms describe how your shares of our Common Stock are held. If your shares are registered directly in your name with Computershare Investor Services, our transfer agent, you are a stockholder of record. If your shares are held in the name of a brokerage, bank, trust or other nominee as a custodian, you are a street name holder.

What is a proxy?

A proxy is your legal designation of another person to vote on your behalf. By completing and returning the enclosed proxy card, you are giving the persons named in the proxy card, Scott Landers and Tony Callini, or each of them, each with the power of substitution, the authority to vote your shares in the manner you indicate on your proxy card.

How do I vote my shares?

If you are a stockholder of record, you have several choices. You can indicate your vote and designate your proxy:

Via the Internet;

By telephone; or

By mailing your enclosed proxy card.

Note that votes made by phone or on the Internet must be received by 11:59 p.m., local time, on May 1, 2019. Please refer to the specific instructions on the printed proxy card. If you hold your shares in street name, your

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broker, bank, trustee, or nominee will provide you with materials and instructions for voting your shares. If you return a properly signed proxy card but do not mark your vote on any matter, your shares will be voted **FOR** the Nominees and Proposals set forth on the proxy card.

Why did I receive more than one Proxy Statement and proxy card?

You will receive multiple Proxy Statements and proxy cards if you hold your shares in different ways (for example, by joint tenancy, in a trust, in a custodial account) or in multiple accounts. If your shares are held in street name, you will receive your proxy card or other voting information from your broker and you will return your proxy card(s) to your broker. You should vote on and sign each proxy card you receive. To request that only one copy of any of these materials be mailed to your household, please contact your broker.

Can I vote my shares in person at the Annual Meeting?

If you are a stockholder of record, you may vote your shares in person at the Annual Meeting. If you hold your shares in street name, you must obtain the appropriate documents from your broker, bank, trustee, or nominee, giving you the right to vote the shares at the Annual Meeting. You must bring to the Annual Meeting a picture identification and proof that you are a stockholder of record in order to vote your shares at the Annual Meeting. Please note that even if you plan to attend the Annual Meeting, we recommend that you vote using the enclosed proxy card in advance, to ensure that your shares will be represented.

What is a broker non-vote?

A broker non-vote refers to a share of our Common Stock represented at the Annual Meeting that is held by a broker or other nominee who has not received instructions from the beneficial owner or person entitled to vote such share and where the broker or nominee does not have discretionary power to vote. If you hold shares of our Common Stock in street name, you must provide written instructions on how you want your shares to be voted on each Proposal. If you do not provide voting instructions and the Proposal is considered a non-routine matter, then your shares will not be voted. Please note that **Proposal One Election of Directors** and **Proposal Two Advisory Vote on Executive Compensation** are considered a non-routine matters, so it is very important that you provide written instructions on each Proposal if you want your vote to be counted.

What Proposals will be voted on at the Annual Meeting and how does the Board recommend I vote?

The following is a summary of the Proposals being voted on at the Annual Meeting and the recommendations of the Board:

Proposal Number and Subject	Description	Board Recommendation
Proposal One Election of Directors	We are asking our stockholders to re-elect Gay W. Gaddis, Roger J. Heinen, Jr., and Denise F. Warren (the Nominees), each as a Class I director for a three-year term.	The Board recommends you vote FOR the election of each Nominee.
Proposal Two Advisory Vote on Executive Compensation	We are asking our stockholders, in an advisory, non-binding vote, to	The Board recommends you vote FOR the approval of the

approve the compensation of the Company's named executive officers.

compensation of the Company's named executive officers.

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Proposal Number and Subject	Description	Board Recommendation
Proposal Three Ratification of the Company's Independent Registered Public Accounting Firm	We are asking our stockholders to ratify the audit committee's appointment of Deloitte & Touche, LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2019.	The Board recommends you vote FOR the ratification of Deloitte & Touche, LLP.

What vote is required to approve each Proposal?

To approve each of the Proposals, the following votes are required from our stockholders:

Proposal Number and Subject	Vote Required	Impact of Abstentions and Broker
Proposal One Election of Directors	In uncontested elections, our directors are elected by a majority of the shares voted, which means that each Nominee receiving more for votes than against votes will be elected.	Non-Votes Abstentions and broker non-votes will not count as votes cast on Proposal One and will not affect the outcome of the vote.
Proposal Two Advisory Vote on Executive Compensation	We will consider stockholders to have approved the Company's executive compensation if the majority of votes are cast for Proposal Two.	Abstentions and broker non-votes will not count as votes cast on Proposal Two and will not affect the outcome of the vote.
Proposal Three Ratification of the Company's Independent Registered Public Accounting Firm	Deloitte & Touche, LLP will be ratified if the majority of votes are cast for Proposal Three.	Abstentions and broker non-votes will not count as votes cast on Proposal Three and will not affect the outcome of the vote.

What happens if additional matters are presented at the Annual Meeting?

As of the filing date of this Proxy Statement, we know of no other matters other than the items of business described herein which can be considered at the Annual Meeting. If other matters requiring a vote do arise, the persons named as proxies will have the discretion to vote on those matters for you.

Can I change my vote after I have mailed my proxy card?

You may revoke your proxy by doing one of the following:

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By signing a later-dated proxy card and submitting it so that it is received prior to the Annual Meeting in accordance with the instructions included on the proxy card(s);

By attending the Annual Meeting and voting your shares in person; or

By sending a written notice of revocation to:
Monotype Imaging Holdings Inc.

Attention: Corporate Secretary

600 Unicorn Park Drive

Woburn, Massachusetts 01801

Please note that your written revocation stating that you revoke your proxy must be received by our corporate secretary prior to the Annual Meeting.

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Who pays the cost of this proxy solicitation?

The cost of solicitation of proxies for the Annual Meeting will be paid by the Company. In addition to the solicitation of proxies by mail, the directors, officers, and employees of the Company may also solicit proxies personally or by telephone without additional compensation. The Company will also request persons, firms, and corporations holding shares in their names or in the names of their nominees, which are beneficially owned by others, to send proxy materials to and obtain proxies from the beneficial owners. The Company will reimburse holders for their reasonable expenses.

