

DemandTec, Inc.
Form DEF 14A
June 25, 2010

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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

DEMANDTEC, 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.

Title of each class of securities to which transaction applies:

Aggregate number of securities to which transaction applies:

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):

Proposed maximum aggregate value of transaction:

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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**DEMANDTEC, INC.
One Franklin Parkway, Building 910
San Mateo, CA 94403**

June 25, 2010

Dear Stockholder:

I am pleased to invite you to attend DemandTec, Inc.'s 2010 Annual Meeting of Stockholders, to be held on Wednesday, August 4, 2010 at DemandTec's Corporate Headquarters, One Franklin Parkway, Building 910, San Mateo, California, 94403. The meeting will begin promptly at 11:00 a.m., local time. If you wish to attend the meeting to vote in person and need directions, please contact DemandTec Investor Relations at (650) 645-7103 or investorrelations@demandtec.com.

Enclosed are the following:

our Notice of Annual Meeting of Stockholders and Proxy Statement for 2010;

our Annual Report on Form 10-K for fiscal year 2010; and

a proxy card with a return envelope to record your vote.

Details regarding the business to be conducted at the Annual Meeting are more fully described in the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement. We encourage you to read these materials carefully.

Your vote is important. Whether or not you expect to attend, please date, sign, and return your proxy card in the enclosed envelope, or vote via telephone or the Internet according to the instructions in the Proxy Statement, as soon as possible to ensure that your shares will be represented and voted at the Annual Meeting. If you attend the Annual Meeting, you may vote your shares in person even though you have previously voted by proxy if you follow the instructions in the Proxy Statement.

On behalf of the Board of Directors, thank you for your continued support and interest.

Sincerely,

Daniel R. Fishback

President and Chief Executive Officer

One Franklin Parkway, Building 910
San Mateo, CA 94403

T 650.645.7100 F 650.645.7400

www.demandtec.com

YOUR VOTE IS EXTREMELY IMPORTANT

Please vote by telephone or Internet, or date and sign the enclosed proxy card and return it at your earliest convenience in the enclosed postage-prepaid return envelope so that your shares may be voted.

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**DEMANDTEC, INC.
One Franklin Parkway, Building 910
San Mateo, CA 94403**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held On August 4, 2010**

Dear Stockholder:

You are cordially invited to attend the 2010 Annual Meeting of Stockholders of DemandTec, Inc., a Delaware corporation (the Company). The meeting will be held on Wednesday, August 4, 2010 at 11:00 a.m. local time at DemandTec's Corporate Headquarters, One Franklin Parkway, Building 910, San Mateo, California, 94403 for the following purposes:

1. To elect three (3) members of the Board of Directors to serve until the 2013 annual meeting of stockholders of the Company or until such persons' successors have been duly elected and qualified.
2. To ratify the appointment by the Audit Committee of the Board of Directors of Ernst & Young LLP as the independent registered public accounting firm of the Company for its fiscal year ending February 28, 2011.
3. To transact any other business properly brought before the meeting or any adjournment thereof.

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

The record date for the 2010 Annual Meeting is June 14, 2010. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

By Order of the Board of Directors

Michael J. McAdam
General Counsel and Corporate Secretary

San Mateo, California
June 25, 2010

You are cordially invited to attend the annual meeting in person. Whether or not you expect to attend the annual meeting, please complete, date, sign and return the enclosed proxy, or vote over the telephone or the Internet as instructed in these materials, as promptly as possible in order to ensure your representation at the annual meeting. A return envelope (which is postage prepaid if mailed in the United States) is enclosed for your convenience. Even if you have voted by proxy, you may still vote in person if you attend the annual meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the annual meeting, you must obtain a proxy issued in your name from that record holder.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
STOCKHOLDER MEETING TO BE HELD ON AUGUST 4, 2010.**

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The Proxy Statement and Annual Report on Form 10-K are available at
<https://materials.proxyvote.com/24802R>

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DEMANDTEC, INC.

**One Franklin Parkway, Building 910
San Mateo, CA 94403**

**PROXY STATEMENT
FOR THE 2010 ANNUAL MEETING OF STOCKHOLDERS
To Be Held On August 4, 2010**

QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING

Why am I receiving these materials?

