

Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

MANHATTAN ASSOCIATES INC  
Form DEF 14A  
April 24, 2002

SCHEDULE 14A  
(RULE 14A-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION  
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES  
EXCHANGE ACT OF 1934

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 Rule 14a-11(c) or Rule 14a-12

MANHATTAN ASSOCIATES, INC.

-----  
(Name of Registrant as Specified in Its Charter)

-----  
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
  - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:  
-----
  - (2) Aggregate number of securities to which transaction applies:  
-----
  - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):  
-----
  - (4) Proposed maximum aggregate value of transaction:  
-----
  - (5) Total fee paid:  
-----

Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

- [ ] 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:  
-----

MANHATTAN ASSOCIATES, INC.  
2300 Windy Ridge Parkway, Suite 700  
Atlanta, Georgia 30339  
(770) 955-7070

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD MAY 17, 2002

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Manhattan Associates, Inc. (the "Company") will be held at 2300 Windy Ridge Parkway, Atlanta, Georgia 30339, at 10:00 a.m., Atlanta, Georgia time, on Friday, May 17, 2002 (the "Annual Meeting"), to consider and act upon:

1. the election of two directors to the Company's Board of Directors;
2. a proposal to increase the number of shares available for issuance under the Company's Stock Incentive Plan from 11,017,358 shares to 12,017,358 shares, an increase of 1,000,000 shares; and
3. such other business as may properly come before the Annual Meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on April 1, 2002, as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting.

By Order of the Board of Directors,

Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

/s/ David K. Dabbieri

-----  
David K. Dabbieri  
Secretary

April 26, 2002  
Atlanta, Georgia

IMPORTANT

WHETHER OR NOT YOU EXPECT TO BE PRESENT AT THE MEETING, PLEASE MARK, DATE AND SIGN THE ENCLOSED PROXY AND RETURN IT IN THE ENVELOPE THAT HAS BEEN PROVIDED. NO POSTAGE IS REQUIRED FOR MAILING IN THE UNITED STATES. IN THE EVENT YOU ARE ABLE TO ATTEND THE MEETING, YOU MAY REVOKE YOUR PROXY AND VOTE YOUR SHARES IN PERSON.

MANHATTAN ASSOCIATES, INC.  
2300 WINDY RIDGE PARKWAY, SUITE 700  
ATLANTA, GEORGIA 30339

-----  
PROXY STATEMENT  
-----

ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD MAY 17, 2002  
-----

INFORMATION CONCERNING SOLICITATION AND VOTING

SHAREHOLDERS MEETING

This Proxy Statement and the enclosed proxy card ("Proxy") are furnished on behalf of the Board of Directors of Manhattan Associates, Inc., a Georgia corporation ("Manhattan" or the "Company" or "we"), for use at the Annual Meeting of Shareholders to be held on Friday, May 17, 2002, at 10:00 a.m., Atlanta, Georgia time (the "Annual Meeting"), or at any adjournment or postponement thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting. The Annual Meeting will be held at 2300 Windy Ridge Parkway, Atlanta, Georgia 30339. The Company intends to mail this Proxy Statement and the accompanying Proxy on or about April 26, 2002, to all shareholders entitled to vote at the Annual Meeting.

SHAREHOLDERS ENTITLED TO VOTE

Only holders of record of the Company's \$.01 par value per share common stock (the "Common Stock") at the close of business on April 1, 2002 will be entitled to notice of and to vote at the Annual Meeting. At the close of business on April 1, 2001, the Company had outstanding and entitled to vote 28,508,482 shares of Common Stock. Each holder of record of Common Stock on

## Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

such date will be entitled to one vote for each share held on all matters to be voted upon at the Annual Meeting. Any shareholder who signs and returns a Proxy has the power to revoke it at any time before it is exercised by providing written notice of revocation to the Secretary of the Company or by filing with the Secretary of the Company a Proxy bearing a later date. The holders of a majority of the total shares of Common Stock outstanding on the record date, whether present at the Annual Meeting in person or represented by Proxy, will constitute a quorum for the transaction of business at the Annual Meeting. The shares held by each shareholder who signs and returns the enclosed Proxy will be counted for the purposes of determining the presence of a quorum at the meeting, whether or not the shareholder abstains on all or any matter to be acted on at the meeting. Abstentions and broker non-votes both will be counted toward fulfillment of quorum requirements. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that proposal and has not received instructions from the beneficial owner.

### COUNTING OF VOTES

The purpose of the Annual Meeting is to consider and act upon the matters that are listed in the accompanying Notice of Annual Meeting and set forth in this Proxy Statement. The enclosed Proxy provides a means for a shareholder to vote upon all of the matters listed in the accompanying Notice of Annual Meeting and described in the Proxy Statement. The enclosed Proxy also provides a means for a shareholder to vote for all of the nominees for Director listed thereon or to withhold authority to vote for one or more of such nominees. The Company's Bylaws provide that Directors are elected by a plurality of the votes cast. Plurality means that the nominees who receive the most votes for the available directorships will be elected as Directors.

1

Accordingly, the withholding of authority by a shareholder (including broker non-votes) will not be counted in computing a plurality and thus will have no effect on the results of the election of such nominees.

The accompanying Proxy also provides a means for a shareholder to vote for, against or abstain from voting on the other matters to be acted upon at the Annual Meeting. Each Proxy will be voted in accordance with the shareholder's directions. Approval of the amendment to the Company's Stock Incentive Plan and any other matters as may properly come before the meeting will require the affirmative vote of a majority of the shares of Common Stock present in person or represented by a Proxy and entitled to vote at the meeting. Abstentions with respect to such proposals will have the same effect as a vote against the proposals. With respect to broker non-votes, the shares will not be considered present at the meeting for the proposal to which authority was withheld. Consequently, broker non-votes will not be counted with regard to such proposals, but they will have the effect of reducing the number of affirmative votes required to approve the proposals, because they reduce the number of shares present or represented from which a majority is calculated.

### PROXIES

When the enclosed Proxy is properly signed and returned, the shares that it represents will be voted at the Annual Meeting in accordance with the instructions noted thereon. In the absence of such instructions, the shares represented by a signed Proxy will be voted in favor of the nominees for election to the Board of Directors and in favor of the amendment to the

Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

Company's Stock Incentive Plan.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the amount and percent of shares of Common Stock that, as of April 1, 2002, are deemed under the rules of the Securities and Exchange Commission (the "Commission") to be "beneficially owned" by each member of the Board of Directors of the Company, by each nominee to become a member of the Board of Directors, by each Named Executive Officer of the Company, by all Directors and Executive Officers of the Company as a group, and by any person or "group" (as that term is used in the Securities Act of 1934, as amended) known to the Company as of that date to be a "beneficial owner" of more than 5% of the outstanding shares of Common Stock.

