

FLEETCOR TECHNOLOGIES INC  
Form DEF 14A  
April 23, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

(Rule 14a-101)

**INFORMATION REQUIRED IN PROXY STATEMENT**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

(Amendment No. )

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**FLEETCOR TECHNOLOGIES, 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):

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No fee required.

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

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

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

(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):

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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:

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(4) Date Filed:

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**2012 PROXY STATEMENT**

ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of FleetCor Technologies, Inc. will be held at

5445 Triangle Parkway, Norcross, GA 30092

on May 22, 2012 at 10:00 a.m.

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April 23, 2012

**Dear Stockholder:**

You are cordially invited to attend the Annual Meeting of Stockholders of FleetCor Technologies, Inc., which will be held at our corporate offices at 5445 Triangle Parkway, Norcross, GA 30092, on May 22, 2012 at 10:00 a.m.

The attached Notice of Annual Meeting of Stockholders and Proxy Statement contain details of the business to be conducted at the Annual Meeting.

Whether or not you attend the Annual Meeting, it is important that your shares be represented and voted at the meeting. Therefore, I urge you to promptly vote and submit your proxy by phone or by signing, dating, and returning the enclosed proxy card in the enclosed envelope. If you decide to attend the Annual Meeting, you will be able to vote in person, even if you have previously submitted your proxy.

On behalf of the Board of Directors, I would like to express our appreciation for your continued interest in the affairs of FleetCor. I look forward to greeting as many of our stockholders as possible.

Sincerely,

/s/ Ronald F. Clarke

**Ronald F. Clarke**

Chairman and Chief Executive Officer

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**FLEETCOR TECHNOLOGIES, INC.**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To our stockholders:**

The Annual Meeting of the Stockholders of FleetCor Technologies, Inc. will be held at our corporate offices at 5445 Triangle Parkway, Norcross, GA 30092, on May 22, 2012 at 10:00 a.m. for the following purposes:

1. To elect three directors as described in this Proxy Statement.
2. To ratify the selection of Ernst & Young LLP as our independent auditor for fiscal year 2012.

3. To transact such other business as may properly come before the Annual Meeting.

Only stockholders of record at the close of business on April 9, 2012 are entitled to receive notice of, and to vote at, the Annual Meeting. The Proxy Statement was first mailed to stockholders on or about April 23, 2012.

**By order of the Board of Directors**

/s/ Eric R. Dey

**Eric R. Dey**

Secretary and Chief Financial Officer

Atlanta, Georgia

April 23, 2012

**IMPORTANT**

Whether or not you expect to attend the Annual Meeting in person, we urge you to vote your shares at your earliest convenience. This will ensure the presence of a quorum at the meeting. Promptly voting your shares via the Internet, by telephone, or by signing, dating, and returning the enclosed proxy card will save us the expenses and extra work of additional solicitation. If you wish to vote by mail, we have enclosed an addressed envelope for which no postage is required if mailed in the United States. Submitting your proxy now will not prevent you from voting your shares at the meeting if you desire to do so, as your proxy is revocable at your option.

**Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 22, 2012.** Our Proxy Statement and Annual Report to Stockholders are available at *investor.fleetcor.com*.

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FLEETCOR TECHNOLOGIES, INC.

5445 Triangle Parkway

Norcross, Georgia 30092

PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD MAY 22, 2012

This Proxy Statement was first mailed to Stockholders on or about April 23, 2012. It is furnished in connection with the solicitation of proxies by the Board of Directors of FleetCor Technologies, Inc., to be voted at the Annual Meeting of Stockholders for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. The Annual Meeting of Stockholders will be held at 10:00 a.m. on May 22, 2012 at our corporate offices at 5445 Triangle Parkway, Norcross, GA 30092. Stockholders who execute proxies retain the right to revoke them at any time before the shares are voted by proxy at the meeting. A Stockholder may revoke a proxy by delivering a signed statement to our Corporate Secretary at or prior to the Annual Meeting or by timely executing and delivering, by telephone, mail, or in person at the Annual Meeting, another proxy dated as of a later date. FleetCor will pay the cost of solicitation of proxies.