We sent you this Proxy Statement and the enclosed proxy card because the Board of Directors of DemandTec, Inc. (sometimes referred to as we, the Company or DemandTec) is soliciting your proxy to vote at the 2010 Annual Meeting of Stockholders (the Annual Meeting). You are invited to attend the Annual Meeting to vote on the proposals described in this Proxy Statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card, or follow the instructions below to submit your proxy by telephone or on the Internet.

The Company intends to commence mailing to all stockholders of record entitled to vote at the Annual Meeting and to post on the Internet at <https://materials.proxyvote.com/24802R> our Annual Report on Form 10-K, this Proxy Statement and accompanying proxy card on or about June 25, 2010.

Who can vote at the Annual Meeting?

Only stockholders of record at the close of business on June 14, 2010 will be entitled to vote at the Annual Meeting. On this record date, there were 30,053,669 shares of Company common stock (Common Stock) outstanding. All of these outstanding shares are entitled to vote at the Annual Meeting.

Stockholder of Record: Shares Registered in Your Name

If on June 14, 2010 your shares were registered directly in your name with DemandTec's transfer agent, Wells Fargo Shareowner Services, then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to fill out and return the enclosed proxy card or vote by proxy via telephone or the Internet as instructed on your proxy card to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on June 14, 2010 your shares were held in an account at a broker, bank or other similar organization, then you are the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker, bank or other agent on how to vote the shares in your account. A number of brokers and banks enable beneficial owners to give voting instructions via telephone or the Internet. Please refer to the voting instructions provided by your bank or broker. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you provide a valid proxy from your broker, bank or other custodian.

What am I voting on?

There are two matters scheduled for a vote:

Proposal No. 1: Election of three (3) members of the Board of Directors to serve as Class III directors until the Company's 2013 Annual Meeting of Stockholders or until their successors are duly elected and qualified.

Proposal No. 2: Ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm for the Company for the fiscal year ending February 28, 2011.

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How do I vote?

You may either vote **For** all the nominees to the Board of Directors or you may withhold your vote from any nominee you specify. You may not vote your proxy **For** the election of any persons in addition to the three named nominees. For the other matters to be voted on, you may vote **For** or **Against** or abstain from voting. The procedures for voting are fairly simple:

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote by proxy using the enclosed proxy card, vote by proxy on the Internet or by telephone, or vote in person at the Annual Meeting. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person if you have already voted by proxy.

To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct.

To vote on the Internet, please follow the instructions provided on your proxy card.

To vote by telephone, please follow the instructions provided on your proxy card.

To vote in person, come to the Annual Meeting and we will give you a ballot when you arrive.

We provide Internet proxy voting to allow you to vote your shares on-line, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your Internet access, such as usage charges from Internet access providers.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner of shares registered in the name of your broker, bank or other similar organization, you should have received instructions for granting proxies with these proxy materials from that organization rather than from the Company. A number of brokers, banks and other agents enable beneficial owners to give voting instructions via telephone or the Internet. Please refer to the voting instructions provided by your broker, bank or other agent. To vote in person at the Annual Meeting, you must provide a valid proxy from your broker, bank or other agent. Follow the instructions from your broker, bank or other agent included with these proxy materials, or contact your broker, bank or other agent to request a proxy form.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of Common Stock you own as of June 14, 2010.

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

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted **For** the election of the three nominees for director and **For** ratification of Ernst & Young LLP as our independent registered public accounting firm. If any other matter is properly presented at the meeting, your proxy (one of the individuals

named on your proxy card) will vote your shares using his best judgment.

Who is paying for this proxy solicitation?

DemandTec will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, DemandTec's directors and employees may also solicit proxies in person, by telephone or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. DemandTec may reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

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

If you receive more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please complete, sign and return **each** proxy card to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the meeting. You may revoke your proxy in any one of three ways:

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

You may send a written notice that you are revoking your proxy to the Corporate Secretary of the Company at DemandTec, Inc., One Franklin Parkway, Building 910, San Mateo, California 94403.

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

How are votes counted?

Votes will be counted by the inspector of election appointed for the meeting, who will separately count **For** and (with respect to proposals other than the election of directors) **Against** and **Abstain** votes and broker non-votes. **Abstain** votes will be counted towards the vote total for each proposal, and will have the same effect as **Against** votes. Broker non-votes, as described in the next paragraph, have no effect and will not be counted towards the vote total.