NAME OF BENEFICIAL OWNER (1) -----	COMMON BENEFICIALLY ----- NUMBER OF SHARES OF COMMON STOCK -----
Richard M. Haddrill (3).....	295,743
Deepak Raghavan (4).....	1,407,693
Thomas W. Williams, Jr. (5).....	18,334
Jeffry W. Baum (6).....	215,833
Jeffrey S. Mitchell (7).....	10,000
Neil Thall (8).....	5,000
Brian J. Cassidy (9).....	177,000
Alan J. Dabbiere (10).....	7,111,675
John R. Hardesty (11).....	45,000
John J. Huntz, Jr. (12).....	33,000
Thomas E. Noonan (13).....	20,000
Ponnambalam Muthiah (14).....	1,707,196
Deepak M.J. Rao (15).....	1,594,211
Brown Capital Management, Inc. (16).....	2,040,200
All executive officers and directors as a group (11 persons) (17).....	9,339,278

-----

\* Less than 1% of the outstanding Common Stock.

(1) Except as set forth herein, the street address of the named beneficial owner is c/o Manhattan Associates, Inc., 2300 Windy Ridge Parkway, Suite 700, Atlanta, Georgia 30339.

(2) For purposes of calculating the percentage beneficially owned, the number of shares of Common Stock deemed outstanding include (i) 28,508,482 shares outstanding as of April 1, 2002 and (ii) shares issuable by the Company pursuant to options held by the respective person or group that may be exercised within 60 days following April 1, 2002 ("Presently Exercisable Options"). Presently Exercisable Options are considered to be outstanding and to be beneficially owned by the person or group holding such options for the purpose of computing the percentage ownership of such person or group but are not treated as outstanding for the purpose of computing the percentage

## Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

- ownership of any other person or group.
- (3) Includes 217,174 shares issuable pursuant to Presently Exercisable Options.
  - (4) Includes 1,259,093 shares held by a limited partnership controlled by Mr. Raghavan, the 99% limited partnership interest of which is owned by a trust for the benefit of his descendants, 6,000 shares held by Mr. Raghavan for the benefit of his minor child, 413 shares held by Mr. Raghavan's wife, and 42,126 shares held by a trust controlled by Mr. Raghavan's wife. Mr. Raghavan disclaims beneficial ownership of the shares held by the limited partnership that are allocable to the interest held by the trust, the shares held for the benefit of his child, the shares held by his wife, and the shares held by the trust controlled by his wife.
  - (5) Includes 18,334 shares issuable pursuant to Presently Exercisable Options.
  - (6) Includes 215,833 shares issuable pursuant to Presently Exercisable Options.
  - (7) Includes 10,000 shares issuable pursuant to Presently Exercisable Options.
  - (8) Includes 5,000 shares issuable pursuant to Presently Exercisable Options.
  - (9) Includes 150,000 shares issuable pursuant to Presently Exercisable Options.
  - (10) Consists of 7,111,675 shares held by Pegasys Systems Incorporated, a corporation controlled by Mr. Dabbieri, 80% of the equity interest of which is held by a trust for the benefit of Mr. Dabbieri's siblings, certain extended relatives and any future descendants. Mr. Dabbieri disclaims beneficial ownership of the shares held by Pegasys that are allocable to the interest held by the trust.
  - (11) Includes 30,000 shares issuable pursuant to Presently Exercisable Options.
  - (12) Includes 30,000 shares issuable pursuant to Presently Exercisable Options.
  - (13) Includes 20,000 shares issuable pursuant to Presently Exercisable Options.
  - (14) Based on an Amendment to Schedule 13G filed with the Securities and Exchange Commission on February 14, 2002. Includes 1,298,952 shares held by a limited partnership controlled by Ponnambalam Muthiah, the 99% limited partnership interest of which is held by a trust for the benefit of his descendants, and 12,750 shares held by him for the benefit of his minor children. Mr. Muthiah disclaims beneficial ownership of the shares held by the limited partnership that are allocable to the interest held by the trust and the shares held for the benefit of his children. Mr. Muthiah's address is c/o Manhattan Associates, Inc., 2300 Windy Ridge Parkway, Suite 700, Atlanta, Georgia 30339.
  - (15) Based on an Amendment to Schedule 13G filed with the Securities and Exchange Commission on February 14, 2002. Includes 1,318,461 shares held by a limited partnership controlled by Mr. Rao, the 99% limited partnership interest of which is held by a trust for the benefit of his descendants. Mr. Rao disclaims beneficial ownership of the shares held by the limited partnership that are allocable to the interest held by the trust. Mr. Rao's address is c/o Manhattan Associates, Inc., 2300 Windy Ridge Parkway, Suite 700, Atlanta, Georgia 30339.
  - (16) Based on an Amendment to Schedule 13G filed with the Securities and Exchange Commission on February 5, 2002. Includes 2,040,200 shares owned by various investment advisory clients of Brown Capital Management, Inc., which is deemed to be a beneficial owner of those shares pursuant to Rule 13d-3 under the Securities Exchange Act of 1934, due to its discretionary power to make investment decisions over such shares for its clients and its ability to vote such shares. In all cases, persons other than Brown Capital Management, Inc. have the

## Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

right to receive, or the power to direct the receipt of, dividends from, or the proceeds from the sale of the shares. The address of Brown Capital Management, Inc. is 1201 N. Calvert Street, Baltimore, Maryland 21202.

- (17) Includes 7,111,675 shares held by a corporation controlled by Mr. Dabbiere; 100,061 shares held by Mr. Raghavan; 1,259,093 shares held by a limited partnership controlled by Mr. Raghavan; 6,000 shares held by Mr. Raghavan's child, who is a minor; 413 shares held by Mr. Raghavan's wife; 42,126 shares held by a trust controlled by Mr. Raghavan's wife; 78,569 shares held by Mr. Haddrill; 27,000 shares held by Mr. Cassidy; 15,000 shares held by Mr. Hardesty; 3,000 shares held by Mr. Huntz; and 696,341 shares issuable pursuant to Presently Exercisable Options.