How do I make a proposal for consideration at next year's annual meeting of stockholders?

Stockholder proposals submitted pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the Exchange Act) for inclusion in the Company's proxy statement and form of proxy for the 2020 annual meeting of stockholders must be received by the Company by December 6, 2019. Proposals must comply with the requirements as to form and substance established by the Securities and Exchange Commission (the SEC) in order to be included in our proxy statement and form of proxy.

In accordance with our current by-laws, for a stockholder to nominate a director or for a proposal of a stockholder to be presented at the Company's 2020 annual meeting of stockholders, other than a stockholder proposal intended to be included in our proxy statement and submitted pursuant to Rule 14a-8 of the Exchange Act, a stockholder's notice must be delivered to, or mailed and received at, the principal offices of the Company, together with all supporting documentation required by the Company's by-laws, not prior to the close of business on January 3, 2020, nor later than the close of business on February 2, 2020. You may contact the Company's corporate secretary at the address below for a copy of the relevant by-law provisions regarding the requirements for making stockholder proposals and nominating director candidates. Any proposals should be mailed to:

Monotype Imaging Holdings Inc.

Attention: Corporate Secretary

600 Unicorn Park Drive

Woburn, Massachusetts 01801

The Company's Annual Report, including financial statements for the year ended December 31, 2018, is being mailed to stockholders concurrently with this Proxy Statement. The Annual Report, however, is not part of the proxy solicitation material, even when we specifically refer to the Annual Report on Form 10-K in this Proxy Statement. A copy of the Company's Annual Report on Form 10-K filed with the SEC, including all exhibits to the Annual Report, may be obtained free of charge by writing to:

Monotype Imaging Holdings Inc.

Attention: Investor Relations

600 Unicorn Park Drive

Woburn, Massachusetts 01801

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The Annual Report can also be viewed and/or downloaded from the Company's website at <http://ir.monotype.com/>. The information contained on, or connected to, our website is not incorporated herein by reference.

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The beneficial ownership of entities known to the Company to directly or indirectly own more than five percent of our Common Stock as of March 1, 2019 can be found in the table below. This information is based on publicly available filings on Form 13G for the period ending December 31, 2018 and the percentage ownership calculations are based on 41,447,514 shares outstanding on March 1, 2019.

Name and Address of Beneficial Owner	Shares Beneficially Owned	
	Number	Percent
BlackRock, Inc. . 55 East 52 nd Street New York, NY 10055	6,000,642	14.5%
The Vanguard Group, Inc. 100 Vanguard Boulevard Malvern, PA 19355	4,223,659	10.2%
RGM Capital, LLC 9010 Strada Stell Court, Suite 105 Naples, FL 34109	3,703,397	8.9%
Trigran Investments, Inc. 630 Dundee Road, Suite 2309 Northbrook, IL 60062	3,664,425	8.8%

Security Ownership of the Board and Management

The beneficial ownership of the Company's Common Stock of all current directors and executive officers, both individually and as a group, is listed in the table below. This information is based on written representations made by each director and executive officer and the percentage ownership calculations are based on 41,447,514 shares outstanding on March 1, 2019.

Name of Beneficial Owner	Shares Beneficially Owned	
	Number (1)	Percent
Scott E. Landers (2)	439,505	1.1%
Anthony Callini	120,714	*
Janet M. Dunlap (3) +	206,726	*
Steven R. Martin (4) +	154,162	*
Benjamin W.L. Semmes III (5) +	270,322	*
Brett S. Zucker (6)	130,770	*
Pamela F. Lenehan (7)	85,775	*

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Eileen A. Campbell	10,981	*
Gay W. Gaddis	29,835	*
Roger J. Heinen, Jr.	31,995	*
Peter J. Simone	36,069	*
Denise F. Warren	10,981	*
Timothy B. Yeaton	40,409	*
All executive officers and directors as a group (13 persons) (8)	1,568,244	3.8%

* Represents less than 1% of the outstanding shares of our Common Stock.

+ The executive officer has an effective 10b5-1 trading plan as of the date of this Proxy Statement.

- (1) The total number of shares beneficially owned for each individual named above includes options to purchase our Common Stock held by the beneficial owner that are currently exercisable or will become exercisable within 60 days of March 1, 2019.
- (2) The amount includes 4,605 shares of stock indirectly held by Mr. Landers in his wife's and children's names and 66,741 shares subject to options.

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- (3) The amount includes 37,978 shares subject to options.
- (4) The amount includes 50,505 shares subject to options.
- (5) The amount includes 12,564 shares of stock indirectly held by Mr. Semmes in a roll-over individual retirement account and 85,878 shares subject to options.
- (6) The amount includes 55,994 shares subject to options.
- (7) The amount includes 2,000 shares of stock indirectly held by Ms. Lenehan in her spouse's name.
- (8) The amount includes 297,096 shares subject to options and 19,169 shares indirectly held as noted above.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers, directors and persons who beneficially own more than 10% of a registered class of our equity securities (collectively, "Insiders") to file reports of ownership and changes in ownership with the SEC. Insiders are required by the SEC to furnish the Company with copies of all Section 16(a) reports they file. The Company has received written representations from all directors and named executive officers that no other reports were required during the year ended December 31, 2018 and all filing requirements applicable to the Insiders were timely satisfied, with the exception of one Form 4 for each of Messrs. Landers, Semmes, Martin, Zucker, and Ms. Dunlap, which were filed late. These errors were remediated immediately upon discovery.

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Corporate Social Responsibility, Employee Engagement and Corporate Governance

At Monotype, we empower creative minds to build and express authentic brands. We strive to be the first stop for leaders and innovators of brand expression, providing the design assets, technology and expertise that drive brand engagement and the best user experiences. Our products, services and expertise help brands build authentic, memorable experiences at every customer touchpoint. We partner with some of the industry's largest font and marketing asset companies and employ many of the world's most talented font designers. While great products and unmatched talent are a good start, we must also earn and maintain the trust of customers, employees and stockholders.