If your shares are held by your broker, bank, or other similar organization as your nominee (that is, in street name), you will need to obtain a proxy form from the institution that holds your shares and follow the instructions included on that form regarding how to instruct your broker to vote your shares. If you do not provide voting instructions, your shares may constitute broker non-votes. Generally, broker non-votes occur on a matter when a broker, bank, or other organization is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the meeting, assuming that a quorum would have otherwise been obtained.

How many votes are needed to approve each proposal?

Proposal No. 1. Directors are elected by a plurality of the affirmative votes cast by those shares present in person, or represented by proxy, and entitled to vote at the Annual Meeting. The nominees for director receiving the highest number of affirmative votes will be elected. Abstentions and broker non-votes will not be counted toward a nominee's total. Stockholders may not cumulate votes in the election of directors.

Proposal No. 2. Ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending February 28, 2011 requires the affirmative vote of a majority of those shares present in person, or represented by proxy, and cast either affirmatively or negatively at the Annual Meeting. Abstentions will have the same effect as an **Against** vote. Broker non-votes will not be counted as having been voted on the proposal.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if a majority of all outstanding shares is represented by stockholders present at the meeting or by proxy. On the record date, there were 30,053,669 shares of Common Stock outstanding and entitled to vote. Thus 15,026,835 shares must be represented by stockholders present at the meeting or by proxy to have a quorum. Abstentions and broker non-votes will be counted as present for the purpose of determining the presence of a quorum. Your shares will be counted towards the quorum only if you submit a valid proxy vote or vote at the meeting.

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How can I find out the results of the voting at the Annual Meeting?

Preliminary voting results will be announced at the Annual Meeting. Final voting results will be published in a Current Report on Form 8-K within four business days following the Annual Meeting. In the event we are unable to obtain the final voting results within four business days, we will file the preliminary voting results in a Current Report on Form 8-K within four business days following the Annual Meeting, and will file an amended Form 8-K with the final voting results within four business days after the final voting results are known.

How can stockholders submit a proposal for inclusion in our Proxy Statement for the 2011 Annual Meeting of Stockholders?

To be included in our Proxy Statement for the 2011 annual meeting of stockholders, stockholder proposals must comply with the requirements of Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the Exchange Act). Except as provided below, stockholder proposals must be received by our Corporate Secretary at our principal executive offices no later than February 25, 2011, or one hundred twenty (120) calendar days before the one-year anniversary of the date on which we first commenced mailing our proxy statement to stockholders in connection with this year's Annual Meeting.

How can stockholders submit proposals to be raised at the 2011 Annual Meeting of Stockholders that will not be included in our Proxy Statement for the 2011 Annual Meeting of Stockholders?

To be raised at the 2011 annual meeting of stockholders, stockholder proposals must comply with our amended and restated bylaws (the Bylaws). Under our Bylaws, a stockholder must give advance notice to our Corporate Secretary of any business, including nominations of directors for our Board, that the stockholder wishes to raise at the 2011 annual meeting of stockholders. Except as provided below, a stockholder's notice shall be delivered to our Corporate Secretary at our principal executive offices not less than forty-five (45) or more than seventy-five (75) days prior to the first anniversary of the date of the preceding year's annual meeting of stockholders. Since the 2010 Annual Meeting will be held on August 4, 2010, stockholder proposals must be received by our Corporate Secretary at our principal executive offices no earlier than May 21, 2011 and no later than June 20, 2011, in order to be raised at our 2011 annual meeting of stockholders.

What if the date of the 2011 Annual Meeting of Stockholders changes by more than 30 days from the anniversary of this year's Annual Meeting?

Under Rule 14a-8 of the Exchange Act, if the date of the 2011 annual meeting of stockholders changes by more than 30 days from the anniversary of this year's Annual Meeting, to be included in our Proxy Statement, stockholder proposals must be received by us within a reasonable time before our solicitation is made. Under our Bylaws, for stockholder proposals that will not be included in our Proxy Statement, notice of such proposal must be received no later than the close of business on the later of (i) the 90th day prior to the 2011 annual meeting of stockholders or (ii) the 10th day following the day on which public announcement of the meeting is first made.