3

### PROPOSAL 1

#### ELECTION OF DIRECTORS

##### INTRODUCTION

At the Annual Meeting, two directors are to be elected for the terms described below. The Board of Directors is divided into three classes, each of whose members serve for staggered three-year terms. The Board is currently comprised of two Class I directors (Messrs. Cassidy and Dabbiere), two Class II directors (Messrs. Haddrill and Raghavan) and three Class III directors (Messrs. Hardesty, Huntz and Noonan). At each annual meeting of shareholders, 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 will expire upon the election and qualification of successor directors at the 2002, 2003 and 2004 annual meeting of shareholders, respectively. There are no family relationships among any of the directors or director nominees of the Company.

The Board of Directors has adopted a policy statement that provides as follows: "[i]t is the policy of Manhattan Associates, Inc., in order to ensure full representation of the Company's shareholders on the Board of Directors and to enhance the Company's access to talented managerial advisors, that no nonemployee director of the Company shall serve as a director for more than eight consecutive years and that each nonemployee director when first elected to the Board of Directors (including after a period of non-service) shall serve for only a one year term unless renominated by the Board of Directors at that time, in which case he or she shall be included in the Company's staggered board in a manner determined by the Board of Directors."

Shares represented by executed Proxies will be voted, if authority to do so is not withheld, for the election of the two nominees named below. In the event that any nominee should be unavailable for election as a result of an unexpected occurrence, such shares will be voted for the election of such substitute nominee as the Board of Directors may select. Each person nominated for election has agreed to serve if elected, and management has no reason to believe that any nominee will be unable to serve.

The Board of Directors recommends a vote FOR each named nominee.

##### NOMINEES

The name and age, principal occupation or employment, and other data

## Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

regarding each nominee to serve as a Class I Director, based on information received from the respective nominees, are set forth below:

ALAN J. DABBIERE, age 40, a founder of Manhattan, has served as Chairman of the Board since February 1998 and served as Chief Executive Officer and President of Manhattan from October 1990 until October 1999. From 1986 until 1990, Mr. Dabbieri was employed by Kurt Salmon Associates, a management consulting firm specializing in consumer products manufacturing and retailing, where he specialized in consulting for the retail and consumer products manufacturing industries. At Kurt Salmon Associates, Mr. Dabbieri participated in Quick Response pilot projects focused on the value of an integrated supply-chain initiative. Mr. Dabbieri serves on the American Apparel Manufacturer Association's Management Systems Committee.

BRIAN J. CASSIDY, age 56, has served as a Director of Manhattan since May 1998. Mr. Cassidy has served as the Vice-Chairman and Co-Founder of Webforia Inc., formerly LiveContent Inc., a developer and supplier of computer software applications, since April 1996. Prior to joining Webforia, Mr. Cassidy served as Vice President of Business Development of Saros Corporation, a developer of document management software, from January 1993 to March 1996. Prior to joining Saros Corporation, Mr. Cassidy was employed by Oracle Corporation, as Joint Management Director of European Operations and a member of the Executive Management Board from 1983 to 1988 and as Worldwide Vice President of Business Development from 1988 to 1990.

4

### CURRENT DIRECTORS

The Directors of the Company continuing in office as Class II Directors, elected to serve until the 2003 Annual Meeting, are as follows:

RICHARD M. HADDRILL, age 48, has served as a Director of Manhattan since October 1999 and has served as President and Chief Executive Officer of Manhattan since October 1999. Prior to joining Manhattan, Mr. Haddrill served as President, CEO and a board member for Powerhouse Technologies, a technology, services and gaming company. He served Powerhouse as its Executive Vice President from December 1994 through September 1996 and served as President and Chief Executive Officer from September 1996 through June 1999. From 1992 until 1994, Mr. Haddrill was President of the international subsidiaries of KnowledgeWare, a computer software company. During his employment at Ernst & Young, from 1975 until 1991, Mr. Haddrill held various positions within the company, including Managing Partner and Partner. Mr. Haddrill also serves on the Board of Directors of Danka, a publicly-traded office products company.

DEEPAK RAGHAVAN, age 35, a founder of Manhattan, has served as a Director of Manhattan since August 1998. Mr. Raghavan has served as Manhattan's Senior Vice President--Product Strategy since January 2001 and has served as a Senior Vice President of Manhattan since August 1998. Mr. Raghavan served as Manhattan's Chief Technology Officer from its inception in 1990 until 2001. From 1987 until 1990, Mr. Raghavan was a Senior Software Engineer for Infosys Technologies Limited, a software development company, where he specialized in the design and implementation of information systems for the apparel manufacturing industry.

The Directors of the Company continuing in office as Class III Directors, elected to serve until the 2004 Annual Meeting, are as follows:

JOHN R. HARDESTY, age 62, has served as a Director of Manhattan since



## Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

July 2000. Mr. Hardesty has been self-employed as an investor since March 1995. Since 1995, Mr. Hardesty has served as owner and Chairman of the Board of Directors of Thermo Dynamics, Inc., a quartz manufacturing company. From 1988 until 1995, Mr. Hardesty was the owner and Chairman of the Board of Dixson, Inc., a manufacturer of electronic instruments for the heavy-duty truck market and process control market.

JOHN J. HUNTZ, JR., age 51, has served as a Director of Manhattan since January 1999. Mr. Huntz has served as Managing Director of Fuqua Ventures, LLC, a private equity investment firm since March 1998. Mr. Huntz served as Executive Vice President and Chief Operating Officer of Fuqua Enterprises, Inc., a company that manufactures health-care products, from August 1995 to March 1998 and as its Senior Vice President from March 1994 until August 1995. From September 1989 to January 1994, Mr. Huntz served as the Managing Partner of Noble Ventures International, Inc., a private international investment company. From 1984 to 1989, Mr. Huntz held the position of Director of Capital Resources for Arthur Young & Company, and from 1979 to 1984, Mr. Huntz was with Harrison Capital, Inc., a venture capital investment subsidiary of Texaco, Inc. Mr. Huntz founded and serves as President of the Atlanta Venture Forum, a risk capital network, and is a member of the National Association of Small Business Investment Companies. Mr. Huntz serves as a director and Chairman of the Compensation Committee of GMP Companies, a developer of medical technologies.

THOMAS E. NOONAN, age 41, has served as a Director of Manhattan since January 1999. Mr. Noonan has served as the President and as a Director of Internet Security Systems, Inc., a provider of network security monitoring, detection and response software, since June 1995, and as its Chief Executive Officer and Chairman of the Board of Directors since November 1996. Prior to joining Internet Security Systems, Mr. Noonan served as Vice President, Sales and Marketing with TSI International, Inc., an electronic commerce company, from September 1994 until August 1995. From November 1989 until October 1994, Mr. Noonan held high-level sales and marketing positions at Dun & Bradstreet Software, a developer of enterprise business software.