Monotype focuses on conducting business in a manner that is principled, accountable and transparent. Our core values are at the center of everything we do:

Be curious, be bold

Delight customers

Create with passion

Act with accountability

Include and care for all

These values are embodied in our corporate social responsibility efforts, employee engagement programs and corporate governance programs. With building long-term relationships at the heart of what we do, we seek to make Monotype a great place to work for our employees and to earn the trust of our customers and stockholders.

Corporate Social Responsibility

We know that customers and stockholders would rather engage with a company that operates in a manner that promotes social responsibility and acts accordingly.

Creating Trust

To help ensure our customers can trust the products and services they use, we have published clear privacy statements that describe our practices, our use of anonymous and personally identifiable data (PII), and offer ways for individuals to access, correct or delete their PII from our systems or even take their PII somewhere else.

We take data and cyber security seriously. That's why in 2018 we underwent an ISO 27001 security audit and are proud to say we have been ISO 27001 certified. We review the security practices of our vendors and strive to

hold them to the same high standards with which we hold ourselves.

We focus on the regulatory landscape so when changes occur that could affect our customers' use of our products and services, we are ready to work directly with them to help them prepare to comply with the changing requirements.

We help our customers focus on compliance. We know font licensing is complicated, and we work with our customers to not only get them up to date on their current licensing needs, but also offer products that ensure our customers can be comfortable that they are fully licensed for today's most pervasive font use cases.

We launch customer surveys across all of our product lines to get a better understanding of the challenges our customers face, ensure we are helping them meet those challenges, and make changes based on their feedback.

Green Initiatives

We have taken steps to decrease the amount of waste we produce by reducing our reliance on paper and other single use products in our offices throughout the world. We have installed filtered water and coffee

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stations and provide our employees with reusable hot and cold cups to use in our offices. We also have recycling programs in all of our offices.

We encourage our employees, guided by our records retention policy, to retain electronic records as opposed to paper, which also reduces the need for off-site paper storage.

We have taken steps to reduce the amount of energy we use in our corporate headquarters by maximizing natural light in our office design, reducing the amount of electricity we use.

We limit employee travel through the deployment of desktop and group teleconferencing alternatives.

Charitable Giving

Through our Monotype Cares program, our employees support non-profit and community development organizations that align with our values and employees are given paid time off to volunteer with co-workers in their local communities.

We offer a charitable matching program. Some of the organizations that Monotype and its employees supported in 2018 include Center for Women and Enterprise (USA), GBPFLAG Pride and Passion (USA), Whitechapel Mission (UK), Blue Cross (UK), Kerala Flood Fund (India), Cordoba Food Bank (Argentina), and Saint Alberto Hurtado Homeless Shelter (Argentina).

Our global events team, made up entirely of employees, regularly organizes charitable events in support of local community, such as our Toys for Tots drive, winter coat drive, support of our local food pantry and a dress for success business clothing drive to support our local homeless shelter.

In 2018, Monotype donated \$50,000 to Room to Read, a non-profit focused on girls' education and children's literacy, and increased awareness of the organization by promoting the fund raising effort on many of our e-commerce channels.

Employee Engagement

We believe Monotype's success flows from nurturing our diverse, talented and engaged team through providing clear avenues for professional development and the ability to give meaningful, regular feedback to management.

Training and Development

We train the next generation of leaders in our organization to assure they are ready to lead Monotype into the future, including offering our future leaders the opportunity to interact with our Board members.

We offer in-house training programs and invested in an e-learning platform geared towards all management levels to strengthen our employees professional and leadership skills. In 2018, 64% of our global leaders at all levels participated.

Every executive leader at Monotype is allocated a training budget to allow employees to pursue external training beyond what we offer in-house, and in 2018, all relevant training requests were funded.

We invested in DiSC[®], a behavior assessment tool that is designed to improve work productivity, teamwork and communication by increasing awareness of one's own behavioral style and recognition of the style of others. In 2018, we began the roll out of the assessment tool across Monotype.

We use data and analytics to inform decisions as they relate to benefits and employee experience initiatives that meet the need of our current and future workforce, to retain current talent and ensure a future talent pipeline.

Soliciting and Providing Feedback

We solicit our employees' opinions regarding the management of the Company and our strategy, we listen and we act. We do this by regularly launching employee engagement surveys throughout the year. Survey

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results filter down through our leadership teams who then review the results with, and solicit further feedback from, each employee. From there our executive management team develops action plans to address any issues raised.

Our executive management team meets regularly with employees in town hall and other formal and informal settings to get employee perspectives on corporate strategy and implementation, customer focus and general employee satisfaction.

We have coaching and simplified performance review processes that also include peer feedback and 360-degree reviews, when appropriate, to provide our employees ongoing feedback regarding their professional development and achievements.

Embracing Diversity

We strive to increase employee diversity, and we monitor our compensation, hiring and promotion practices as they relate to gender.

We have offices around the world, which gives us an employee base that brings different cultures and perspectives to our business, and we continue to focus on international expansion.

Corporate Governance

Our Board and management team believe that effective corporate governance programs build a foundation of trust between Monotype and its stockholders, maintain internal checks and balances, and strengthen management accountability.

Equity Ownership Guidelines and Anti-Hedging

We Maintain Board and Executive Officer Equity Ownership Guidelines

Our Board believes that equity ownership by the Board, our president and chief executive officer (our President and CEO), and our other executive officers is important to align their interests with the interests of our stockholders. Equity ownership also demonstrates to the investing public and our employees that the Board, President and CEO and our other executive officers are committed to our Company. Our current equity ownership guidelines, which require our non-employee directors, President and CEO and other executive officers to beneficially own a combination of shares of our Common Stock, vested stock options and unvested shares of restricted stock with a dollar value as set forth below, are as follows:

Category	Ownership Requirement	Meets the Requirement?	Who is Subject to the Guidelines
Non-Employee Directors	5X Annual Cash Retainer	Yes	All non-employee directors are subject to the guidelines after three years of service on our Board. As of December 31, 2018 all

non-employee directors subject to the guidelines met the guidelines; Ms. Campbell and Ms. Warren will become subject to the guidelines in 2022.