Does a stockholder proposal require specific information?

With respect to a stockholder's nomination of a candidate for our Board, the stockholder notice to our Corporate Secretary must contain certain information as set forth in our Bylaws about both the nominee and the stockholder making the nomination. With respect to any other business that the stockholder proposes, the stockholder notice must contain a brief description of such business and the reasons for conducting such business at the meeting, as well as

certain other information as set forth in our Bylaws. If you wish to bring a stockholder proposal or nominate a candidate for director, you are advised to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations. Our current Bylaws may be found on our website at www.demandtec.com in the Investor Relations section.

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The Company's restated certificate of incorporation (the Charter) and Bylaws provide for a classified board of directors. There are three classes of directors, with each class of directors serving three-year terms that end in successive years. DemandTec currently has authorized seven directors. The class of directors standing for election at the Annual Meeting currently consists of three directors. Three directors will be elected at the Annual Meeting to serve until the 2013 annual meeting of stockholders of DemandTec or until their successors are duly elected and qualified. The directors being nominated for election to the Board of Directors (each, a Nominee), their ages as of June 15, 2010, their positions and offices held with DemandTec and certain biographical information are set forth below.

The proxy holders intend to vote all proxies received by them in the accompanying form **FOR** the Nominees listed below unless otherwise instructed. In the event that any Nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee who may be designated by the current Board of Directors to fill the vacancy. As of the date of this Proxy Statement, the Board of Directors is not aware that any Nominee is unable or will decline to serve as a director. The three Nominees receiving the highest number of affirmative votes of the shares entitled to vote at the Annual Meeting will be elected directors of DemandTec. Abstentions and broker non-votes will not be counted toward an individual's total. Proxies cannot be voted for more than three individuals.

Information Regarding the Nominees

Name	Age	Positions and Offices Held with the Company
Ronald E.F. Codd	54	Director
Daniel R. Fishback	49	Director, President, Chief Executive Officer
Charles J. Robel	61	Director

Ronald E.F. Codd has been a member of our Board of Directors since March 2007. Mr. Codd has been an independent business consultant since April 2002. From January 1999 to April 2002, Mr. Codd served as President, Chief Executive Officer and a director of Momentum Business Applications, Inc., an enterprise software company. From September 1991 to December 1998, Mr. Codd served as Senior Vice President of Finance and Administration and Chief Financial Officer of PeopleSoft, Inc. We believe Mr. Codd's experience at Momentum and at PeopleSoft enables him to bring substantial financial and accounting expertise and significant experience in the high-technology industry to the Board. In addition, Mr. Codd has been on the boards of directors of numerous public and private companies, enabling him to provide valuable insights regarding management and operations to our Board. Mr. Codd holds a B.S. in Accounting from the University of California at Berkeley and an M.M. from the Kellogg Graduate School of Management at Northwestern University. Mr. Codd currently serves on the boards of directors of three privately held companies. In the past five years, Mr. Codd has also served on the boards of directors of Adept Technology, Inc., Agile Software Corporation, Data Domain, Inc. and Interwoven, Inc.

Daniel R. Fishback has been a member of our Board of Directors and has served as our President and Chief Executive Officer since June 2001. From January 2000 to March 2001, Mr. Fishback served as Vice President of Channels for

Ariba, Inc., a provider of solutions to help companies manage their corporate spending. Mr. Fishback's experience also includes senior executive positions at Trading Dynamics, Inc. (prior to its acquisition by Ariba in January 2000) and Hyperion Solutions Corporation. We believe it is appropriate and desirable for our Chief Executive Officer to serve on our Board. Additionally, we believe Mr. Fishback's leadership skills, developed as an executive of several companies in the software industry, provide our Board with useful insights with respect to management and operations. Mr. Fishback holds a B.A. in Business Administration from the University of Minnesota. In the past five years, Mr. Fishback has served on the board of directors of CorVu Corporation.