5

### BOARD OF DIRECTORS MEETINGS, COMMITTEES AND COMPENSATION

During 2001, the Board of Directors held four meetings. All of the incumbent directors attended at least 75% of the aggregate total number of meetings of the Board of Directors and meetings of committees of the Board of Directors on which they served.

Messrs. Dabbieri and Raghavan served as members of the Executive Committee in 2001. The Executive Committee is empowered to exercise all authority of the Board of Directors, except as limited by the Georgia Business Corporation Code ("GBCC"). Under the GBCC, an Executive Committee may not, among other things, approve or propose to shareholders actions required to be approved by shareholders, fill vacancies on the Board of Directors or any of its committees, amend or repeal the bylaws, or approve a plan of merger not requiring shareholder approval. Messrs. Hardesty, Huntz and Noonan served as members of the Compensation Committee throughout 2001. The Compensation Committee is responsible for reviewing and recommending salaries, bonuses and other compensation for our officers. The Compensation Committee is also responsible for administering Manhattan's stock option plans and for establishing the terms and conditions of all stock options granted under these plans. Messrs. Hardesty, Huntz and Noonan served as members of the Audit Committee throughout 2001. The Audit Committee is responsible for recommending

## Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

independent auditors, reviewing with the independent auditors the scope and results of the audit engagement, monitoring our financial policies and internal control procedures, and reviewing and monitoring the provisions of non-audit services by our auditors.

Non-employee members of the Board of Directors received \$1,000 for each board meeting attended in 2001 and \$500 for each committee meeting held independently of a board meeting. The Company may also grant stock options to the non-employee members of the Board of Directors. In 2001, the Company granted stock options to purchase 15,000 shares of Common Stock to each non-employee director.

6

### EXECUTIVE COMPENSATION

Summary Compensation Table. The following table sets forth, for the three years ended December 31, 2001, the total compensation paid to or accrued for the Chief Executive Officer and other Executive Officers as defined under the rules of the Securities and Exchange Commission with the next highest total annual salary and bonus that exceeded \$100,000 (collectively, the "Named Executive Officers").

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION			LONG TERM COMPENSATION
		SALARY	BONUS (1)	OTHER ANNUAL COMPENSATION (2)	NUMBER OF SECURITIES UNDERLYING OPTIONS
Richard M. Haddrill (3) President, Chief Executive Officer And Director	2001	\$300,000	\$473,000	--	500,000
	2000	300,000	520,920	\$ 52,672 (4)	--
	1999	44,000	52,060	100,000 (4)	1,300,000
Jeffrey W. Baum Senior Vice President -- International Operations	2001	150,000	137,655	--	35,000
	2000	150,000	206,047	--	10,000
	1999	125,000	265,220	--	80,000
Jeffrey S. Mitchell Senior Vice President--North American Sales	2001	175,000	118,554	--	36,000
	2000	150,000	249,714	--	20,000
	1999	150,000	128,750	--	175,000
Neil Thall Executive Vice President, Global Operations	2001	250,000	105,042	--	20,000
	2000	250,000	162,221	--	20,000
	1999	229,167	--	--	140,000
Thomas W. Williams, Jr. (6) Senior Vice President, Chief Financial Officer and Treasurer	2001	160,000	68,000	--	35,000
	2000	146,667	85,381	50,273 (4)	60,000
	1999	--	--	--	--

(1) Bonuses represent amounts earned in the applicable year, regardless of whether such bonuses were paid prior to the end of such year.

Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

- (2) In accordance with the rules of the Securities and Exchange Commission, other compensation received in the form of perquisites and other personal benefits has been omitted because such perquisites and other personal benefits constituted less than the lesser of \$50,000 or 10% of the total annual salary and bonus for the Named Executive Officer for such year.
- (3) Mr. Hadrill joined the Company in October 1999.
- (4) Represents relocation expenses paid in 2000.
- (5) Represents compensation expense relating to 85,000 shares of Common Stock issued to Mr. Hadrill in 1999.
- (6) Mr. Williams joined the Company in February 2000.

7

OPTION GRANTS IN LAST FISCAL YEAR

The following table sets forth all individual grants of stock options during the year ended December 31, 2001 to each of the Named Executive Officers:

INDIVIDUAL GRANTS					
NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED	PERCENT OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE PER SHARE	EXPIRATION DATE	PO ANN P F 5
Richard M. Hadrill.....	500,000	30.1%	\$26.05	7/19/11	\$8,191
Jeffry W. Baum.....	15,000	0.9	28.83	7/12/11	271
	5,000	0.3	12.90	9/24/11	40
	15,000	0.9	27.41	12/17/11	258
Jeffrey S. Mitchell.....	10,000	0.6	28.83	7/12/11	181
	5,000	0.3	12.90	9/24/11	40
	21,000	1.3	27.41	12/17/11	361
Neil Thall .....	10,000	0.6	12.90	9/24/11	81
	10,000	0.6	27.41	12/17/11	172
Thomas W. Williams, Jr.....	10,000	0.6	36.00	2/5/11	226
	5,000	0.3	28.83	7/12/11	90
	5,000	0.3	12.90	9/24/11	40
	15,000	0.9	27.41	12/17/11	258

- (1) Amounts represent hypothetical gains that could be achieved for the respective options if exercised at the end of the option term. These gains are based on the fair market value per share on the date of grant and assumed rates of stock price appreciation of 5% and 10% compounded annually from the date the respective options were granted to their expiration date. These assumptions are mandated by the rules of the Securities and Exchange Commission and are not intended to forecast future appreciation of our stock price. The potential realizable value computation is net of the applicable exercise price, but does not take into account federal or state income tax consequences and other expenses

## Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

of option exercises or sales of appreciated stock. Actual gains, if any, are dependent upon the timing of such exercise and the future performance of our Common Stock. There can be no assurance that the rates of appreciation in this table can be achieved. This table does not take into account any appreciation in the price of our Common Stock to date.

### AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND YEAR-END OPTION VALUES

The following table summarizes the number of shares and value realized by each of the Named Executive Officers upon the exercise of options and the value of the outstanding options held by the Named Executive Officers at December 31, 2001:

NAME -----	SHARES ACQUIRED ON EXERCISE -----	VALUE REALIZED (1) -----	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT FISCAL YEAR-END		EXERCISABLE -----	UNEXERCISABLE -----	EXE -----
			EXERCISABLE	UNEXERCISABLE			
Richard M. Hadrill.....	528,318	\$12,968,379	171,168	902,180			\$4
Jeffrey W. Baum.....	--	--	195,833	89,167			4
Jeffrey S. Mitchell.....	70,000	1,571,849	45,000	121,000			
Neil Thall.....	70,000	1,940,280	35,000	85,000			
Thomas W. Williams, Jr....	12,500	365,781	2,500	80,000			

- 
- (1) Amounts disclosed in this column do not reflect amounts actually received by the Named Executive Officers but are calculated based on the difference between the fair market value on the date of exercise of the options and the exercise price of the options. The Named Executive Officers will receive cash only if and when they sell the Common Stock issued upon exercise of the options, and the net amount of cash received by such individuals is dependent on the price of our Common Stock at the time of such sale, as well as federal and state income taxes and other expenses of option exercises and sales of stock.
- (2) Based on the fair market value of our Common Stock as of December 31, 2001 of \$29.15 per share as reported on the Nasdaq National Market, less the exercise price payable upon exercise of such options.

### EMPLOYMENT AGREEMENTS

Mr. Hadrill entered into an employment agreement with Manhattan effective October 11, 1999 and amended on July 19, 2001. Pursuant to this agreement, as amended, Mr. Hadrill is entitled to receive an annual base salary of \$300,000, with increases of up to 6% per year, and a performance-related bonus equal to 2% of our pre-tax operating income. In addition, upon the effective date of his original employment agreement in October 1999, Mr. Hadrill received 85,000 shares of our Common Stock and an option to purchase 1,300,000 shares of our Common Stock, which vests in equal quarterly installments over three years commencing in October 1999. Upon the effective date of the amendment to his employment agreement in July 2001, Mr. Hadrill became entitled to receive an option to purchase 500,000 shares of our Common Stock, which vests in eight equal installments on the last day of the eight

## Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

financial quarters of 2003 and 2004. All of the shares granted pursuant to these options will become immediately exercisable upon a change in control as defined in the agreement. Under the agreement, Mr. Haddrill has agreed to assign to us all patents, copyrights and other intellectual property developed by him during the course of his employment. In addition, Mr. Haddrill has agreed not to solicit our customers for a period of one year following his termination. In connection with any termination of Mr. Haddrill's employment, other than a termination based on gross negligence or willful misconduct, or a termination based on a change in control, as defined in the agreement, through December 31, 2002, Mr. Haddrill will be entitled to receive a severance payment within 10 days of termination equal to two times his base salary and bonus (limited for these purposes to an amount not to exceed his base salary). In connection with any termination of Mr. Haddrill's employment based on a change of control through December 31, 2002, other than a termination based on cause or voluntary termination, Mr. Haddrill will be entitled to receive a severance payment equal to his base salary. In addition, Mr. Haddrill is eligible to receive up to \$1.2 million as reimbursement for certain taxes, if incurred, upon a change in control as defined in the agreement.

Mr. Thall entered into an employment agreement with Manhattan effective November 25, 1997. For 2002, Mr. Thall is entitled to receive an annual base salary of \$250,000 and is entitled to a performance-related bonus of up to \$180,000. In addition, Mr. Thall is entitled to receive a monthly stipend of up to \$3,000 for each month during which he is responsible for the global services organization of the Company. Under the terms of the agreement, Mr. Thall has agreed to assign to us all patents, copyrights and other intellectual property developed by him during the course of his employment. In addition, Mr. Thall has agreed not to solicit our customers for a period of one year following his termination.

### STOCK OPTION PLANS

Manhattan Associates, LLC Option Plan. The Manhattan Associates, LLC Option Plan (the "LLC Option Plan") became effective on January 1, 1997. The aggregate number of shares reserved for issuance under the LLC Option Plan was 5,000,000 shares. The purpose of the LLC Option Plan was to provide incentives for key employees, officers, consultants and directors to promote the success of Manhattan and to enhance our ability to attract and retain the services of such persons. Options granted under the LLC Option Plan were not options intended to qualify as "incentive stock options" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). Since February 28, 1998, no additional options could be granted pursuant to the LLC Option Plan.

As of April 1, 2002, we had outstanding options to purchase 838,135 shares of Common Stock under the LLC Option Plan at a weighted average exercise price of \$5.56 per share.

Stock Incentive Plan. The Manhattan Associates, Inc. Stock Incentive Plan was adopted by the Board of Directors and approved by our shareholders in February 1998. As amended to date, up to 12,017,358 shares of Common Stock (subject to adjustment in the event of stock splits and other similar events), less the number of shares issued under the LLC Option Plan, may be issued pursuant to stock options and other stock incentives granted under the Stock Incentive Plan. The number of shares available for issuance under the Stock Incentive Plan is automatically adjusted, without shareholder approval, on the first day of each fiscal year, by a number of shares such that the total number of shares reserved for issuance under the Stock Incentive Plan equals the sum of (i) the aggregate number of shares previously issued under the Stock Incentive Plan and the LLC Option Plan; (ii) the aggregate number of shares subject to then outstanding stock incentives granted under the Stock Incentive Plan and the LLC Option Plan; and (iii) 5% of the number of shares of the Company's common stock outstanding on the last day of the preceding fiscal year. However, no more

## Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

than 1,000,000 of the shares available for grant each year shall be available for issuance pursuant to incentive stock options, and no more than 10,000,000 shares resulting from such automatic adjustments may ever be issued during the term of the Stock Incentive Plan. On January 1, 2002, the number of shares of Common Stock available for issuance under the Plan automatically increased 357,905 shares to 11,017,358 shares pursuant to this provision. As of April 1, 2002, we had outstanding options or other stock incentives to acquire 4,917,145 shares of Common Stock under the Stock Incentive Plan at a weighted average exercise price of \$21.77 per share.

9

The Stock Incentive Plan provides for the grant of incentive stock options intended to qualify under Section 422 of the Code, nonstatutory stock options, restricted stock awards and stock appreciation rights ("SARs", and, together with the other options and incentives, "Awards"). Officers, employees, directors, advisors and consultants of Manhattan and any of our subsidiaries are eligible to be granted Awards under the Stock Incentive Plan. Under present law, however, incentive stock options may be granted only to employees. The granting of Awards under the Stock Incentive Plan is discretionary. We will be required to recognize compensation expense over the vesting period of any SARs granted.