Stockholders of record at the close of business on April 9, 2012 will be entitled to vote at the meeting on the basis of one vote for each share held. On April 9, 2012, there were 82,993,674 shares of common stock outstanding, held of record by 74 stockholders.

**PROPOSALS**

**PROPOSAL 1. ELECTION OF DIRECTORS**

The following nominees for director are submitted by the board for election:

Andrew B. Balson

Bruce R. Evans

Glenn W. Marschel

Each nominee is presently a director of the Company and has consented to serve a new three-year term.

**We recommend that you vote FOR these nominees.**

**PROPOSAL 2. RATIFICATION OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2012**

The audit committee of the board has selected Ernst & Young LLP as the independent registered public accounting firm for fiscal year 2012. Stockholder ratification of the appointment is not required under the laws of the State of Delaware, but the audit committee has decided to request that the stockholders ratify the appointment. A representative of Ernst & Young LLP will be present at the meeting to answer appropriate questions from stockholders and will have the opportunity to make a statement on behalf of the firm, if he or she so desires.

If this proposal is not approved by our stockholders at the 2012 annual meeting, the audit committee will reconsider its selection of Ernst & Young LLP. Even if the selection is ratified, the audit committee may, in its discretion, select a different registered public accounting firm at any point during the year if it determines that making a change would be in the best interests of FleetCor and our stockholders.





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**We recommend that you vote FOR the ratification of Ernst & Young LLP as our independent registered public accounting firm.**

**OTHER BUSINESS**

We know of no other business to be considered at the meeting and the deadline for stockholders to submit proposals or nominations has passed. However, if other matters are properly presented at the meeting, or at any adjournment or postponement of the meeting, and you have properly submitted your proxy, then Ronald F. Clarke or Eric R. Dey will vote your shares on those matters according to his best judgment.

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**ELECTION OF DIRECTORS**

Our board of directors is divided into three classes, with each class serving for a staggered three-year term. The board of directors consists of three class I directors, three class II directors and two class III directors. Our directors are divided among the three classes as follows:

the class I directors are Messrs. Carroll, Johnson and Stull;

the class II directors are Messrs. Balson, Evans and Marschel; and

the class III directors are Messrs. Clarke and Macchia.

At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the directors of the same class whose terms are then expiring. The terms of the class I directors, class II directors and class III directors identified above will expire upon the election and qualification of successor directors at the annual meeting of stockholders held during the calendar years 2014, 2012 and 2013, respectively.

Three directors are to be elected at the Annual Meeting to hold office until the annual meeting of Stockholders in 2015, and until their respective successors are elected and qualified. The accompanying proxy will be voted in favor of the nominees named below to serve as directors unless the Stockholder indicates to the contrary on the proxy. All the nominees are current directors. Our current directors were initially designated pursuant to our stockholders agreement, which terminated upon completion of our initial public offering.

The Board of Directors expects that each of the nominees will be available for election, but if any of them is unable to serve at the time the election occurs, the proxy will be voted for the election of another nominee to be designated by our Board.

**NOMINEES**

**Andrew B. Balson, 45**

**Class II**

**Director since 2006**

**Term expires 2012**

**Director Qualifications:**

Mr. Balson joined our board of directors in July 2006. Since 1996, Mr. Balson has been with Bain Capital Partners, LLC, a private equity firm and has served as a Managing Director since 2000. Mr. Balson is a director of Domino's Pizza, Inc., OSI Restaurant Partners, LLC and Dunkin' Brands Group, Inc. Mr. Balson served as a director of Burger King Holdings, Inc., a restaurant owner and franchisor, from December 2002 to July 2008.

Business and strategic acquisition experience managing director of Bain Capital Partners; oversees investments in portfolio companies; evaluates and oversees strategic acquisitions by Bain Capital and its portfolio companies.

Leadership experience director of numerous public and private companies, including serving as member of nominating and corporate governance and compensation committees.

