

BLUCORA, INC.
Form PRE 14A
April 06, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No.)

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

Check the appropriate box

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

BLUCORA, 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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1 Amount Previously Paid:

2 Form, Schedule or Registration Statement No.:

3 Filing Party:

4 Date Filed:

6333 North State Highway 161, 4th Floor
Irving, Texas 75038

To My Fellow Shareholders,

2017 was a strong year for Blucora, and I am very proud of all that our team has achieved. As you will see in our Proxy Statement, we are asking stockholders for approval on important proposals that are key to our success going forward, such as the approval of our new long-term incentive plan and an amendment to our Certificate of Incorporation that allows our Board to set the size of the Board between six and 15 directors, and I ask for your vote “FOR” each of the proposals in the Proxy.

Before we get to the detail of the Proxy, I wanted to give you some detail about our success in 2017 and why we believe we have earned the trust of your vote in favor of our ballot measures. In my letter last year, I shared my belief that we were well positioned to continue our momentum into 2017. I’m pleased to say that we did just that, and celebrated a series of impressive milestones, including:

• Growing revenue by 12% and non-GAAP EPS by 38%

• Surpassing our net leverage goal by paying down more than \$90 million in debt and reducing our net leverage to 2.8 times (vs. 4.0x at end of 2016 and 6.3x at time of the HD Vest acquisition)

• Growing total HD Vest assets under administration, or AUA, by 14% to \$44 billion and advisory assets under management, or AUM, by 21% to \$12.5 billion - both record levels; and

• Achieving our 20th consecutive year of revenue growth at TaxAct, growing 15%.

We achieved these impressive results thanks in large part to the highly focused Four Ds strategy we established in 2016 to guide us forward after the HD Vest acquisition. That strategy focused our team on:

• Divesting our legacy businesses in Infospace and Monoprice (achieved 2016);

• De-levering and reduce our net leverage ratio from 6.3x to at least 3x (achieved 2017);

• Delivering on our financial commitments (ongoing); and

• Developing long-term business plans to drive growth and maximize value (ongoing).

Achieving our net leverage or ‘de-lever’ goal in 2017 followed our ‘divest’ achievement in 2016 when we sold Infospace and Monoprice. While we have been ‘driving’ growth and ‘delivering’ on our financial commitments, we consider those to be a constant focus. This enabled us to turn our attention in 2017 to clearly laying out our long-term vision and strategy for the future - unlocking sustained shareholder value creation by better serving our targeted customers and advisors.

Like every effective growth strategy, we began by establishing the core beliefs that set the frame of our long-term strategy. We believe that taxes are the absolute key to better outcomes, since they are such a large expense and optimizing taxes must be more than a once-a-year event. Yet today people remain vastly underserved - often at the peril of their financial futures. The tax preparation industry focuses consumers on maximizing the refund. This reactive approach ignores what should be the most important goals of minimizing taxes, increasing cash flows and enabling better long term after-tax outcomes, so people can do more in their lives. On top of this reactive and outdated approach, the overall wealth management industry virtually ignores taxes and refers clients to another service provider when there is a tax consideration. These approaches have left consumers without a holistic service approach to their financial future ... until now.

Blucora bridges the gap between tax and wealth management. We have a unique opportunity before us to disrupt these decades-long outdated approaches. We can leverage the information naturally generated by filing taxes to enable people, over their financial lives, to achieve their goals, uncovering opportunities their advisors would otherwise miss. Make no mistake, Blucora is leading the next major innovation in financial management, maximizing after-tax

risk-adjusted financial returns - which is what all of us will live off of - in reality - in our retirement.

After the success of 2017, and as we focus on our vision of unlocking sustained value for shareholders and customers alike, we will focus our 2018 efforts on our new strategic plan. Building on the Four D's approach, our new strategic pillars line up with ABCD.

A - Accelerate Growth. We will execute on our significant organic growth opportunities, create clear competitive differentiation and value in each business, and capture the synergies that exist between the two.

B - Build Tax-Smart Leadership. We are competitively positioned - at the intersection of tax and wealth management - to deliver better outcomes to customers.

C - Create One Blucora. We are no longer a holding company of unrelated businesses. We are one company focused on sharing our expertise and driving efficiencies anchored in a common culture. We are on our way to building a high-performance organization, as part of this culture.