Optionees receive the right to purchase a specified number of shares of Common Stock at a specified option price and subject to such other terms and conditions as are specified in connection with the option grant. Options may be granted at an exercise price that may be less than, equal to or greater than the fair market value of the Common Stock on the date of grant. Under present law, incentive stock options may not be granted at an exercise price less than the fair market value of the Common Stock on the date of grant (or less than 110% of the fair market value in the case of incentive stock options granted to optionees holding more than 10% of our voting power). The Stock Incentive Plan permits the payment of the exercise price of options to be in the form of cash, or if the individual option agreement so provides, by surrender to us of shares of Common Stock or by a cashless exercise through a brokerage transaction.

The Stock Incentive Plan is administered by the Compensation Committee of the Board of Directors. The committee has the authority to adopt, amend and repeal the administrative rules, guidelines and practices relating to the Stock Incentive Plan generally and to interpret the provisions thereof. The Committee may amend, modify or terminate any outstanding Award and with respect to new Awards will determine:

- the number of shares of Common Stock covered by options, restricted stock awards or SARs, the dates upon which such options or SARs become exercisable and the restrictions on restricted stock lapse;
- the exercise price of options and SARs and the purchase price, if any, of restricted stock;
- the duration of options and SARs; and
- the conditions and duration of restrictions on restricted stock.

No Award may be made under the Stock Incentive Plan after February 2008, but Awards previously granted may extend beyond that time. The Board of Directors may at any time terminate the Stock Incentive Plan. Any such termination will not affect outstanding options, restricted stock or SARs.

## Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

Other Options. In addition to options issued under the LLC Option Plan and the Stock Incentive Plan, as of April 1, 2002, we had outstanding options to purchase an aggregate of 128,458 shares of Common Stock to employees outside of the LLC Option Plan and the Stock Incentive Plan at a weighted average exercise price of \$0.55 per share.

### LIMITATION OF LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS

Our Articles of Incorporation provide that the liability of the directors to the shareholders for monetary damages shall be limited to the fullest extent permissible under Georgia law. This limitation of liability does not affect the availability of injunctive relief or other equitable remedies.

Our Bylaws provide that we will indemnify each of our officers, directors, employees and agents to the extent that he or she is or was a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative because he or she is or was a director, officer, employee or agent of Manhattan, against reasonable expenses (including attorneys' fees), judgments, fines and amounts paid in settlement in connection with such action, suit or proceeding; provided, however, that no indemnification shall be made for:

10

- any appropriation, in violation of his or her duties, of any business opportunity of Manhattan;
- acts or omissions that involve intentional misconduct or a knowing violation of law;
- any liability under Section 14-2-832 of the GBCC, which relates to unlawful payments of dividends and unlawful stock repurchases and redemptions; or
- any transaction from which he or she derived an improper personal benefit.

We have entered into indemnification agreements with certain officers and directors providing indemnification similar to that provided in the Bylaws.

### COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The following non-employee directors were the members of the Compensation Committee of the Board of Directors during 2001: John R. Hardesty, John J. Huntz, Jr. and Thomas E. Noonan. To our knowledge, there were no interlocking relationships involving members of the Compensation Committee or other of our directors requiring disclosure in this Proxy Statement.

### SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers and persons who own beneficially more than 10% of our Common Stock to file reports of ownership and changes in ownership of such stock with the Securities and Exchange Commission. To our knowledge, our directors, executive officers and 10% shareholders complied during 2001 with all applicable Section 16(a) filing requirements.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

GENERAL

The Compensation Committee of the Company's Board of Directors has furnished the following report on Executive Compensation in accordance with the rules and regulations of the Securities and Exchange Commission. This report outlines the duties of the Committee with respect to executive compensation, the various components of the Company's compensation program for executive officers and other key employees, and the basis on which the 2001 compensation was determined for the executive officers of the Company, with particular detail given to the 2001 compensation for the Company's Chairman of the Board and Chief Executive Officer.

COMPENSATION OF EXECUTIVE OFFICERS GENERALLY

The Compensation Committee of the Board of Directors (the "Committee") is responsible for establishing compensation levels for the executive officers of the Company, including the annual bonus plan for executive officers and for administering the Company's Stock Incentive Plan. The Committee is currently comprised of three non-employee directors: Messrs. Noonan (Chairman), Hardesty and Huntz. The Committee's overall objective is to establish a compensation policy that will (i) attract, retain and reward executives who contribute to achieving the Company's business objectives; (ii) motivate executives to obtain these objectives; and (iii) align the interests of executives with those of the Company's long-term investors. The Company compensates executive officers with a combination of salary and incentives designed to focus their efforts on maximizing both the near-term and long-term financial performance of the Company. In addition, the Company's compensation program rewards individual performance that furthers Company goals. The executive compensation program includes the following: (i) base salary; (ii) incentive bonuses; (iii) long-term equity incentive awards in the form of stock option grants; and (iv) other benefits. Each executive officer's compensation package is designed to provide an appropriately weighted mix of these elements, which cumulatively provide a level of compensation roughly equivalent to that paid by companies of similar size and complexity.

**Base Salary.** Base Salary levels for each of the Company's executive officers, including the Chief Executive Officer, are generally set within a range of base salaries that the Committee believes are paid to similar executive officers at companies deemed comparable based on the similarity in revenue level, industry segment and competitive employment market to the Company. In addition, the Committee generally takes into account the Company's past financial performance and future expectations, as well as the performance of the executives and changes in the executives' responsibilities.

**Incentive Bonuses.** The Committee recommends the payment of bonuses to provide an incentive to executive officers to be productive over the course of each fiscal year. These bonuses are awarded only if the Company achieves or exceeds certain corporate performance objectives. The incentive bonus to each executive officer is based on the individual executive's performance as it relates to the Company's performance.

**Equity Incentives.** Stock options are used by the Company for payment of long-term compensation to provide a stock-based incentive to improve the Company's financial performance and to assist in the recruitment, retention and



## Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

motivation of professional, managerial and other personnel. Generally, stock options are granted to executive officers from time to time based primarily upon the individual's actual and/or potential contributions to the Company and the Company's financial performance. Stock options are designed to align the interests of the Company's executive officers with those of its shareholders by encouraging executive officers to enhance the value of the Company, the price of the Common Stock, and hence, the shareholder's return. In addition, the vesting of stock options over a period of time is designed to create an incentive for the individual to remain with the Company. The Company has granted options to the executives on an ongoing basis to provide continuing incentives to the executives to meet future performance goals and to remain with the Company. During the fiscal year ended December 31, 2001, options to purchase an aggregate of 626,000 shares of Common Stock were granted to the Company's executive officers.