Charles J. Robel has been a member of our Board of Directors since September 2006. Mr. Robel has served as Chairman of the board of directors of McAfee, Inc. since October 2006. Mr. Robel has been a private investor since December 2005. From June 2000 to December 2005, Mr. Robel was a Managing Member and Chief of Operations for Hummer Winblad Venture Partners, a venture capital firm. From 1995 to 2000, Mr. Robel led the High

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Technology Transaction Services Group of PricewaterhouseCoopers LLP in Silicon Valley and, from 1985 to 1995, Mr. Robel served as the partner in charge of the Software Industry Group at PricewaterhouseCoopers. We believe Mr. Robel's extensive accounting and financial experience and significant technology knowledge from his experiences at Hummer Winblad Venture Partners and PricewaterhouseCoopers enable him to bring valuable insights to the Board. Additionally, Mr. Robel's service on the boards of directors of other public companies gives him a strong understanding of his role as a member of our Board and enables him to provide essential strategic and corporate governance leadership to the Board. Mr. Robel holds a B.S. in Accounting from Arizona State University. Mr. Robel currently serves as the Lead Director of Informatica Corp., the Chairman of the board of directors of McAfee, Inc. and as a member of the boards of directors of Autodesk, Inc. and several private companies. In the past five years, Mr. Robel has also served on the boards of directors Adaptec, Inc. and Borland Software Corporation.

The Board Of Directors Recommends A Vote FOR Each Named Nominee.

Information Regarding Other Directors Continuing in Office

Set forth below is information regarding each of the continuing directors of DemandTec, including his or her age as of June 15, 2010, the period during which he or she has served as a director, and certain information as to principal occupations and directorships held by him or her in corporations whose shares are publicly registered.

Continuing Directors Term Ending in 2011

Ronald R. Baker, age 66, has been a member of our Board of Directors since December 2007. Mr. Baker has been an independent business consultant since January 2003. From January 1997 to December 2002, Mr. Baker served as Senior Vice President of Logistics for Nestlé USA. Prior to that time, from 1980 to January 1997, Mr. Baker held numerous other positions with Nestlé, including most recently as Chief Financial Officer of Nestlé UK from 1993 to 1997 and as Information Technology Director of Nestlé UK from 1991 to 1993. In addition, Mr. Baker has held various senior management positions in the electrical equipment manufacturing industry. We believe Mr. Baker's extended tenure with Nestlé, as well as his significant information technology responsibilities both during and prior to his employment with Nestlé, enables him to bring extensive management and technology experience, as well as specialized consumer products industry expertise to our Board. Mr. Baker holds a B.S. in Economics from Marquette University. Mr. Baker currently serves on the boards of directors of two private entities.

Linda Fayne Levinson, age 68, has been a member of our Board of Directors since June 2005. She is also the Non-Executive Chair of Connexus Corporation (formerly Vendare Media Corporation), an online media and marketing company, where she served as both Chair and Interim Chief Executive Officer from February 2006 through July 2006. From 1997 to December 2004, Ms. Levinson was a partner at GRP Partners, a venture capital fund investing in start-up and early-stage retail and electronic commerce companies. From 1994 to 1997, Ms. Levinson was President of Fayne Levinson Associates, an independent consulting firm. Ms. Levinson has also served as an executive with Creative Artists Agency Inc., as a partner in the merchant banking operations of Alfred Checchi Associates, Inc., as a Senior Vice President of American Express and as a Partner at McKinsey & Co. Ms. Levinson brings substantial knowledge of executive compensation matters and significant public company experience to our Board. Additionally, we believe Ms. Levinson's strategic experience as a partner at McKinsey & Co., her investment experience at GRP Partners and her leadership and management experience as an executive at Connexus and American Express each enable her to bring valuable perspectives to our Board. Ms. Levinson holds an A.B. in Russian Studies from Barnard College, an M.A. in Russian Literature from Harvard University and an M.B.A. from the NYU Stern School of Business. Ms. Levinson currently serves as the Non-Executive Chair of the board of directors Connexus Corporation and as a member of the boards of directors of Ingram Micro Inc., Jacobs Engineering Group, Inc., NCR Corporation and Western Union, Inc.

