

EQUIFAX INC
Form DEF 14A
March 25, 2016
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

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

Exchange Act of 1934 (Amendment No. __)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

EQUIFAX 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.

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- (3) Filing Party:
- (4) Date Filed:

**CHANGING
THE GROWTH
CURVE**

**NOTICE OF 2016 ANNUAL MEETING
AND PROXY STATEMENT**

1550 Peachtree Street, N.W.
Atlanta, Georgia 30309
www.equifax.com

Dear Shareholders:

As directors of Equifax, we deeply value our relationship with you and strive to demonstrate our ongoing commitment to advancing your interests. We are pleased with the Company's performance this year and would like to take this opportunity to share a few highlights from 2015.

This past September, we celebrated the tenth anniversary of Rick Smith's tenure as CEO of Equifax. Since Rick joined us, our Company has achieved considerable growth and outstanding performance, including total shareholder returns that were 61% higher than the S&P 500 Index and market capitalization growth from \$4.3 billion to \$12.4 billion. The collective efforts of Rick and our talented employees produced strong results again this past year, enabling us to make significant investments to secure future growth, while at the same time producing shareholder returns substantially in excess of the market. This past year brought one of the most significant investments in the Company's 117-year history, with the \$1.9 billion acquisition of Veda Group Limited, the leading provider of consumer and commercial credit reporting in Australia and New Zealand. In 2015, we also returned significant capital to our shareholders through a total of \$138 million in dividends and nearly \$200 million of common stock repurchases.

While we are proud of our performance, as we continue to grow, we also understand how important it is for our Board and governance structures to continue to evolve. Below are just a few of the areas we focused on over the past year as part of our commitment to our Company and our shareholders.

Shareholder Engagement

In 2014, the directors initiated a shareholder engagement program designed to enhance our understanding of shareholder perspectives on key Board, governance and compensation topics and to evaluate any investor concerns. Through management's investor outreach meetings, we have connected with approximately 75% of our shareholder base, including the majority of our top 50 shareholders. We have considered your perspectives in our decision making and your views have been instrumental in helping us enhance our governance and compensation programs.

Board Composition

We know how important it is to our shareholders to have a board comprised of the right people with the right skills, qualifications and background to effectively represent their interests. To that end, we aim to operate our Board in the most efficient and productive manner possible and believe diversity of perspective is necessary to achieve effective leadership. Accordingly, as we identify future director candidates to replace the three independent directors scheduled to retire over the next two years, we are committed to seeking candidates who offer diverse backgrounds and fresh perspectives along with the requisite skills, experience and character necessary to serve on our Board and represent our shareholders.

Corporate Governance

We continually strive to enhance our corporate governance practices and we believe that Board evaluations and shareholder feedback play pivotal roles in helping us achieve our goals. To ensure maximum performance by our Board and in light of upcoming director retirements, we engaged a third-party to facilitate our Board self-evaluation process and Board and committee review. In addition, in response to shareholder feedback we have also enhanced the disclosures in this proxy statement related to auditor firm independence, as a means to provide our investors additional insight into our Audit Committee's efforts to protect audit firm independence.

We appreciate the opportunity to serve Equifax on your behalf, and cordially invite you to our Annual Meeting of Shareholders on May 5, 2016. Thank you for the trust you have placed in us, and I hope the next ten years are as successful as the last ten.

Sincerely,

Phil Humann

Presiding Director

March 25, 2016

1550 Peachtree Street, N.W.

Atlanta, Georgia 30309

**Notice of 2016 Annual
Meeting of Shareholders**

May 5, 2016

9:30 a.m. Atlanta Time (doors open at 8:30 a.m.)

1550 Peachtree Street N.W., Atlanta, Georgia 30309

AGENDA:

1. Elect 10 director nominees listed in the Proxy Statement.
2. Approve, on an advisory basis, named executive officer compensation.
3. Ratify the appointment of Ernst & Young LLP as independent registered public accounting firm for 2016.
4. Other business if properly raised.

If you owned shares of Equifax Common Stock at the close of business on March 2, 2016, you are entitled to vote at the meeting either in person or by proxy. Proxies in the form furnished are being solicited by the Board of Directors of Equifax Inc. for this meeting.

YOUR VOTE IS VERY IMPORTANT. PLEASE SUBMIT YOUR PROXY OR VOTING INSTRUCTIONS AS SOON AS POSSIBLE, WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING. Most shareholders have a choice of voting over the Internet, by telephone or by using a traditional proxy card. Please refer to the enclosed proxy materials or the information forwarded by your bank, broker or other holder of record to see which voting methods are available to you.