D - Deliver Results. While we have evolved from the Four D's, we will retain our sharp focus on delivering on our commitments to shareholders, customers and advisors.

These pillars will guide us as we work to accelerate growth in 2018. They will also guide how we look to grow the two segments of our business. As I've mentioned, we believe our future sits at the intersection of the tax and wealth management - and that's where our growth opportunity is. We've only scratched the surface on our opportunity, with so much more we can do. This prospect makes us all excited about the future we can create.

Wealth Management

HD Vest is a strong business with what we believe to be a vast amount of organic growth opportunities on the horizon. And as the largest broker-dealer focused on tax-smart investing, we have a competitive advantage in the marketplace. We've leveraged this advantage to grow the business, and I'm proud of the progress we made in 2017.

From a performance standpoint, HD Vest set a number of records in 2017. Total assets under administration increased 14% year-over-year to \$44 billion - a new record. Advisory assets under management were up 21% year-over-year to \$12.5 billion - also a new record. Net inflows into AUM were about \$800 million in 2017, and AUM as a percent of AUA increased to 28.4%, up about 150 basis points from the year ago quarter and also hitting a high-water mark.

Last year, as part of our shift to focus on advisor productivity rather than total number of advisors, we began using predictive models in advisor recruitment. This enabled us to better identify which tax professionals are most likely to be successful as HD Vest wealth management advisors. Additionally, we started a strategic and targeted reduction of non-engaged advisors who account for virtually no clients and assets. This process, which has resulted in the reduction of about 300 advisors, remains an ongoing one as we optimize our advisor base.

2017 also saw great progress in our transition to a new clearing partner, which we expect to complete by the third quarter of 2018. We expect this will be a great win for end-clients, advisors and Blucora. This change will enable us to achieve better capture of interest income in a rising rate cycle, be able to capitalize on new capabilities such as highly-integrated business processing, data aggregation and a world-class client portal, and we'll have the opportunity to bring direct-to-fund (DTF) assets fully on our platform over time. In total, we expect the new clearing arrangement to be accretive to the tune of \$60-100 million or more in segment income over 10 years, which can both drop to the bottom line as well as enable acceleration in growth.

Tax Preparation

As we look at the tax side of our business in 2017, we invested in our platform and capabilities to provide more long-term value for our customers. We are enabling speed, efficiency and growth through investing in our technology, infrastructure and people. In 2017, we made great strides in these efforts by:

- Migrating IT infrastructure to the cloud;
- Upgrading our operations and support technology;
- Growing investments in data-driven technologies, tools and platforms to personalize and optimize, as well as being vigilant around cybersecurity; and
- Enhancing our data and analytics, while improving marketing effectiveness.

TaxAct finished the year with revenue of \$160.9 million, up 15% versus last year and these investments will help lay the groundwork for continued future growth.

In addition to investing for growth, we're focused on restoring unit momentum in this business by focusing on monetized units, with efforts in four key areas:

- Targeting high potential segments in the growing Digital DIY market, activated through new marketing and improved filer experiences;
- Transparent pricing, with marketable price-value advantages versus the larger players; and
- Diversifying revenue by extending our relationship with filers, leveraging the insight we can gain, with consent, from the tax form - through partners as well as by leveraging our HD Vest unit.

As I mentioned earlier, Blucora uniquely sits at the intersection of tax and wealth management. To that end, we have made significant strides in creating a cross-serve engine within the TaxAct experience for the benefit of our clients. We launched the BluPrint™ financial assessment, developed in partnership with HD Vest, which turns insights from a tax return into actionable recommendations designed to improve the filers' financial situation. We take dozens of data points within the 1040 to offer financial insights and suggestions, all focused on helping customers save on their taxes, lessen their debt burdens and improve their future financial health. We believe we can help the average U.S. filer save thousands of dollars with the insights and solutions we provide. This year, and we believe this is only the beginning, we enabled our customers to access product partnerships where they could reduce their taxes, reduce student debt or get a better deal on consumer debt, manage risk through adding life insurance at a competitive rate or generate more interest on their money through a high-yield deposit account.

We believe we are the only online tax software company that offers this type of insight and guidance into the financial health of our customers and provides comprehensive solutions which can save customers real money now and for years to come. For the nominal cost of using our tax filing software, we can give the customer ways to save thousands of dollars - we believe this is a phenomenal value creation opportunity. While we will look to deepen all our relationships and product integration with our partners, we believe these relationships can become a template for us in future tax seasons.