High level of financial literacy ten years of experience as a managing director of a global investment company overseeing and evaluating investments and portfolio companies; former experience in the merchant banking group of Morgan Stanley & Co. and the leveraged buyout group of SBC Australia.

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Industry and company knowledge served as our board member since 2006 providing strategic and financial advice relevant to our growth; oversees investments and portfolio companies in the software and business services industries; former Bain & Company consultant to the technology, telecommunications, financial services and consumer goods industries.

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**Bruce R. Evans, 53**

**Class II**

**Director since 2002**

**Term expires 2012**

Director Qualifications:

Mr. Evans joined our board of directors in May 2002. Since 1986, Mr. Evans has served in various positions with Summit Partners, including most recently as a Managing Director. Mr. Evans currently serves as a director of Casa Systems, Krishidhan Seeds Limited, and Multifonds (IGEFI Group). Mr. Evans has previously served as a director of optionsXpress Holdings, Inc., Unica Corporation and Hittite Microwave Corporation.

Business and strategic acquisition experience managing director of Summit Partners; oversees investments in portfolio companies in North America, Europe and Asia; evaluates and oversees strategic acquisitions and dispositions by Summit Partners and its portfolio companies; director of the National Venture Capital Association.

Leadership experience served as a director of more than 25 private and public companies, including as a member of audit, nominating, governance, investment and compensation committees; substantial experience addressing corporate development, compensation, human resources, governance, management and growth strategy matters; member of the Vanderbilt University Board of Trustees; Chairman of Summit Partners Board of Managers.

High level of financial literacy over 25 years of experience with Summit Partners, a global growth equity investment firm, including serving as a managing director; substantial experience overseeing and evaluating numerous investments and portfolio companies; past service on public company audit committees.

Industry and company knowledge served as our board member since 2002 providing strategic, financial and acquisition advice relevant to our growth domestically and internationally; oversees investments and portfolio companies in the technology, business and financial services industries; prior experience in the data processing and national accounts divisions of International Business Machines Corporation.

**Glenn W. Marschel, 65**

**Class II**

**Director since 2002**

**Term expires 2012**

Director Qualifications:

Mr. Marschel joined our board of directors in September 2002. Since August 2000, Mr. Marschel has served as President and Chief Executive Officer of NetNumber, Inc., a provider of standards based registry and directory services and software technology to the communications industry.

Business experience extensive experience as a senior executive of various technology, payment and information processing companies; currently the president and chief executive officer of NetNumber, Inc., a provider of standards based software technology to the communications industry.

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Leadership experience president and chief executive officer of NetNumber, Inc.; former chief executive officer, president and co-chairman of Faroudja, Inc., a video processing technology company; former president and chief executive officer of Paging Network Inc., a provider of wireless messaging services; and former vice chairman of First Financial Management Corporation, a provider of credit card and transaction authorization, processing and settlement, healthcare claims processing and document management/imaging services; experience serving on the board of directors of private and public companies.

Industry and company knowledge served as our board member since 2002 providing strategic advice relevant to our growth; extensive senior executive experience in the technology, payment processing and information processing industries, including substantial experience with Automated Data Processing, Inc., a computer services company, where he served as president of several businesses, including the automotive and employer services divisions, following senior positions in sales, client services, strategy and marketing.

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**CONTINUING DIRECTORS**

**John R. Carroll, 44**

Mr. Carroll joined our board of directors in May 2002. Since 1998, Mr. Carroll has served as a Managing Director with Summit Partners, a growth equity firm. Mr. Carroll has served on numerous private company boards.

**Class I**

**Director since 2002**

**Term expires 2014**

**Director Qualifications:**

Business and strategic acquisition experience managing director of Summit Partners; helps oversee investments in portfolio companies in North America, Europe and Asia; evaluates and oversees strategic acquisitions and dispositions by Summit Partners and its portfolio companies.

Leadership experience director of numerous private companies, including serving as member of audit and compensation committees.