This year we will again seek to conserve natural resources and reduce costs by electronically disseminating annual meeting materials, as permitted by the Securities and Exchange Commission. Unless otherwise requested, shareholders will receive a Notice of Internet Availability of Proxy Materials with instructions for accessing these materials via the Internet. You can also receive, upon request, a copy of the proxy materials by mail if you prefer. All shareholders who have previously requested paper copies of our proxy materials will continue to receive a paper copy of the proxy materials by mail. Proxy materials or a Notice of Internet Availability were first sent to shareholders beginning on March 25, 2016.

For security reasons, please be prepared to show photo identification. If you need special assistance because of a disability, please contact our Office of Corporate Secretary, Equifax Inc., P.O. Box 4081, Atlanta, Georgia 30302, or telephone (404) 885-8000.

By order of the Board of Directors,

John J. Kelley III

March 25, 2016 *Corporate Vice President, Chief Legal Officer and Corporate Secretary*

REVIEW YOUR PROXY STATEMENT AND VOTE IN ONE OF FOUR WAYS:

VIA THE INTERNET

Visit the website listed on your proxy card

BY MAIL

Sign, date and return your proxy card in the enclosed envelope

BY TELEPHONE

Call the telephone number on your proxy card

IN PERSON

Attend the Annual Meeting and vote in person

ELECTION TO RECEIVE ELECTRONIC DELIVERY OF FUTURE ANNUAL MEETING MATERIALS.

You can expedite delivery and avoid costly mailings by confirming in advance your preference for electronic delivery. For further information on how to take advantage of this cost-saving service, please see page 64 of the Proxy Statement.

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PROXY SUMMARY

This summary highlights information contained elsewhere in our Proxy Statement. The summary does not contain all of the information that you should consider and we encourage you to read the entire Proxy Statement carefully before voting.

2015 Performance Highlights

Revenue:	Diluted EPS:	Dividend payments to shareholders:	Share repurchases:	Total shareholder return:
\$2.7 Billion,	\$3.55,	\$138 Million,	\$196 Million	39.3%,
<i>a 9% increase from 2014</i>	<i>a 19% increase from 2014</i>	<i>a 14% increase from 2014</i>		<i>compared to 1.4% for the S&P 500 Index</i>

Exceptional Long-Term Performance

Since he joined the Company in September 2005 as our Chairman and CEO, Richard F. Smith has driven consistently exceptional financial performance and created significant shareholder value. Market capitalization of \$12.4 billion at the end of February 2016 was 2.9 times higher than the Company’s \$4.3 billion market capitalization at the end of September 2005, and total shareholder return for the Company over this period was 61% higher than the S&P 500 Index. A \$100 investment made on September 30, 2005 in Equifax stock would be worth approximately \$334 as of December 31, 2015, whereas the same investment in the S&P 500 Index would be worth approximately \$207. The leadership and vision Mr. Smith has brought to the company is particularly evident in the Company’s growth over the last five years:

- 8.2% compounded annual growth (CAGR) in operating revenue from continuing operations;
- 13.8% CAGR in diluted EPS from continuing operations; and
- 23.3% CAGR in annual dividend payments.

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Continued Investment For Long-Term, Sustainable Growth

2015 was an outstanding year for the Company. We exceeded our expectations and had broad-based contributions from each business unit and across the vast majority of our geographies. The Company is well positioned for a strong 2016 and beyond. Our four business units and six centers-of-excellence are aligned around our key strategic imperatives, and we have globalized our most critical and fundamental management disciplines to facilitate greater linkage between our strategy and execution. Through this effort, we have streamlined our product innovation and placement, enabled greater leverage of our IT platforms, optimized the investment in our talent base and effectively aligned our talent base to our greatest opportunities.

Earlier this year, we completed the \$1.9 billion acquisition of Veda Group Limited, the leading provider of consumer and commercial credit reporting in Australia and New Zealand. We are very excited about the opportunity Veda represents for Equifax. Veda brings a solid market strategy, strong financial performance and an outstanding management team. Veda gives the Company a significant opportunity in the Asia Pacific geography, further broadening our geographic footprint and enhancing our ability to continue to deliver on our goal of long-term, sustainable growth.

Shareholder Engagement Actions

Throughout 2014, 2015 and early 2016, we conducted investor outreach meetings and governance reviews to understand shareholder perspectives and evaluate any concerns of our shareholders. These discussions primarily focused on possible enhancements to our corporate governance practices and our shareholders' views on the design of our compensation program. Our investors' comments are regularly and actively considered by our Governance and Compensation Committees, as well as the full Board.