Continuing Directors Term Ending in 2012

Victor L. Lund, age 62, has been a member of our Board of Directors since April 2005, and has been Chair of our Board of Directors since December 2006. From May 2002 to December 2004, Mr. Lund served as Chair of the board of directors of Mariner Health Care, Inc., a long-term health care services company. From June 1999 to June

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2002, Mr. Lund served as Vice Chairman of Albertson's, Inc., a food and drug retailer. From 1992 until its acquisition by Albertson's in June 1999, Mr. Lund served as Chief Executive Officer of American Stores Company. Mr. Lund was also President of American Stores Company from 1992 to 1995 and Chair of the board of directors of American Stores Company from 1995 until June 1999. Prior to joining American Stores Company in 1977, Mr. Lund was a practicing certified public accountant. We believe Mr. Lund provides our Board with deep retail industry expertise as a former executive in that industry. Additionally, Mr. Lund's managerial expertise and broad public company board experience provide valuable insights to the Board with respect to management, leadership and corporate governance. Mr. Lund holds a B.A. in Accounting and an M.B.A. from the University of Utah. Mr. Lund currently serves as a member of the boards of directors of Del Monte Foods Company, Service Corporation International, Teradata Corporation and several private companies. In the past five years, Mr. Lund has also served on the boards of directors Delta Air Lines, Inc., Borders Group Inc., NCR Corporation and Mariner Health Care Inc.

Joshua W.R. Pickus, age 49, has been a member of our Board of Directors since March 2007. Mr. Pickus has served as President and Chief Executive Officer of Support.com, a consumer technology services and software company, since April 2006. Prior to that time, Mr. Pickus was Senior Vice President and General Manager of the Clarity Division at Computer Associates, Inc., an IT management software company, from August 2005 until April 2006. From November 2002 until August 2005, Mr. Pickus served as President and Chief Executive Officer of Niku Corporation (acquired by Computer Associates), a software company, and as the Chair of the board of directors of Niku from February 2003 until August 2005. From February 2001 to November 2002, Mr. Pickus served as Chief Financial Officer of Niku and, from November 1999 to January 2001, Mr. Pickus served as President of Vertical Markets for Niku. Prior to joining Niku, Mr. Pickus was a partner in the private equity group at Bowman Capital Management, a technology investment firm, and a partner at Venture Law Group, a Silicon Valley law firm. We believe Mr. Pickus, as CEO of Support.com, a public company, brings valuable operational and management experience to our Board. Additionally, he provides a unique perspective on corporate governance and other matters through his training as an attorney, his experience as CFO of Niku and his investment expertise as a partner at Bowman Capital Management. Mr. Pickus holds an A.B. in Public and International Affairs from Princeton University and a J.D. from the University of Chicago Law School. Mr. Pickus currently serves as a member of the board of directors of Support.com, Inc. In the past five years, Mr. Pickus also served on the board of directors of Child Family Health International.

CORPORATE GOVERNANCE

Independence of the Board of Directors

The Board of Directors is currently composed of seven members. Ms. Levinson and Messrs. Baker, Codd, Lund, Pickus and Robel qualify as independent directors in accordance with the published listing requirements of the Nasdaq Stock Market, or Nasdaq. The Nasdaq independence definition includes a series of objective tests, such as that the director is not, and has not been for at least three years, one of our employees and that neither the director nor any of his or her family members has engaged in various types of business dealings with us. In addition, as further required by the Nasdaq rules, the Board of Directors has made a subjective determination as to each independent director that no relationships exist which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities as they may relate to us and our management. The directors hold office until their successors have been duly elected and qualified or their earlier death, resignation or removal.

Board Leadership Structure

We currently have separate individuals serving as Chairman of our Board of Directors and our principal executive officer. Mr. Lund has served as Chairman of our Board of Directors since December 2006 and Mr. Fishback has

served as our President and Chief Executive Officer since June 2001. Although our Corporate Governance Guidelines do not include a policy on whether the positions of Chairman and Chief Executive Officer should be separate, the Board believes the separation of these positions has served our company well and intends to maintain this separation where appropriate and practicable.

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Risk is inherent with every business and we face a number of risks, including strategic, financial, operational, legal/compliance and reputational risks. Our management is responsible for the day-to-day management of the risks that we face. Our Board of Directors as a whole has responsibility for the oversight of enterprise risk management, with the oversight of certain risk areas delegated to board committees. For instance, our Compensation Committee is responsible for assessing risks associated with our compensation programs, and our Audit Committee is responsible for overseeing management of certain financial and regulatory risk areas. The Board's oversight role is supported by management reporting processes that are designed to provide the Board and committees visibility into the identification, assessment, and management of critical risks.

