

Policy Name & Number	C-209-Policy Governing Director Nominations
Policy Owner	General Counsel
Approving Authority	athenahealth Nominating & Corporate Governance Committee
Approval Date	October 23, 2017
Supersedes (if applicable)	All prior versions of policy
Review Requirements	Annually
Laws & Regulations	SOX, Securities Regulations
Applicability	

## Policy Statement

### POLICY PURPOSE

The Board of Directors (the “Board”) of athenahealth, Inc. (the “Company”) has adopted this Policy Governing Director Nominations (this “Policy”) in accordance with the proxy disclosure requirements set forth in the rules adopted by the Securities and Exchange Commission (“SEC”) and the corporate governance rules adopted by the Nasdaq Stock Market LLC (“Nasdaq”). The Company recognizes that its securityholders desire increased insight into the Company’s director nominations process, and the Company endeavors to apply this Policy to such end.

### POLICY STATEMENT

#### IDENTIFYING AND EVALUATING DIRECTOR NOMINEES

The Nominating and Corporate Governance Committee (the “Nominating Committee”) is responsible for identifying individuals qualified to become members of the Board and its committees and recommending candidates for the Board’s selection as director nominees for election at a meeting of securityholders or by vote of the Board in the case of a vacancy.

The process for identifying and evaluating nominees for the Board, including nominees recommended by securityholders, is as follows:

1. The Nominating Committee may solicit recommendations from any or all of the following sources: non-management directors, the Chief Executive Officer, other executive officers, third-party search firms, or any other source it deems appropriate.
2. The Nominating Committee will review and evaluate the qualifications of any proposed director candidate and conduct inquiries as it deems appropriate.
3. The Nominating Committee will evaluate all proposed director candidates in the same manner, with no regard to the source of the initial recommendation.
4. The Nominating Committee will consider for nomination any proposed director candidate who is deemed qualified by the Nominating Committee in light of the



- minimum qualifications and other criteria for Board membership approved by the Board from time to time and set forth in this Policy.
5. In identifying and evaluating proposed director candidates, the Nominating Committee may consider, in addition to the minimum qualifications and other criteria for Board membership approved by the Board from time to time, all facts and circumstances that it deems appropriate or advisable, including, among other things, the skills of the proposed director candidate, his or her depth and breadth of professional experience or other background characteristics, his or her independence, and the needs of the Board.

#### **PROCEDURES FOR SECURITYHOLDERS SUBMITTING DIRECTOR CANDIDATE RECOMMENDATIONS**

The Nominating Committee will accept for consideration submissions from securityholders of recommendations for director candidates. Acceptance of a recommendation for consideration does not imply that the Nominating Committee will nominate the recommended candidate.

The procedures to be followed by securityholders in submitting recommendations for director candidates to the Nominating Committee are set forth below:

1. All securityholder recommendations for director candidates must be submitted to the Secretary of the Company at athenahealth, 311 Arsenal St., Watertown, MA 02472. The Secretary will forward all recommendations to the Nominating Committee.
2. All securityholder recommendations for director candidates to be considered for election at an annual meeting of stockholders must be submitted to the Company in accordance with the Company's Amended and Restated Bylaws, as well as any applicable requirements prescribed by the SEC. The Company's Amended and Restated Bylaws provide that stockholder nominations of directors be received by the Secretary of the Company not later than the close of business on the 90<sup>th</sup> day nor earlier than the close of business on the 120<sup>th</sup> day prior to the first anniversary of the preceding year's Annual Meeting; provided, however, that in the event that the date of the Annual Meeting is advanced by more than 30 days before or delayed by more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered on or before the later of (i) the close of business on the 90<sup>th</sup> day prior to such Annual Meeting or (ii) the 10<sup>th</sup> day following the day on which public announcement of the date of such meeting is first made.

In addition to the procedures set forth above, all securityholder recommendations for director candidates must comply with the additional requirements for proposed nominations set forth in the Company's Amended and Restated Bylaws.

#### **DIRECTOR QUALIFICATIONS AND SKILLS**

The Company seeks directors who possess the qualifications and skills described below. The Board evaluates each individual candidate in the context of the overall composition and needs of the Board, with the objective of recommending a group that can best manage the business and affairs of the Company and represent securityholder interests using its diversity of experience. The Nominating Committee will consider these and other qualifications, skills, and attributes when recommending candidates for the Board's selection as nominees for the Board and as candidates for appointment to the Board's committees.

At a minimum, the Nominating Committee must be satisfied that each Nominating Committee-recommended nominee meets the following minimum qualifications:

- The nominee shall have experience at a strategic or policymaking level in a business, government, non-profit, or academic organization of high standing.
- The nominee shall be highly accomplished in his or her respective field, with superior credentials and recognition.
- The nominee shall exhibit high standards of integrity, commitment, and independence of thought and judgment and shall have significant business or professional experience or shall have demonstrated an exceptional understanding of the Company's industry or other disciplines relevant to the business of the Company.
- The nominee shall have sufficient time and availability to devote to the affairs of the Company, particularly in light of the number of boards on which the nominee may serve.
- To the extent such nominee serves or has previously served on other boards, the nominee shall have a demonstrated history of actively contributing at board meetings.

In addition to the minimum qualifications for each nominee set forth above, the Nominating Committee shall recommend that the Board select persons for nomination to help ensure that:

- A majority of the Board shall be "independent" in accordance with the standards, if any, promulgated by the SEC, Nasdaq, any exchange upon which securities of the Company are traded, and any governmental or regulatory body exercising authority over the Company.
- Each of the Company's Audit, Compensation, and Nominating Committees shall be comprised entirely of independent directors.
- At least one member of the Audit Committee shall have such experience, education, and other qualifications necessary to qualify as an "audit committee financial expert" as defined by the rules of the SEC.

Finally, in addition to any other standards the Nominating Committee may deem appropriate from time to time for the overall structure and composition of the Board, the Nominating Committee may consider the following factors when selecting and recommending that the Board select persons for nomination:

- Whether the nominee has direct experience in the Company's industry or in the markets in which the Company operates.
- Whether the nominee, if elected, assists in achieving a mix of Board members that represents a diversity of race, ethnicity, gender, age, background, and professional experiences.
- Whether the nominee is well regarded in the community.
- The extent of the nominee's general understanding of elements relevant to the success of a publicly-traded company.

## RELATED INFORMATION/POLICIES/DETAILS

N/A