Our shareholders expressed general support of our corporate governance practices in our engagement discussions. Shareholders specifically praised the decision of the Board to terminate the shareholder rights plan, sometimes called a "poison pill," in early 2015. Certain European investors were interested to better understand the effectiveness of a Presiding Director as a leader of the independent directors, in lieu of the separate Chief Executive Officer (CEO) and Chairman roles more commonly found in European markets.

Shareholders also encouraged the Board to consider diversity as an important factor when evaluating candidates for future directorships. The Board believes that diversity of experiences, gender, ethnicity and age plays a pivotal role in constructing an effective leadership structure, and is committed to considering these factors as it contemplates future director candidates. Also in response to shareholder engagement, the Board has amended its policy regarding director "overboarding" and has enhanced its disclosure regarding auditor firm independence in this proxy statement. We have also provided improved visibility into director skill sets, experience and qualifications.

The overwhelming majority of shareholder feedback regarding executive compensation was that no significant change to the design of our program was necessary and that we should continue our effective linkage of pay to performance. Our Compensation Committee carefully considered shareholder feedback in its review of our compensation program, as well as compensation plan and benchmarking advice from its independent compensation consultant. The Committee strongly believes that executive compensation should be tightly linked to the long-term performance of the Company, and continues to take steps to ensure that pay opportunities are increasingly longer-term and performance-based with a mix of fixed and at-risk variable pay. Based on shareholder recommendations, we continue to enhance our proxy disclosures regarding changes to executive compensation programs, particularly with a multi-year perspective.

Governance Highlights

- | | |
|---|---|
| Independent Board | <ul style="list-style-type: none"> •9 of our 10 director nominees are independent. |
| Board Refreshment | <ul style="list-style-type: none"> •The Governance Committee of the Board has established a succession plan with the assistance of an independent executive search consultant to help identify highly qualified and diverse director candidates to replace two outside directors who are scheduled to retire during 2017 and one outside director who is scheduled to retire during 2018. |
| Independent Presiding Director | <ul style="list-style-type: none"> •Our independent directors elect our Presiding Director. •Our Presiding Director has broad powers including: <ul style="list-style-type: none"> -advising the Chairman and CEO of decisions reached, and suggestions made, at the executive session of the non-management directors; -calling meetings of the non-management directors and approving agendas; -facilitating communication between the non-employee directors and the Chairman and CEO; -meeting directly with management and non-management employees of the Company; -and -being available for consultation and direct communication with shareholders as appropriate. |
| Annual Board Leadership Evaluation and Succession Planning | <ul style="list-style-type: none"> •The Board annually reviews the leadership structure to determine whether a combined Chairman and CEO role or separate roles are in the best interest of shareholders. •The Board annually evaluates the CEO's performance. •The Board annually conducts a rigorous review and assessment of the succession planning process for the CEO and other top officers. |

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Annual Director Election

- Each director is elected on an annual basis.

No “Overboarding”

- Currently, no director serves on more than two other public company boards, and our CEO does not serve on any other public company boards.

Limits on Board Service

- Directors are limited to service on four other public company boards, with our CEO being limited to two other public company boards. Currently, Mr. Smith does not serve on any other public company board.

Director Stock Ownership

- Each director is required to own Equifax common stock with a market value of at least five times his or her annual cash retainer.

No “Poison Pill”

- We do not have a “poison pill” plan in place.

Enterprise Risk Management

- We have a rigorous enterprise risk management program targeting controls over operational, financial, legal/regulatory compliance, reputational, technology, security, strategic and other risks that could adversely affect our business. The program also includes crisis management and business continuity planning. See “*Board Risk Oversight*” on page 20.

Stock Hedging and Pledging Policies

- Our insider trading policy bars our directors, officers and employees from owning financial instruments or participating in investment strategies that hedge the economic risk of owning Equifax stock.
- We prohibit officers and directors from pledging Equifax securities as collateral for loans (including margin loans).

What am I voting on and what are the Board’s voting recommendations?

Agenda Item	Board Voting Recommendation	Page Reference (for more detail)
Proposal 1 Election of 10 Director Nominees	FOR EACH NOMINEE	11
Proposal 2 Advisory Vote to Approve Named Executive Officer Compensation	FOR	22
Proposal 3 Appointment of Ernst & Young LLP as Independent Registered Public Accounting Firm for 2016	FOR	59

Proposal 1 — Election of 10 Director Nominees

The Board is asking you to elect the 10 nominees for director named below for terms that expire at the 2017 Annual Meeting of Shareholders. The following table provides summary information about the ten director nominees. The directors will be elected by a majority vote.