Chief Executive Officer 3X Base Salary Yes

Mr. Landers is not subject to the guidelines until 2020; however, as of December 31, 2018 he met the guidelines.

Other Executive Officers 1X Base Salary Yes

Our other executive officers will be subject to the guidelines in 2022; however, as of December 31, 2018 our other executive officers met the guidelines.

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Each non-employee director is subject to the guidelines once they have served on our Board for at least three years. Our President and CEO and other executive officers are subject to the guidelines four years after the later of the adoption of the guidelines and the first date he or she was employed as the Company's President and CEO or executive officer, as applicable. Compliance with each set of guidelines is measured at the close of business at the Company's principal place of business on December 31 of each year. You can find our stock ownership guidelines for our non-employee directors, our President and CEO and our other executive officers on our website at <http://ir.monotype.com/>.

We Maintain an Anti-Hedging Policy

Our insider trading policy prohibits all directors, officers and employees and their immediate family members from engaging in the following transactions relating to our securities or derivatives thereof:

purchasing or selling puts or calls;

short sales;

trading during a standard quarterly or special blackout period and/or placing standing orders (other than under Company approved Rule 10b5-1 trading plans); and

holding our securities or derivatives thereof in a margin account or pledging them.

Governance Practices, Risk Oversight and Business Relationships and Transactions

We Have Strong Governance Practices

We believe that strong corporate governance practices promote the long-term interests of our stockholders. Our governance practices not only strengthen our Board and executive management team accountability but also build trust in our Company with our stockholders, and include:

Our Board has a majority voting standard for the election of directors in uncontested elections with a director resignation requirement if a director is not re-elected in an uncontested director election.

Our Board evaluates the effectiveness of our Chair every three years and either elects or re-elects a Chair every three years.

The Company has adopted a Code of Business Conduct and Ethics, which is applicable to every member of our Board and all employees, including our President and CEO and all senior financial officers.

We provide that any amendment to or waiver of a provision of our Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer, controller or persons performing similar functions, will be disclosed by posting such information on our website.

The Company has adopted a set of Corporate Governance Guidelines, which are reviewed yearly and updated to reflect best practices.

All of the committees of the Board operate under written charters.

Our Board conducts an annual self-evaluation, part of which is to determine whether or not the current leadership structure is optimal for our Company and our stockholders.

Each committee of the Board conducts an annual self-evaluation, part of which is to determine the effectiveness of the committee and highlight areas of committee focus for the upcoming year.

We conduct an annual review of corporate policies and committee charters to ensure compliance with industry best practices.

Our Company policy encourages all directors to attend our annual meeting of stockholders. All members of our Board then serving on the Board attended our 2018 annual meeting of stockholders.

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Any of our committee charters, our corporate governance guidelines, and our Code of Business Conduct and Ethics can be accessed on our website at <http://ir.monotype.com> and can also be obtained, free of charge, by writing to us at:

Monotype Imaging Holdings Inc.

Attention: Corporate Secretary

600 Unicorn Park Drive

Woburn, Massachusetts 01801

We Have Shared Board and Executive Officer Responsibility for Risk Oversight

The Company's senior management is responsible for day-to-day risk management and implementation of Company policies. We maintain an internal risk management committee that is responsible for ensuring that our risk management program, which is comprised of strategic, operational, financial, and legal risk identification and prioritization, as well as active risk management and mitigation, is reflected in our policies and actions. Our Board is responsible for our risk identification and prioritization process, has oversight of our risk management program and risks related to our operations and business strategy, and receives reports on risk management from members of our executive management team. Our audit committee oversees our Sarbanes-Oxley Act of 2002 compliance program, internal audit function, and the resolution of certain issues identified by our information technology and information security functions. Our management development and compensation committee oversee the risks with respect to our executive compensation programs. This committee works directly with management to assure that our compensation programs properly encourage management to take informed risks as they strive for business success and avoid risks that would have a material adverse effect on the Company. Our Board believes that this shared oversight is appropriate, rather than consolidation of responsibility with a single board level risk management committee.

Our Board Reviews Business Relationships and Transactions

All related party transactions are reviewed under our related person transaction approval policy by our audit committee and reported to and, if required, approved by our Board. The term "related party transactions" refers to transactions required to be disclosed in our filings with the SEC pursuant to Item 404 of Regulation S-K. Responsibilities for these reviews and associated actions are as follows:

Our audit committee is responsible for our policies and procedures for the review of transactions between the Company and our directors, director nominees, executive officers, security holders that beneficially own more than 5% of any class of our voting securities, or the immediate family members of any of these persons under our written related person transaction approval policy;

A list of related persons, which is updated semi-annually and cross-checked periodically, is available to our employees and officers who are involved with or familiar with the transactions, contracts or other legal or business arrangements that we may or have entered into; and

The related persons list is checked prior to entering into any transaction, contract or other legal or business arrangement.

If it is determined that we have entered into or may enter into a related person transaction, including any modification or addition to an existing contract or arrangement, our general counsel is notified and she reviews the applicable rules and determines whether the approval of our Board, the audit committee, or both is required and if so, that approval is obtained prior to entering into the transaction. No related person transaction is allowed unless our general counsel has either specifically confirmed in writing that no further approvals are necessary, or specifically confirmed in writing that all approvals necessary for us to enter into such arrangement have been obtained. In the event that a related party transaction requires the approval of the Board, the audit committee reviews the transaction and then makes a recommendation to the Board for its consideration before the transaction is entered into.

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Board Leadership and Independence

We Have Separate Board and Executive Leadership

We have separate positions for the Chair of the Board (our Chair) and President and CEO. As our Chair is elected to three-year terms, the Board has the opportunity to review the Chair's effectiveness in the position at the end of each term. Our Board believes that there are advantages to having an independent Chair, including:

Facilitating matters such as communications between the Board and our President and CEO;

Providing strategic guidance from the Board to our President and CEO and senior management team;

Assisting the Board in reaching consensus on particular strategies based on senior management's plans; and

Ensuring that the appropriate level of oversight, independence and responsibility is applied to all Board decisions, including risk oversight.