12

Other Benefits. Benefits offered to the Company's executive officers are provided to serve as a safety net of protection against the financial catastrophes that can result from illness, disability, or death. Benefits offered to the Company's executive officers are substantially the same as those offered to all of the Company's regular employees. In 1995, the Company established a tax-qualified deferred compensation 401(k) Savings Plan (the "Plan") covering all of the Company's eligible full-time employees. Under the Plan, participants may elect to contribute, through salary reductions, up to 18% of their annual compensation subject to a statutory maximum. The Company provides additional matching contributions in the amount of 50% up to the first 6% contributed under the Plan. The Plan is designed to qualify under Section 401 of the Internal Revenue Code so that the contributions by employees or by the Company to the Plan, and income earned on plan contributions, are not taxable to employees until withdrawn from the Plan, and so that contributions by the Company will be deductible by the Company when made.

### COMPENSATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

The Committee annually reviews the performance and compensation of the Chairman of the Board of Directors based on the assessment of his past performance and its expectation of his future contributions to the Company's performance. Alan J. Dabbieri has served as the Company's Chairman of the Board since February 1998. In 2001, Mr. Dabbieri's base salary as Chairman of the Board was set at \$150,000. The Committee believes the compensation paid to Mr. Dabbieri was reasonable.

### COMPENSATION OF THE CHIEF EXECUTIVE OFFICER

The Committee annually reviews the performance and compensation of the Chief Executive Officer based on the assessment of his past performance and its expectation of his future contributions to the Company's performance. Richard M. Hadrill has served as the Company's Chief Executive Officer since October 1999. For the twelve-month period commencing on January 1, 2001, Mr. Hadrill's base salary was set at \$300,000. The Committee believes the compensation paid to Mr. Hadrill was reasonable.

### POLICY WITH RESPECT TO QUALIFYING COMPENSATION FOR DEDUCTIBILITY

Section 162(m) of the Internal Revenue Code imposes a limit on tax deductions for annual compensation (other than performance-based compensation) in excess of one million dollars paid by a corporation to its Chief Executive Officer and the other four most highly compensated executive officers of a corporation. The Company has not established a policy with regard to Section

## Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

162(m) of the Code, since the Company has not and does not currently anticipate paying cash compensation in excess of one million dollars per annum to any employee. None of the compensation paid by the Company in 2001 was subject to the limitations on deductibility. The Board of Directors will continue to assess the impact of Section 162(m) on its compensation practices and determine what further action, if any, is appropriate.

Compensation Committee

Thomas E. Noonan, Chairman  
John R. Hardesty  
John J. Huntz, Jr.

13

### STOCK PERFORMANCE GRAPH

The following line-graph provides a comparison of the cumulative total shareholder return on our Common Stock for the period from the date of the Company's initial public offering on April 23, 1998 through December 31, 2001, against the cumulative shareholder return during such period achieved by The Nasdaq Stock Market (U.S. Companies) ("Nasdaq US") and the Index for Nasdaq Listed Supply Chain Solution Provider Stocks (the "Nasdaq Computer Index"). The graph assumes that \$100 was invested on April 23, 1998 in our Common Stock and in each of the comparison indices, and assumes reinvestment of dividends.

[GRAPH APPEARS HERE]

Measurement Period (Fiscal Year Covered)	Manhattan Associates	Nasdaq US	Nasdaq Computer Index
4/23/98	\$100.00	\$100.00	\$100.00
12/31/98	181.67	120.14	51.41
12/31/99	49.17	223.27	103.10
12/31/00	284.17	134.33	117.21
12/31/01	194.34	106.55	58.65

The Stock Performance Graph shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (collectively, the "Acts"), except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

### RELATED PARTY TRANSACTIONS

During 2001, Peter V. Dabbiere, a brother of Alan J. Dabbiere, was employed by us as the general manager of hardware sales and support and received an aggregate payment of \$142,000.

During 2001, David K. Dabbiere, a brother of Alan J. Dabbiere, was employed by us as Senior Vice President, Chief Legal Officer and Secretary and

## Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

received an aggregate payment of \$220,000. In addition, we granted options to purchase 6,000 shares of Common Stock at \$27.41 per share to Mr. Dabbiere during 2001.

All cash compensation paid to Alan Dabbiere's brothers was comparable to compensation that would have been paid to unaffiliated persons.

14

### AUDIT COMMITTEE REPORT

This Audit Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent the Company specifically incorporates this Report by reference therein.

The Audit Committee of the Board of Directors currently consists of Messrs. Huntz (Chairman), Hardesty and Noonan, all of whom meet the independence requirements of The Nasdaq Stock Market, Inc. During fiscal 2000, the Audit Committee of the Board of Directors developed a charter for the Committee, which was approved by both the Audit Committee and the full Board on June 30, 2000. The complete text of the new charter was attached as "Annex A" to the Company's Proxy Statement for its 2001 Annual Meeting, which was filed with the Securities and Exchange Commission on April 24, 2001.

In overseeing the preparation of the Company's financial statements, the Audit Committee met with both management and the Company's independent auditors to review and discuss the financial statements prior to their issuance and to discuss significant accounting issues. Management advised the Committee that all financial statements were prepared in accordance with generally accepted accounting principles, and the Committee discussed the statements with both management and the independent auditors. The Committee's review included discussion with the independent auditors of matters required to be discussed pursuant to Statement on Auditing Standards No. 61 (Communication with Audit Committees).

With respect to the Company's independent auditors, the Audit Committee, among other things, discussed with Arthur Andersen LLP, matters relating to its independence, including the disclosures made to the Audit Committee as required by the Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees).

Based on these reviews and discussions, the Audit Committee recommended to the Board of Directors that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001.

Audit Committee

John J. Huntz, Jr., Chairman  
John R. Hardesty  
Thomas E. Noonan

### AUDIT FEES

The aggregate fees billed by Arthur Andersen LLP, the Company's independent auditors, for professional services rendered in connection with the

## Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

audit of the Company's financial statements included in the Company's Annual Report on Form 10-K for Fiscal Year 2001, as well as for the review of the Company's financial statements included in the Company's Quarterly Reports on Form 10-Q during Fiscal Year 2001 totaled approximately \$190,000.

### FINANCIAL INFORMATION SYSTEMS DESIGN AND IMPLEMENTATION FEES

No fees other than those described above under the caption "Audit Fees" and those described below under the caption "All Other Fees" were billed to the Company by the Company's independent auditors for professional services in fiscal year 2001.