Information Regarding the Board of Directors and its Committees

Our independent directors meet in executive sessions at which only independent directors are present after regularly scheduled Board of Directors meetings. The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating/Corporate Governance Committee. The following table provides membership information for each of the Board committees during the fiscal year ended February 28, 2010:

Name	Audit	Compensation	Nominating/Corporate Governance
Ronald R. Baker	X	X	
Ronald E.F. Codd	X		
Daniel R. Fishback			
Linda Fayne Levinson		X*	
Victor L. Lund		X	X*
Joshua W.R. Pickus			X
Charles J. Robel	X*		

* Denotes committee chairperson

Below is a description of each committee of the Board of Directors. The Board of Directors has determined that each member of each of the Audit, Compensation and Nominating/Corporate Governance Committees meets the applicable rules and regulations regarding independence and that each such member is free of any relationship that would interfere with his or her individual exercise of independent judgment with regard to DemandTec. Each committee of the Board of Directors has a written charter approved by the Board of Directors. Copies of each charter are posted on our website at www.demandtec.com in the Investor Relations section.

Audit Committee

The Audit Committee of our Board of Directors oversees our accounting practices, system of internal controls, audit processes and financial reporting processes. Among other things, our Audit Committee is responsible for reviewing our disclosure controls and procedures and the adequacy and effectiveness of our internal control over financial reporting. It also discusses the scope and results of the audit with our independent registered public accounting firm, reviews with our management and our independent registered public accounting firm our interim and year-end

operating results and, as appropriate, initiates inquiries into aspects of our financial affairs. Our Audit Committee has oversight for our code of business conduct and is responsible for establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and matters related to our code of business conduct, and for the confidential, anonymous submission by our employees of concerns regarding these matters. In addition, our Audit Committee has sole and direct responsibility for the appointment, retention, compensation and oversight of the work of our independent registered public accounting firm, including approving services and fee arrangements. Our Audit Committee also is responsible for reviewing and approving all related person transactions in accordance with our related person transactions approval policy.

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The current members of the Audit Committee are Messrs. Baker, Codd and Robel, each of whom is independent for Audit Committee purposes under the rules and regulations of the Securities and Exchange Commission (the SEC) and the listing standards of Nasdaq. Mr. Robel chairs the Audit Committee. The Audit Committee met eight times during the fiscal year ended February 28, 2010.

The Board of Directors has determined that each of Messrs. Baker, Codd and Robel is an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K. The designation does not impose on each of Messrs. Baker, Codd and Robel any duties, obligations or liability that are greater than are generally imposed on them as members of the Audit Committee and the Board of Directors.

Compensation Committee

The Compensation Committee of our Board of Directors has primary responsibility for discharging the responsibilities of our Board of Directors relating to executive compensation policies and programs. Specific responsibilities of our Compensation Committee include, among other things, evaluating the performance of our Chief Executive Officer and determining our Chief Executive Officer's compensation. In consultation with our Chief Executive Officer, it also determines the compensation of our other executive officers. In addition, our Compensation Committee administers our equity compensation plans and has the authority to grant equity awards and approve modifications of those awards under our equity compensation plans, subject to the terms and conditions of the equity award policy adopted by our Board of Directors. Our Compensation Committee also reviews and approves various other compensation policies and matters.

The current members of our Compensation Committee are Ms. Levinson and Messrs. Lund and Baker. Ms. Levinson chairs the Compensation Committee. Each of Ms. Levinson and Messrs. Lund and Baker is an independent director under the applicable rules and regulations of Nasdaq, a non-employee director within the meaning of Rule 16b-3 of the Exchange Act, and an outside director, as that term is defined under Section 162(m) of the Internal Revenue Code of 1986. The Compensation Committee met 14 times during the fiscal year ended February 28, 2010.

Our Chief Executive Officer does not participate in the determination of his own compensation or the compensation of directors. However, he makes recommendations to the Compensation Committee regarding the amount and form of the compensation of the other executive officers and key employees, and he often participates in the Compensation Committee's deliberations about their compensation. No other executive officers participate in the determination of the amount or for