Pamela F. Lenehan is our Chair, with her three-year term expiring upon the date of our 2021 annual meeting of stockholders. The Board believes that Ms. Lenehan's skill set, board level experience, understanding of the Company's business, and her interactions with and ability to offer guidance to our senior management team allow her to excel in this role.

We Have an Independent Board

Our Board has eight members, is divided into three staggered classes (Class I, II and III), and each director in each class serves until a successor has been elected and qualified and until the earlier of their resignation or removal. Our current Board is comprised of seven independent and one non-independent director. Our one non-independent director is Scott Landers, our current President and CEO, who became a director in 2016.

Board Member Independence

Our Board has considered the relationships of all directors and any transactions involving the directors and determined that one of our directors, Scott Landers who was appointed as our President and CEO and elected to the Board in 2016, has a relationship that would interfere with the exercise of independent judgment in carrying out his responsibility as a director. Mr. Landers does not serve on any committee of the Board. Aside from Mr. Landers, each director qualifies as an independent director under the rules of the SEC and the Nasdaq Stock Market (Nasdaq).

Management Development and Compensation Committee Member Independence

Each member of our management development and compensation committee is independent as defined under the Exchange Act and the rules of Nasdaq, is an outside director as defined under Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), and a non-employee director as defined in Rule 16b-3 under the Exchange Act.

Audit Committee Member Independence

Each member of our audit committee is independent as defined under the Exchange Act and the applicable rules of Nasdaq. Our Board has determined that Peter Simone qualifies as an audit committee financial expert as defined under the Exchange Act and the applicable rules of Nasdaq. In making its determination, our Board considered the nature and scope of the experiences and responsibilities that Mr. Simone previously had with reporting companies and, in the opinion of our Board, he does not have a relationship that would interfere with the exercise of independent judgment in carrying out his responsibilities as a director.

Nominating and Corporate Governance Committee Member Independence

Each member of our nominating and corporate governance committee is independent as defined under the rules of Nasdaq.

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Management Development and Compensation Committee Interlocks and Insider Participation

In 2018, Pamela Lenehan, Gay Gaddis, Eileen Campbell, Roger Heinen and Timothy Yeaton served on our management development and compensation committee. Ms. Lenehan stepped down as a member of the committee immediately following the date of our 2018 annual meeting of stockholders when she assumed the role of Chair of our Board. None of our executive officers serves as a member of the management development and compensation committee or as a director of any entity that has one or more of its executive officers serving as a member of our Board or management development and compensation committee. None of the members of our management development and compensation committee has ever been one of our employees.

Our Board Engages an Independent Compensation Consultant

Our management development and compensation committee has engaged Pearl Meyer & Partners LLC (Pearl Meyer) to serve as its independent compensation consultant. In this capacity, Pearl Meyer advises on executive compensation best practices, peer group construction; peer group pay practices; and other relevant benchmarks with respect to the Company s:

executive officer and key employee compensation;

director compensation pay practices; and

education of the Board on regulatory developments and compensation trends.

Pearl Meyer takes direction from the management development and compensation committee, reports directly to the committee and does not provide any services to the Company other than those described above. The management development and compensation committee has assessed the independence of Pearl Meyer pursuant to SEC and Nasdaq rules and determined that Pearl Meyer is independent and that their work has not raised any conflict of interest.

In making this assessment, the committee considered each of the factors set forth by the SEC and Nasdaq with respect to the compensation consultant s independence, including that Pearl Meyer provides no other services for the Company other than pursuant to its engagement by the management development and compensation committee and the individual compensation consultants from Pearl Meyer who advise the committee have no prior relationship with any of our named executive officers or any member of the Board. The committee also determined that there were no other factors that should be considered in connection with the assessment or that were otherwise relevant to the management development and compensation committee s engagement of Pearl Meyer.

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Proposal One - Election of Directors

The Board, upon the recommendation of its nominating and corporate governance committee, has nominated Gay W. Gaddis, Roger J. Heinen, Jr., and Denise F. Warren, and recommends that they be re-elected to the Board, each as a Class I director to serve until the 2022 annual meeting of stockholders and until each of their successors is duly elected and qualified and until each of their earlier resignation or removal. Ms. Gaddis, Mr. Heinen and Ms. Warren are currently Class I directors whose terms expire at this Annual Meeting. The Board anticipates that Ms. Gaddis, Mr. Heinen and Ms. Warren, if elected, will each serve as a director. Each Nominee has consented to be named in this Proxy Statement. This Proposal relates solely to the election of the Nominees and does not include any other matters including the election of directors nominated by any stockholder of the Company.

Proxies will be voted FOR the election of Ms. Gaddis, Mr. Heinen and Ms. Warren as Class I directors unless contrary instructions are set forth on the enclosed proxy card.

The Board of Directors recommends that stockholders vote FOR the election of the Nominees.

Board Statistics, Skills and Experience, and Biographical Information (including the Nominees)

Board Statistics

Our Board believes that having a diverse mix of directors with complementary qualifications, skills and attributes, varied types of business and leadership experience, and unique perspectives is essential to meeting its responsibilities and contributing to the overall direction of Monotype. When we add new members to our Board, as we did in 2018, our nominating and corporate governance committee actively seeks highly qualified women and individuals from diverse racial and ethnic groups to include in the pool from which new candidates are selected so that a diverse set of experiences and perspectives is represented.