Conclusion

As I look back at 2017, we have successfully completed an unprecedented multi-year transformation. This includes executing on our 4-D's initiative and the initiatives each of our businesses have undertaken to drive growth and better serve customers. Our financial results clearly show our momentum, with double-digit revenue growth, a strengthened balance sheet, growth in key metrics at HD Vest and continued product development and partnership progress at Tax Act.

I also want to note, and again welcome, our new independent directors. Bill Atwell, the former President of Cigna's international business; Mac Gardner, the former Head of Americas Region and Global Bank Group, Private Client for Merrill Lynch; Georganne Proctor, the former Chief Financial Officer of TIAA-CREF and Steven Aldrich, Chief Product Officer at GoDaddy, Inc., who joined us in 2017. Their experience and knowledge further strengthen our outstanding Board of Directors. I want to thank them all for joining us and thank all the members of our Board for the key role they all play in helping the management team shape the future of Blucora.

With the strong foundation our transformation has created and our talented team, we have the tools and ability to leverage our differentiated business model and capitalize on the significant growth opportunities we see ahead. Simply put, I remain very optimistic about our future.

I'd like to thank our shareholders for the trust and confidence you place in us. And I thank our nearly 500 employees for the hard work they put in every day to serve our customers and advisors, and grow our company.

Sincerely,

John S. Clendening

6333 North State Highway 161, 4th Floor
Irving, Texas 75038

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held on June 7, 2018

TO THE STOCKHOLDERS:

Notice is hereby given that the annual meeting of stockholders of Blucora, Inc., a Delaware corporation, will be held on June 7, 2018 at 2:00 p.m. Central Daylight Time in the Rosetta Room of the Hilton Anatole, 2201 North Stemmons Freeway, Dallas, Texas 75207 for the following purposes:

1. To elect three Class I directors;
2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2018;
3. To approve, on a non-binding advisory basis, the compensation of our Named Executive Officers, as disclosed in this Proxy Statement;
4. To approve the Blucora, Inc. 2018 Long-Term Incentive Plan;
5. To approve an amendment to the Blucora, Inc. Restated Certificate of Incorporation to provide that the number of directors of the Company shall be not less than six nor more than 15 directors; and
6. To transact such other business as may properly come before the meeting or any adjournment, postponement or recess thereof.

The Board of Directors has fixed the close of business on April 9, 2018 as the record date for the determination of stockholders entitled to notice of this meeting and the right to vote.

We have elected to deliver a Notice of Internet Availability of Proxy Materials, rather than sending a full set of proxy materials (including this proxy statement and our Annual Report on Form 10-K for the year ended 2017) in the mail. The Notice of Internet Availability was sent to stockholders on or about _____, and the proxy materials were made available on www.proxydocs.com/BCOR on the same day. For specific instructions regarding voting online, by telephone, or by mail, please see the instructions in this Proxy Statement and on the Notice of Internet Availability of Proxy Materials.

This Proxy Statement contains important information for you to consider when deciding how to vote on the matters brought before the meeting. Please read it carefully.

By Order of the Board of Directors,

Ann J. Bruder
Chief Legal Officer and Secretary
Irving, TX

YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THIS MEETING, PLEASE VOTE ONLINE, BY TELEPHONE, OR SIGN, DATE, AND RETURN YOUR PROXY CARD (IF YOU RECEIVED ONE), OR VOTE IN ACCORDANCE WITH THE INSTRUCTIONS SET FORTH ON YOUR VOTING INSTRUCTION CARD.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to be held on June 7, 2018: This Notice of Annual Meeting and Proxy Statement, the Notice of Internet Availability of Proxy Materials and the 2017 Annual Report are available at www.proxydocs.com/BCOR.

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PRELIMINARY COPY

PROXY STATEMENT

for
2018 ANNUAL MEETING OF STOCKHOLDERS OF BLUCORA, INC.
June 7, 2018

PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information you should consider, and you should read the entire proxy statement before voting. For more complete information regarding our 2017 performance, please review our Annual Report Form 10-K for the year ended December 31, 2017.