High level of financial literacy 16 years of experience with Summit Partners, a global growth equity investment firm, including serving as a managing director; experience overseeing and evaluating investments and portfolio companies; former experience as a commercial banker with BayBank Corporation.

Industry and company knowledge served as our board member since 2002 providing strategic, financial and acquisition advice relevant to our growth domestically and internationally; oversees investments and portfolio companies in the technology, business, financial and information services industries; former Bain & Company consultant to the financial services industry.

**Mark A. Johnson, 59**

Mr. Johnson joined our board of directors in March 2003. Since September 2008, Mr. Johnson has served as a Partner with Total Technology Ventures, a venture capital firm. From February 2003 to January 2008, Mr. Johnson was Vice Chairman M&A of CheckFree Corporation. Mr. Johnson served on the board of directors of CheckFree from 1982 to 2007.

**Class I**

**Director since 2003**

**Term expires 2014**

**Director Qualifications:**

Business and strategic acquisition experience a partner of Total Technology Ventures, a venture capital firm; chairman of Venture Atlanta and member of the board of directors of the Technology Association of Georgia; former vice chairman of CheckFree Corporation (a Nasdaq-listed company acquired in December 2007 by Fiserv, Inc.) which included oversight of mergers and acquisitions and evaluating strategic growth opportunities.

Leadership experience former vice chairman of CheckFree Corporation; responsibilities included overseeing mergers and acquisitions, evaluating strategic growth opportunities, developing strategic corporate relationships and supporting long term business strategies; member of the CheckFree board of directors; joined CheckFree Corporation in 1982 as vice president of operations; currently serves as a member of the board of directors of private companies.

High level of financial literacy founder of e-RM Ventures, a private investing consultancy focused on early-stage payments-related companies; former experience with the Federal Reserve Bank of Cleveland and Bank One with responsibilities for checking and cash management operations; member of balance sheet committee of CheckFree Corporation; public company audit committee experience.

Industry and company knowledge served as our board member since 2003 providing strategic advice relevant to our growth; senior executive of CheckFree Corporation, a provider of financial electronic commerce services and products to organizations around the world; responsible for the development and launch of CheckFree's commercial and consumer electronic funds transfer services and CheckFree's electronic bill payment and bill presentment businesses as well as the development of key strategic alliances and marketing initiatives.



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**Steven T. Stull, 52**

Mr. Stull joined our board of directors in October 2000. Since 1992, Mr. Stull has served as President of Advantage Capital Partners, a private equity firm, which he co-founded.

**Class I**

**Director since 2000**

**Term expires 2014**

**Director Qualifications:**

Business and strategic acquisition experience President of Advantage Capital Partners, a private equity firm, serving as the firm's chief executive officer and directing investment policy, overall operations, strategic planning, and fundraising activities.

Leadership experience director of numerous private companies, including serving as member of audit and compensation committees.

High level of financial literacy served for nine years as an executive in the investment department of General American Life Insurance Company, heading its securities division and personally managing its high yield, convertible, and preferred stock portfolios; experience as a chief financial officer; experience with a commercial bank and a savings and loan association.

Industry and company knowledge served as our board member since 2000 providing strategic advice relevant to our growth; oversees investments and portfolio companies in the technology, business, financial and information services industries; served as the chief financial officer of an information services company.

**Ronald F. Clarke, 56**

Mr. Clarke has been our Chief Executive Officer since August 2000 and was appointed Chairman of our board of directors in March 2003. From 1999 to 2000, Mr. Clarke served as President and Chief Operating Officer of AHL Services, Inc., a staffing firm. From 1990 to 1998, Mr. Clarke served as chief marketing officer and later as a division president with Automatic Data Processing, Inc., a computer services company. From 1987 to 1990, Mr. Clarke was a principal with Booz Allen Hamilton, a global management consulting firm. Earlier in his career, Mr. Clarke was a marketing manager for General Electric Company, a diversified technology, media, and financial services corporation.

**Class III**

**Director since 2003**

**Term expires 2013**

**Director Qualifications:**

Business and strategic acquisition experience significant experience with our business as our chief executive officer for ten years; strategic direction for our numerous acquisitions both domestically and internationally over this period.