Some statistics relating to the age, diversity and tenure of our Board are as follows:

Skills and Experience of our Directors

We want our directors to provide a collective skill set that not only strengthens the diversity and experience of our Board but also provides the oversight and strategic guidance we believe is integral to the success of our Company. We seek out certain specific characteristics in our Board members that we believe will enhance the

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Board's ability to provide such oversight and strategic guidance as it relates to our business. The following chart shows the number of directors that bring each key experience, expertise or attribute to our Board:

We believe the characteristics and experiences that our directors, including the Nominees, bring to the Board complement each other and match the needs of our Company. The chart below notes the specific key experience, expertise or attributes each of our directors, including the Nominees, which our Board has identified as particularly valuable to the effective oversight of the Company and the execution of our strategy:

Experience, Expertise or Attribute	Campbell	Gaddis	Heinen	Landers	Lenehan	Simone	Warren	Yeaton
Experience in software and services, marketing, marketing analytics or other creative professional industries	X	X	X	X		X	X	X
Specific experience in marketing services, branding or digital communications industries	X	X					X	
Leadership and/or operational experience in public companies or other major complex organizations	X		X	X	X	X	X	X
Financial or financial industry experience or knowledge			X	X	X	X	X	
Board level experience	X		X		X	X	X	X
Contributes to the racial, ethnic or gender diversity of the board	X	X			X		X	
Experience with mergers and acquisitions	X		X	X	X	X		X

Biographies of our Non-Employee Directors and Nominees

The following biographical information lists the names, ages as of January 31, 2019, positions on the Board, current term and class, and relevant experience for the last five years for each of our non-employee directors, including the Nominees, which is based on information that has been provided to us by our directors and the Nominees. There is no family relationship between any director, Nominee or executive officer of the Company. None of our directors has been convicted of a criminal offense in the past ten years.

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You can find the biographical information of Scott. Landers, our President and CEO and a Class III director, in the section entitled *Biographical Information of our Executive Officers* of this Proxy Statement.

Biographical Information of the 2019 Nominees (current term expires on the date of our Annual Meeting)

Gay W. Gaddis, 61 Member, Management Development and Compensation Committee

Member, Nominating and Corporate Governance Committee

Class I director since 2014

Ms. Gaddis has served as Chief Executive Officer and Founder of T-3, a collaborative think tank that works with Fortune 500 and international companies to design technology-fueled digital marketing strategies, since 1989. She currently serves as Chair of the executive committee for the Texas Business Leadership Council, and as a member of the advisory board of Womensphere, and formerly served as Chair of the board of the Committee of 200 (C200), a pre-eminent global women's business organization. Ms. Gaddis holds a BFA from the University of Texas at Austin.

Roger J. Heinen, Jr., 67 Chair, Management Development and Compensation Committee

Member, Audit Committee

Class I director since 2006

Mr. Heinen served as Senior Vice President, Developer Division for Microsoft Corporation from 1993 to 1996 and as Senior Vice President, Software Division for Apple Computer from 1989 to 1993. He served on the board of directors of Progress Software Corporation from 1999 until 2009. Mr. Heinen holds a BS in computer science from Worcester Polytechnic Institute, an S.E.P. from Stanford University, and a PhD, Hon. from Worcester Polytechnic Institute.

Denise F. Warren, 55 Chair, Nominating and Corporate Governance Committee

Member, Audit Committee

Class I director since 2018

Ms. Warren has served as the Chief Executive Officer and Founder of Netlyst, LLC, a consulting and advisory firm focused on digital business growth, since 2016. Prior to that, she served as President of Digital, Chief Executive Officer of East Coast Publishing and Executive Vice President of the Tribune Publishing Company, from June 2015 to February 2016. She also

previously served in a number of executive positions at The New York Times Company from 2005 through 2014, including as Executive Vice President of Digital Products and Services from March 2013 until October 2014, General Manager of NYTimes.com from 2008 to 2013, and as Chief Advertising Officer from 2005 until 2013. Ms. Warren currently serves on the board of directors and as a member of the audit committee of Taylor Morrison Home Corporation since August 2018, and on the board of directors of privately held Newscycle, LLC since October 2017. She previously served on the board of directors and as a member of the audit committee of Electronic Arts, Inc. from May 2013 to August 2018. Ms. Warren holds a BS in management from Tulane University and an MBA in communications and media management from Fordham University.

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Eileen A. Campbell, 59 Member, Management Development and Compensation Committee

Class II director since 2018

Current term expires in 2020

Ms. Campbell has served as the Founder of Womintuition, a consulting agency, since 2017. From 2013 to 2017, she served as Chief Marketing Officer for IMAX Corporation, one of the world's leading entertainment technology companies specializing in immersive motion picture technologies. Prior to that, she served as Chief Executive Officer at Millward Brown, a \$1B research-based consultancy owned by WPP, from 2000 to 2013. Ms. Campbell serves on the board of the Committee of 200 (C200), a pre-eminent global women's business organization, and as Executive Chair of the Reid Campbell Group, a provider of market research services. From July 2014 to September 2015, she served the board of directors of Vision Critical, a provider of cloud-based customer intelligence platforms that allows companies to build engaged, secure communities of customers. Ms. Campbell holds a BS in economics and business administration from Heidelberg University.

Pamela F. Lenehan, 66 Chair of the Board of Directors since 2018

Class III director since 2006

Current term expires in 2021

Ms. Lenehan has served as President of Ridge Hill Consulting, LLC, a strategy consulting firm, since June 2002. She formerly served on the board of directors of Civitas Solutions, Inc. from December 2008 to March 2019, including as a member of its audit committee from January 2009 to March 2019 and its audit committee Chair from January 2009 to January 2016, as a member of its compensation committee from October 2014 to March 2019, and as presiding director from January 2016 to March 2019 when it was purchased in a private equity transaction; on the board of directors and audit committee of American Superconductor Corporation from March 2011 to July 2018, including as its audit committee Chair from August 2011 to July 2018; on the board of directors and compensation committee for Spartech Corporation from December 2004 to March 2013, including as its compensation committee Chair from March 2007 to March 2013, and a member of its audit committee from January 2005 to March 2013 when it was acquired by PolyOne Corporation. She sits on the board of directors for the Center for Women and Enterprise, the National Association of Corporate Directors of New England and is the co-Chair of the Boston Chapter of Women Corporate Directors, each a not-for-profit organization. Ms. Lenehan holds an Executive Masters Professional Director Certification, Silver Level from the American College of Corporate Directors, a BA in mathematical economics from Brown University, and an

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MA in economics from Brown University.