Name	Occupation	Experience/Qualifications
		Accounting

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James E. Copeland, Jr.	Retired Chief Executive Officer of Deloitte & Touche LLP and Deloitte & Touche Tohmatsu	Former Large Company CEO	Risk Management
Age: 71 Independent		General Management & Business Operations	Finance International
Board Committees: <i>Audit (Chair)</i> <i>Executive</i>		Mergers & Acquisitions	
		Strategy Development	
Robert D. Daleo			
Age: 66 Independent	Retired Vice Chairman of Thomson Reuters	Former Public Company CFO	Accounting
		General Management & Business Operations	Risk Management International
Board Committees: <i>Audit</i> <i>Compensation</i>		Mergers & Acquisitions	Finance
		Strategy Development	
Walter W. Driver, Jr.			
Age: 70 Independent	Chairman–Southeast of Goldman, Sachs & Co.	International Investment	Strategy Development
		Banking	
		Former Head of International Law Firm	Finance
Board Committees: <i>Compensation</i> <i>Governance</i>		General Management & Business Operations	Legal, Corporate Governance
		International	and Compliance
			Mergers & Acquisitions

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Name	Occupation	Experience/Qualifications	
Mark L. Feidler		Former Public Company	Accounting
		President & COO	Risk Management
Age: 59 Independent	Founding Partner of MSouth Equity Partners	General Management &	Consumer Marketing
		Business Operations	International
Board Committees: <i>Audit</i> <i>Technology</i>		Mergers & Acquisitions	Strategy Development
		Finance	
L. Phillip Humann		Former Public Company CEO	Consumer Marketing
		Financial Industry Experience	Corporate Governance &
Age: 70 Independent	Retired Executive Chairman of the Board of SunTrust Banks, Inc.	General Management &	Compliance
Board Committees: <i>Compensation (Chair)</i> <i>Executive (Chair)</i> <i>Governance</i>		Business Operations	Risk Management
		Mergers & Acquisitions	Banking
		Finance	Strategy Development
Robert D. Marcus		Current Public Company CEO	
		Former Public Company CFO	Consumer Marketing
Age: 50 Independent	Chairman and Chief Executive Officer of Time Warner Cable Inc.	General Management &	Legal & Regulatory
Board Committees: <i>Governance</i>		Business Operations	Mergers & Acquisitions
		Finance	
Siri S. Marshall	Retired Senior Vice President, General Counsel, Secretary and Chief Governance and Compliance Officer of General Mills, Inc.	Former Public Company	Retail
Age: 67 Independent		General Counsel, Corporate	Legal, Regulatory, Corporate
		Secretary & Chief Compliance	Governance & Compliance

<p>Board Committees: Compensation Executive Governance (Chair)</p>		<p>Officer General Management & Business Operations Strategy Development</p>	<p>Mergers & Acquisitions International Consumer Marketing</p>
<p>John A. McKinley</p>		<p>Former Public Company CTO</p>	<p>Strategy Development</p>
<p>Age: 58 Independent</p>	<p>Chief Executive Officer of SaferAging, Inc. and Co-Founder of Launchbox Digital</p>	<p>General Management & Business Operations</p>	<p>Finance Venture Capital</p>
<p>Board Committees: Audit Executive Technology (Chair) Richard F. Smith</p>		<p>Mergers & Acquisitions International</p>	<p>Technology Development, Operations & Marketing</p>
<p>Age: 56 Insider</p>	<p>Chairman and Chief Executive Officer of Equifax</p>	<p>Current Public Company CEO Industry Experience</p>	<p>Strategy Development Finance</p>
<p>Board Committees: None Mark B. Templeton</p>		<p>General Management & Business Operations International Former Public Company CEO & President</p>	<p>Risk Management Mergers & Acquisitions</p>
<p>Age: 63 Independent</p>	<p>Retired Chief Executive Officer, President and Director of Citrix Systems, Inc.</p>	<p>General Management & Business Operations</p>	<p>Technology Development, Operations & Marketing</p>
<p>Board Committees: Compensation Technology</p>		<p>Mergers & Acquisitions Strategy Development</p>	<p>International</p>

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PROPOSAL 2 — Advisory Vote to Approve Named Executive Officer Compensation

The Board is asking you to approve, on an advisory basis, the compensation of our CEO, CFO and the three other most highly compensated executive officers calculated in accordance with SEC rules and regulations (collectively the Named Executive Officers or NEOs) as disclosed in this Proxy Statement.

2015 Compensation Program Overview

Compensation Element	Link to Performance	Purpose
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