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Leadership experience chairman of our board of directors, providing leadership and oversight of our board's operations; prior experience as an executive officer with several public companies, including service as a chief operating officer, chief marketing officer and division president.

High level of financial literacy significant experience with our finance function through his oversight of our chief financial officer for ten years.

Industry and company knowledge significant familiarity with our company and industry through his service as our chief executive officer for ten years, his prior experience in the financial and business services industry, including with AHL Services, Inc. (staffing services), Automated Data Processing, Inc. (transaction processing, data communication and information services) and his experience providing management consulting services with Booz Allen, a global management consulting firm.

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**Richard Macchia, 60**

Mr. Macchia joined our board of directors in July 2010. Mr. Macchia served as Chief Financial Officer and Senior Vice President of Administration for Internet Security Systems, Inc., an information security provider, from December 1997 through October 2005. Mr. Macchia remained employed with Internet Security Systems, Inc. during the following year to transition the Chief Financial Officer role to his successor. Internet Security Systems, Inc. was acquired by International Business Machines Corporation in October 2006 and Mr. Macchia has been retired since October 2006.

**Class III**

**Director since 2010**

**Term expires 2013**

**Director Qualifications:**

Business and leadership experience retired chief financial officer and senior vice president of administration; oversaw financial functions, human resources, facilities and investor relations; served in senior executive roles with several public companies for over 20 years; served as a partner of KPMG LLP, an international accounting firm, for two years.

Leadership experience former partner of KPMG LLP and former chief financial officer and senior vice president of administration with Internet Security Systems, Inc.

High level of financial literacy served as a principal financial or principal accounting officer with several public companies for over 20 years; certified public accountant in good standing since 1976; practiced with KPMG LLP from 1973 to 1985.

Industry knowledge over 20 years experience in the financial and information services industry, including with MicroBilt Corporation (financial information services), First Financial Management Corporation (credit card authorization, processing and settlement services; healthcare claims processing services; document management/imaging services) and Internet Security Systems, Inc. (information security services).

**BOARD OF DIRECTORS AND COMMITTEES**

Our board of directors currently consists of eight members. Of our directors, seven Messrs. Balson, Carroll, Evans, Johnson, Macchia, Marschel and Stull are independent directors as defined under the New York Stock Exchange listing standards. Under our amended and restated bylaws, the number of directors will be determined from time to time by our board of directors.

The Board held four meetings in 2011 and each director attended at least 75 percent of all board and applicable committee meetings. Our independent directors meet in executive session at each regularly scheduled in-person board meeting, when deemed appropriate. The board does not have a policy regarding directors attendance at annual meetings. Three of our directors attended our 2011 annual meeting of stockholders.

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Our Board has three standing committees: an audit committee, a compensation, nominating and corporate governance committee, and an executive and acquisitions committee. Each committee has a written charter. The table below provides current membership and fiscal year 2011 meeting information for each of the board committees.

Name	Audit	Compensation, Nominating and Corporate Governance	Executive and Acquisitions
Mr. Balson		X	X
Mr. Carroll			
Mr. Clarke			X*
Mr. Evans		X*	X
Mr. Johnson	X		X
Mr. Macchia	X*		
Mr. Marschel	X	X	
Mr. Stull		X	
Total meetings during 2011	5	5	3

\* Committee Chairperson

Below is a description of each standing committee of our Board of Directors. Each committee has authority to engage legal counsel or other advisors or consultants as it deems appropriate to carry out its responsibilities.

***Audit Committee***

Our audit committee currently consists of Messrs. Johnson, Macchia and Marschel. Mr. Macchia was elected to the board during July 2010 and subsequently became the chairman of the committee. Our board has determined that each member of the committee meets the definition of independent director for purposes of the New York Stock Exchange rules and the independence requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the Exchange Act). Our board of directors has determined that Mr. Macchia qualifies as an audit committee financial expert under Securities and Exchange Commission rules and regulations.