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Peter J. Simone, 71	Chair, Audit Committee
	Member, Nominating and Corporate Governance Committee
	Class II director since 2006
	Current term expires in 2020

Mr. Simone has served as an investment consultant and a consultant to numerous private companies since 2001, as interim CEO of Lilliputian Systems, Inc. during the first half of 2013, and as President, Chief Executive Officer and director of Xionics Document Technologies, Inc., a developer of software solutions for printing and digital page processing, from April 1997 until its acquisition by Oak Technology, Inc., in January 2000. He has served on the board of directors of Veeco Instruments, Inc., an equipment developer and supplier to various industries including data storage and semiconductors, since July 2004. He formerly served on the board of directors of Cymer, Inc. from 1993 to 2013, on the board of Inphi Corporation from 2010 to 2013, and on the board of Newport Corporation from 2003 until 2016 when it was sold to MKS Instruments. Mr. Simone holds a Masters Professional Director Certification from the American College of Corporate Directors, a BS in accounting from Bentley University, an MBA from Babson College, and is a former CPA.

Timothy B. Yeaton, 60	Member, Nominating and Corporate Governance Committee Member, Management Development and Compensation Committee
	Class III director since 2012
	Current term expires in 2021

Mr. Yeaton has served as the Executive Vice President and Chief Marketing Officer and previously as the Senior Vice President and Group Executive of the Infrastructure Business Group at Red Hat, Inc., a global leader in providing open source software solutions to the enterprise, since January 2014. Previously, Mr. Yeaton served as President and Chief Executive Officer of Black Duck Software from February 2009 to December 2013. He formerly served on the board of directors of Actuate Corporation from January 2011 to January 2015 when it was acquired by OpenText, and Black Duck Software from February 2009 to January 2016. Mr. Yeaton holds a BS in management from Roger Williams University and an MBA from Babson College.

2018 Meetings of the Board, its Committees, and Executive Sessions of Non-Employee Directors

The following provides information about the 2018 Meetings of the Board, its committees and any executive sessions of non-employee directors.

Meetings of the Board of Directors

Our Board met 16 times during 2018, and each director attended at least 75% of the total number of meetings of the Board or committee of which he or she was a member, with the exception of Mr. Simone who attended 63% of the meetings of the Board due to an illness requiring several weeks of hospitalization, from which he has since recovered. Ms. Campbell and Ms. Warren joined our Board in April 2018. In 2018, an executive session of the independent directors was held following a scheduled meeting of the Board and included only those directors who met the independence requirements of Nasdaq. Our Chair is responsible for chairing any executive session.

Meetings of the Committees of the Board

The Board has three standing committees: audit committee, management development and compensation committee, and nominating and corporate governance committee. Our Board holds regularly scheduled meetings based on a calendar that is reviewed yearly, however the Board will schedule meetings as the need arises throughout the year. The composition and function of each of our committees complies with the rules of the SEC and Nasdaq.

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Management Development and Compensation Committee

Chair:	Roger J. Heinen, Jr.
Additional Members:	Eileen A. Campbell, Gay W. Gaddis, and Timothy B. Yeaton
Number of Meetings:	7
Percentage of Meetings Attended by all Members:	86%
Annual Responsibilities:	

Review and make recommendations to our Board with respect to the corporate goals and objectives relevant to the compensation of our President and CEO;

Evaluate the performance of our President and CEO in light of such corporate goals and objectives and determine and approve the compensation of our President and CEO;

Review and approve the compensation of our other executive officers and members of management that report directly to our President and CEO;

Review and make recommendations to our Board with respect to director compensation, with guidance from our nominating and corporate governance committee when required;

Establish and review our overall management compensation philosophy, strategy and policies;

Review peer group and market survey data with respect to setting the compensation of our executive officers;

Review and approve actions with respect to the adoption, amendment, administration, and termination of all executive and non-executive incentive compensation plans and equity-based compensation plans;

Administer our executive compensation claw back policy including making a determination of any amounts to be repaid in the event of a financial restatement due to misconduct;

Review our sales compensation plans to ensure alignment with Company objectives;

Review our pension and other similar plans;

Retain the services of an independent compensation advisor and oversee the work of any such advisor to determine our practices alignment with peer group policies, market surveys, compensation best practices, employee benefits and regulatory policies;

Determine the independence of and approve the compensation of our independent compensation advisor;

Make regular reports to our Board;

Review and assess the adequacy of the management development and compensation committee charter;

Evaluate the committee's performance and report the results of such evaluation to our Board; and

Review and discuss with management all executive compensation disclosure included in reports and registration statements filed with the SEC and produce required reports.

Audit Committee

Chair:	Peter J. Simone
Additional Members:	Roger J. Heinen, Jr. and Denise F. Warren
Number of Meetings:	8
Percentage of Meetings Attended by all Members:	100%

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Annual Responsibilities:

Oversee the Company's financial reporting processes and audits of financial statements and internal control over financial reporting;

Review all major accounting policies applicable to our Company;

Oversee the Company's compliance with the Sarbanes-Oxley Act of 2002;

Review the Company's internal audit function including the performance of such function;

Review and discuss with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures;

Review the internal reporting of the Company's information technology security and protocols, and oversee of information technology security issue resolution;

Meet independently with our independent registered public accounting firm;

Appoint, retain, terminate, approve the compensation of, evaluate the independence of and oversee the work of our independent registered public accounting firm;

Assure the regular rotation of partners, including lead and concurring partners of our independent registered public accounting firm as required under the rules of the Exchange Act;

Approve all audit and permissible non-audit services to be provided by our independent registered public accounting firm, including the terms of such services;

Establish and oversee the adequacy of procedures for receipt, retention and treatment of complaints and the submission by employees of concerns regarding accounting or auditing matters;

Make regular reports to our Board;

Conduct appropriate reviews of all related party transactions;

Review and assess the adequacy of the audit committee charter;

Evaluate the committee's performance and reporting the results of such evaluation to our Board; and

Prepare the audit committee report required by SEC rules to be included in our proxy statements.