15

### ALL OTHER FEES

The aggregate fees billed by Arthur Andersen LLP for professional services rendered other than as stated under the captions Audit Fees and Financial Information Systems Design and Implementation Fees above were approximately \$421,500. The Audit Committee of the Board of Directors considers the provision of these services to be compatible with maintaining the independence of Arthur Andersen LLP.

### PROPOSAL 2 AMENDMENT TO THE STOCK INCENTIVE PLAN

Up to 11,017,358 shares of our Common Stock, less any shares issued under our LLC Option Plan, are currently authorized for issuance under the Manhattan Associates, Inc. Stock Incentive Plan (the "Plan"). As of April 1, 2002, 4,016,090 shares have been issued upon the exercise of options granted under the Plan and the LLC Option Plan, and there were outstanding options to purchase approximately 4,917,145 shares of Common Stock under the Plan and outstanding options to purchase 838,135 shares of Common Stock under our LLC Option Plan. As of April 1, 2002, there were 1,245,988 shares available for issuance pursuant to future grants of options.

In April 2002, our Board of Directors adopted, subject to the approval by the shareholders, an amendment to the Plan to increase the number of shares authorized under the Plan. This amendment would increase the number of shares reserved for issuance thereunder to 12,017,358 shares, an increase of 1,000,000 shares. Following adoption and approval of the amendment, there will be 2,245,988 shares available for future grants of options.

The text of the proposed amendment to the Plan is set forth in "Annex A" to this Proxy Statement. The Plan is described above under "Proposal 1-Election of Directors-Stock Option Plans" and is qualified in its entirety by reference to the text of the Plan.

The proposed amendment to the Plan will be adopted upon receiving the affirmative vote of holders of a majority of the shares present or represented by proxy at the Annual Meeting. Proxies will be voted in accordance with the specifications marked thereon, and if no specifications are made, will be voted "FOR" adoption of the proposed amendment to the Plan. The Board has determined that the amendment to the Plan is in the best interest of the Company and our shareholders. The proposed amendment would provide a stable pool of additional shares for grant to our officers, directors, consultants and key employees. The Board believes that grants of stock options are an effective method to attract and retain officers, directors, consultants and key employees and have been an

## Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A

important factor in the Company's past success, and that the availability of shares for future grants under the Plan is important to our business prospects and operations.

The Board of Directors recommends a vote FOR the approval of the amendment to the Plan.

### SHAREHOLDER PROPOSALS

Rules of the Securities and Exchange Commission require that any proposal by a shareholder of the Company for consideration at the 2003 Annual Meeting of Shareholders must be received by the Company no later than December 27, 2002 if any such proposal is to be eligible for inclusion in the Company's proxy materials for its 2003 Annual Meeting. Under such rules, the Company is not required to include shareholder proposals in its proxy materials unless certain other conditions specified in such rules are met.

In order for a shareholder to bring any business or nominations before the Annual Meeting of Shareholders, certain conditions set forth in Sections 2.14 and 3.8 of the Company's Bylaws must be complied with, including, but not limited to, delivery of notice to the Company not less than 30 days prior to the meeting as originally scheduled.

16

### OTHER MATTERS

Management of the Company is not aware of any other matter to be presented for action at the Annual Meeting other than those mentioned in the Notice of Annual Meeting of Shareholders and referred to in this Proxy Statement. However, should any other matter requiring a vote of the shareholders arise, the representatives named on the accompanying Proxy will vote in accordance with their best judgment as to the interests of the Company and shareholders.

BY ORDER OF THE BOARD OF DIRECTORS,

/s/ David K. Dabbieri

David K. Dabbieri  
Secretary

17

ANNEX A

### TEXT OF PROPOSED AMENDMENT NO. 6 TO MANHATTAN ASSOCIATES, INC. STOCK INCENTIVE PLAN

The Manhattan Associates, Inc. Stock Incentive Plan (the "Plan") is hereby amended as follows:

1. Increase in Authorized Shares. Section 3 of the Plan is hereby amended by deleting "10,659,453" in the first sentence thereof and substituting

**Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A**

"12,017,358" in its place, so that the first sentence reads: "The initial number of Shares reserved for issuance under this Plan shall be 12,017,358, as adjusted pursuant to Section 11, less the number of Shares subject to options issued under the Manhattan Associates, LLC Option Plan."

2. Effective Date. The effective date of this Amendment shall be April 12, 2002, provided, the shareholders of the Company approve this Amendment within 12 months after such effective date. Any Stock Incentives granted under the Plan as amended hereby before the date of such approval automatically shall be granted subject to such approval.

The shares represented by this Proxy will be voted as directed by the Shareholder. If no direction is given when the duly executed Proxy is returned, such shares will be voted "FOR" all nominees in Proposal 1 and "FOR" Proposal 2. I PLAN TO ATTEND MEETING [ ]

-----  
 THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR ALL NOMINEES" IN PROPOSAL 1 AND "FOR" PROPOSAL 2.  
 -----

Proposal 1 - Election of the following Nominees as Directors:

FOR all Nominees listed at right (except as marked to the contrary) [ ]	WITHHELD For all Nominees listed at right [ ]	NOMINEES: ALAN J. D  (INSTRUCTION: TO INDIVIDUAL N NOMINEE'S NA
---	---	---

-----  
 Proposal 2 - Approval of the amendment to the Company's Stock Incentive Plan:  
For    Against    Abstain  
[ ]         [ ]         [ ]  
 -----

PLEASE MARK YOUR CHOICE LIKE THIS X IN BLUE OR BLACK INK.

Date \_\_\_\_\_  
 Signature \_\_\_\_\_  
 Signature if held \_\_\_\_\_  
  
 Please mark, date  
 above and return

MANHATTAN ASSOCIATES, INC.  
 2300 WINDY RIDGE PARKWAY  
 SUITE 700  
 ATLANTA, GEORGIA 30339

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Alan J. Dabbiere and David K. Dabbiere, Esq. and each of them, with full power of substitution, as Proxy, to represent and vote all the shares of Common Stock of Manhattan Associates, Inc. held of record by the undersigned on April 1, 2002, at the annual meeting of Shareholders to be held on May 17, 2002 or any adjournment thereof, as designated on the reverse side hereof and in their discretion as to other matters.

**Edgar Filing: MANHATTAN ASSOCIATES INC - Form DEF 14A**

Please sign exactly as your name appears on the reverse side. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

(Please date and sign on reverse)

(Continued on reverse side)