Our audit committee is responsible for, among other matters:

appointing, compensating, retaining, evaluating, terminating and overseeing our independent registered public accounting firm;

discussing with our independent registered public accounting firm their independence from management;

reviewing with our independent registered public accounting firm the scope and results of their audit;

approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm;

overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the interim and annual financial statements that we file with the Securities and Exchange Commission;

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reviewing and monitoring our accounting principles, accounting policies, financial and accounting controls and compliance with legal and regulatory requirements;

establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls, or auditing matters; and

reviewing and approving related person transactions.

Our board of directors has adopted a written charter for the committee, which is available on our website.

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### ***Compensation, Nominating and Corporate Governance Committee***

Our compensation, nominating and corporate governance committee currently consists of Messrs. Balson, Evans, Marschel and Stull. Mr. Evans is the chairman of the committee. Our board of directors has determined that each committee member meets the definition of independent director for purposes of the New York Stock Exchange rules and the definition of outside director for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended. In addition, a sub-committee of our compensation, nominating and corporate governance committee consisting of Messrs. Marschel and Stull approve any compensation that may otherwise be subject to Section 16 of the Exchange Act.

The compensation, nominating and corporate governance committee is responsible for, among other matters:

annually reviewing and approving our goals and objectives for executive compensation;

annually reviewing and approving for the chief executive officer and other executive officers (1) the annual base salary level, (2) the annual cash incentive opportunity level, (3) the long-term incentive opportunity level, and (4) any special or supplemental benefits or perquisites;

reviewing and approving employment agreements, severance arrangements and change of control agreements for the chief executive officer and other executive officers, as appropriate;

making recommendations and reports to the board of directors concerning matters of executive compensation;

administering our executive incentive plans;

reviewing compensation plans, programs and policies;

developing and recommending criteria for selecting new directors;

screening and recommending to the board of directors individuals qualified to become executive officers; and

handling such other matters that are specifically delegated to the compensation, nominating and corporate governance committee by the board of directors from time to time.

Our board of directors has adopted a written charter for the committee, which is available on our website.

See Compensation Discussion and Analysis for a description of the processes and procedures of the committee and for additional information regarding the committee's role and management's role in determining compensation for executive officers and directors.

### ***Executive and Acquisitions Committee***

Our executive and acquisitions committee consists of Messrs. Clarke (chairman), Balson, Evans and Johnson. Between meetings of our board of directors, the executive and acquisitions committee has and may exercise the powers of the board of directors to act upon any matters which, in the view of the Chairman of the Board, should not be postponed until the next previously scheduled meeting of the board of directors, except for those powers expressly reserved to the board. In particular, the executive and acquisitions committee may assist the board of directors in connection with capital expenditures, investments, acquisitions, financing activities and other matters. Our board of directors has adopted a

written charter for the committee, which is available on our website.

***Board Leadership***

Our corporate governance guidelines provide that our board will include a majority of independent directors. Our CEO serves as the chairman of the board and has served as such since 2003. We believe this leadership

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structure has been effective. Seven of our eight directors are independent, as described above under Director Independence. The members of our audit committee and compensation, nominating and corporate governance committee are also independent, as described above under Audit Committee and Compensation, Nominating and Corporate Governance Committee. We do not have a lead director, but our corporate governance guidelines provide that our non-management directors will meet in executive session, without management present, as frequently as they deem appropriate, typically at the time of each regular board meeting. We anticipate that the chairs of the independent board committees will rotate as presiding director, and the presiding director will act as a liaison between the non-management directors and the chairman and CEO in connection with each regular meeting. We believe that having a combined chairman and CEO, a board with a majority of independent directors who will meet regularly in executive session, and independent chairs for the board's audit committee and compensation, nominating and corporate governance committee provides the best form of leadership for FleetCor and our stockholders and provides an appropriate balance between strategy development and independent oversight of management. The board of directors believes that having our CEO serve as chairman of the board facilitates the board's decision making process because Mr. Clarke possesses detailed and in-depth knowledge of the issues, opportunities and challenges facing the company and its business and thus is best positioned to develop agendas that ensure the board's time and attention is focused on the most critical matters. The combined role enables decisive leadership, ensures accountability and enhances the company's ability to communicate its message and strategy clearly and consistently to the company's stockholders, employees and customers.