Nominating and Corporate Governance Committee

Chair:	Denise F. Warren
Additional Members:	Gay W. Gaddis, Peter J. Simone, and Timothy B. Yeaton
Number of Meetings:	5
Percentage of Meetings Attended by all Members:	80%
Annual Responsibilities:	

Develop and recommend to our Board a set of Corporate Governance Guidelines and Code of Business Conduct and Ethics;

Develop and oversee a succession plan for our President and CEO;

Recommend to our Board the persons to be nominated for election as directors and to each of our committees;

Recommend to our Board the person to be nominated as Chair of the Board;

Develop and recommend to our Board criteria for Board and committee membership;

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Identify individuals qualified to become Board members including actively seeking highly qualified women and individuals from diverse racial and ethnic groups to include in the pool from which new candidates are selected to assure that a diverse set of experiences and perspectives is represented;

Establish procedures for stockholders to submit recommendations for director candidates;

Establish procedures for identifying and evaluating director candidates including nominees recommended by stockholders;

Review our disclosures concerning policies and procedures for identifying and reviewing Board nominee candidates;

Make regular reports to our Board;

Review and assess the adequacy of the nominating and corporate governance committee charter;

Evaluate the committee's performance and reporting the results of such evaluation to our Board; and

Oversee the evaluation of our Board, its committees and management.

Communication with our Directors

You can contact any of our directors by writing to them at:

Monotype Imaging Holdings Inc.

Attention: Corporate Secretary

600 Unicorn Park Drive

Woburn, Massachusetts 01801

Your letter should clearly specify the name of the individual director or group of directors you want your letter to be delivered to and the Company will deliver it. As required by the Company's Code of Business Conduct and Ethics and Audit Committee Complaint Procedures, a third party provides a hotline and web page submission form for employees and other parties to communicate concerns to our management and Board. The web page submission form is located at www.alertline.com, and the hotline number in the United States is (800) 826-6762; a link to the numbers for calls made outside of the U.S. is available on the Corporate Governance section of our website, under Governance Documents, at <http://ir.monotype.com>. Information submitted through the web submission or hotline is forwarded to our Board or audit committee and concerns can be reported anonymously if you choose.

Director Nominations

When our Board is required to select a new member, it relies on the nominating and corporate governance committee to identify suitable candidates for nomination and to assess their qualifications in light of the policies and principles in our corporate governance guidelines and the charter of the nominating and corporate governance committee.

Process for Identifying and Evaluating Director Nominations

Generally, the nominating and corporate governance committee identifies candidates for director nominees by consulting with other members of the Board and management, on its own, by utilizing search firms or other advisors, through the recommendations submitted by stockholders or through other methods deemed helpful in identifying candidates. Once candidates have been identified, the committee confirms the candidates meet the minimum qualifications by gathering information about the candidates through interviews, detailed questionnaires, comprehensive background checks or any other means deemed to be helpful in the process. The committee then meets as a group to discuss and evaluate the qualities and skills of each candidate, both on an

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individual basis and taking into account the overall composition and needs of the Board. Based on the results of this process, a recommendation is made with regard to the suitability for election of such candidates. The specific qualities and skills our Board and nominating and corporate governance committee look for in each candidate are outlined below.

Director Qualifications

In identifying prospective director candidates, the nominating and corporate governance committee considers all facts and circumstances it deems appropriate, including among other things, skill set, depth and breadth of business experience, independence, and the needs of the Board. The committee actively seeks highly qualified women and individuals from diverse racial and ethnic groups to include in the pool from which new candidates are selected so that a diverse set of experiences and perspectives is represented. The committee then assesses each candidate, with such assessment including consideration of the following minimum qualifications that must be met by all directors:

Be of the highest ethical character and share the values reflected in the Company's Code of Business Conduct and Ethics;

Have a reputation, both personal and professional, consistent with the image and reputation of the Company;

Have the ability to exercise sound business judgment; and

Have substantial business or professional experience and be able to offer meaningful advice and guidance to management based on that experience.

The committee also considers factors such as:

An understanding of and/or experience in the technology, software or creative professional industries or other experience deemed relevant at the time;

Leadership experience with public companies or other major complex organizations;

How the candidate will contribute to the diversity of the Board;

Experience in accounting or financial industries; and

The degree to which such candidate's experience strengthens the Board's collective qualifications and skills.

Procedures for Recommendation of Director Nominees by Stockholders

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If you would like the nominating and corporate governance committee to consider a prospective director candidate, please submit the candidate's name and qualifications and other information in accordance with the requirements for director nominations by stockholders in the Company's by-laws to:

Monotype Imaging Holdings Inc.

Attention: Corporate Secretary

600 Unicorn Park Drive

Woburn, Massachusetts 01801

The corporate secretary will promptly forward any nominations to the nominating and corporate governance committee. All recommendations for nomination of a director candidate must be in writing and include the following:

The name and address of record of the stockholder;

A representation that the stockholder is a record holder of our securities, or if the stockholder is not a record holder, evidence of ownership in accordance with Rule 14a-8(b)(2) of the Exchange Act;

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The name, age, business and residential address, educational background, current principal occupation or employment, and principal occupation or employment for the preceding five full years of the proposed director candidate;

A description of the qualifications and background of the proposed director candidate which addresses the minimum qualifications described herein;

The consent of the proposed director candidate to be named in the proxy statement relating to the Company's annual meeting of stockholders;

The consent of the proposed director candidate to serve as a director if elected at such annual meeting; and

Any other information regarding the proposed director candidate that is required to be included in a proxy statement filed pursuant to SEC rules.

Candidates may be required to undergo a comprehensive private investigation background check by a qualified company of the Company's choosing and a candidate must complete a detailed questionnaire regarding his or her experience, background, and independence. Once the nominating and corporate governance committee receives the nomination of a candidate and the candidate has complied with the minimum procedural requirements above, the candidate is evaluated by the committee and a recommendation regarding the candidate is delivered to the Board. In addition, a stockholder can propose an individual for election to the Board in accordance with the Company's by-laws.

Director Compensation

Board and Committee Cash Retainers