### ***Risk Oversight***

Our board is responsible for overseeing our risk management. Under its charter, the audit committee is responsible for discussing with management the annual internal audit plan, FleetCor's major financial risk exposures, steps management has taken to monitor and control such exposures, risk management and risk assessment policies, significant findings and recommendations and management's responses. The audit committee is also responsible for discussing with management and the independent auditors, periodically, normally on at least an annual basis, the independent auditors' annual audit scope and plan and risk assessment and risk management policies. The board's other committees oversee risks associated with their respective areas of responsibility. For example, the compensation, nominating and corporate governance committee considers risks associated with our compensation policies and practices, with respect to both executive compensation and compensation generally. Our board will regularly engage in discussing the most significant risks and how the risks are being managed, and receive reports from senior management and from committee chairs. We believe that our leadership structure, as described above, supports the risk oversight function of the board. While we have a combined chairman and CEO, independent directors chair the audit committee and compensation, nominating and corporate governance committee, which are involved with risk oversight.

## **DIRECTOR INDEPENDENCE**

Our corporate governance guidelines provide that a majority of our directors will be independent. Our board of directors has adopted director independence guidelines to assist in determining each director's independence. These guidelines are included in our corporate governance guidelines available on our website at [investor.fleetcor.com](http://investor.fleetcor.com). The guidelines either meet or exceed the independence requirements of the New York Stock Exchange on which our shares are traded.

Under the director independence guidelines, the board of directors must affirmatively determine a director has no relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. To facilitate this determination, annually each director completes a questionnaire that provides information about relationships that might affect the determination of independence. Management provides the compensation, nominating and corporate governance committee and our board with relevant facts and circumstances of any relationship bearing on the independence of a director or nominee that is outside the categories permitted under the director independence guidelines.



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Based on the review and recommendation by the compensation, nominating and corporate governance committee, the board of directors analyzed the independence of each director and determined that Messrs. Balson, Carroll, Evans, Johnson, Macchia, Marschel and Stull meet the standards of independence under our director independence standards, and applicable New York Stock Exchange listing standards, including that each member is free of any relationship that would interfere with his individual exercise of independent judgment. In making this determination, our board considered that certain board members are principals in private equity firms holding substantial positions in our common stock.

**COMPENSATION OF DIRECTORS**

Members of our board of directors, except for Messrs. Johnson, Macchia and Marschel, do not receive compensation for serving as directors. Restricted stock awards to Messrs. Johnson, Macchia and Marschel for 2011 service were made on April 13, 2011. Each award was for 5,500 shares of common stock and vested on January 1, 2012. We have not historically paid cash compensation and we do not grant option awards to our directors. However, beginning in 2012, cash compensation in the amount of \$20,000 was approved for the audit committee chairman, payable January 1, 2013. The decision to provide cash compensation will be reviewed on an annual basis. All members of our board of directors are reimbursed for actual expenses incurred in connection with attendance at board meetings. Mr. Clarke did not receive any compensation for service on our board of directors. Mr. Clarke's compensation is described in Compensation Discussion and Analysis.

We believe restricted stock awards are an appropriate form of compensation for our directors because the value of the grants will increase as the value of our stock price increases, thus aligning the interests of these directors with those of our stockholders. The amount of these grants was determined based on our board of directors' general experience with market levels of director compensation. We expect to continue to make annual grants of restricted stock to each of our non-employee directors (who are not otherwise affiliated with Advantage Capital Partners, Bain Capital Partners or Summit Partners). Annual grants for director service are generally anticipated to have a value of approximately \$175,000. The following table sets forth the total compensation granted to each person who received compensation as a director during 2011.

	<b>Stock awards (\$ (1)</b>	<b>Total (\$)</b>
Mark A. Johnson	477,233	477,233