Information About the Annual Meeting of Stockholders

The Board of Directors (the "Board" or "Board of Directors") of Blucora, Inc. (referred to throughout this proxy statement as "Blucora," the "Company," we," "us," or "our") is soliciting proxies for the 2018 annual meeting of stockholders and any adjournment, postponement or recess of such meeting.

Time and Date: 2:00 p.m.,
Central
Daylight
Time, on
Thursday,
June 7,
2018
The Rosetta
Room of
the Hilton
Anatole,
2201
Location: North
Stemmons
Freeway,
Dallas,
Texas
75207
Record Date: April 9,
2018
Each Share
is entitled
to one vote
Voting: at the
Annual
Meeting

Proposals Included in this Proxy Statement and Recommendations for Voting

| | | |
|-----------------------------------|-------------------------|--|
| Management Proposals: | Board Recommendation | For more detail, see page: <u>12</u> |
| Proposal 1- Election of Directors | | |

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| | "FOR" EACH NOMINEE | |
|---|-----------------------|-----------|
| Proposal 2 - Ratification of Appointment of Independent Registered Public Accounting Firm for 2018 | FOR | <u>14</u> |
| Proposal 3 - Advisory vote to approve the compensation of the Company's Named Executive Officers | FOR | <u>15</u> |
| Proposal 4 - Approval of the Blucora, Inc. 2018 Long-Term Incentive Plan | FOR | <u>16</u> |
| Proposal 5 - Approval of Amendment to the Blucora, Inc. Restated Certificate of Incorporation | FOR | <u>28</u> |

Financial and Business Information

We are a leading provider of technology-enabled financial solutions to consumers, small business owners, and tax professionals. We offer our products and services in wealth management and tax preparation through HDV Holdings, Inc. and its subsidiaries (“HD Vest”) and TaxAct, Inc. and its subsidiary (“TaxAct”), respectively, to help consumers to manage their financial lives in a tax-smart manner.

2017 Financial Highlights

2017 was a strong year where we achieved double digit growth in nearly all of our key metrics while significantly strengthening our balance sheet, our platform and our executive leadership team.

• We increased Total Revenue by 12% from 2016.

• We increased Net Income and Net Income per share by 141% and 137%, respectively, from 2016. ⁽²⁾

• We increased non-GAAP Consolidated Adjusted EBITDA by 7% from 2016. ⁽²⁾

• We increased non-GAAP EPS by 38% from 2016. ⁽²⁾

• We grew assets under management by 21% from 2016 to \$12.5 billion and total assets under administration by 14% from 2016 to \$44.2 billion at HD Vest.

• We achieved the 20th consecutive year of revenue growth at TaxAct, growing 15% from 2016.

• During 2017, we lowered debt by \$90 million, reduced net leverage ratio to 2.8x from 4.0x and lowered interest rate by 300 bps.

• We announced a clearing firm transition that is expected to generate \$60-\$100 million in incremental HD Vest segment income over a 10-year term.

2017 Business Highlights

Since 2015 we have been successfully undergoing a strategic transformation into a technology-enabled financial solutions company focused on wealth management and comprised of TaxAct and HD Vest and have divested our Search and Content and E-Commerce businesses.

• In connection with our strategic transformation and our operating as “One Company,” during 2017, we relocated our corporate headquarters from Bellevue, Washington to Irving, Texas.

• In connection with this relocation and our strategic transformation, we had a leadership transition resulting in a new executive team.

(1) Financial measures used in our annual bonus plan. See “Compensation Discussion and Analysis” for additional information.

(2) See Annex A - Non-GAAP Reconciliation for a reconciliation of Adjusted EBITDA and non-GAAP EPS to Net Income and Net Income per share.

For information concerning risks, uncertainties and other factors that may cause our results to differ from those expressed by any forward-looking statements in this proxy statement, please see “Cautionary Statement Regarding Forward-Looking Statements” and “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2017.

Proposal 1 - Election of Class I Directors

We are asking you to vote to elect our three Class I Directors set forth below. At our 2017 annual meeting of stockholders, our stockholders voted to approve the declassification of our Board of Directors over a three-year period beginning with our 2018 annual meeting of stockholders. Each director is currently assigned to one of three classes. The Class I directors up for election at our 2018 annual meeting will be elected for a one-year term. In 2019, the Class II directors will be up for election and will be elected for a one-year term. In 2020, all members of our Board of Directors will be up for election for a one-year term, and thereafter all directors will be elected annually. The Company's Board of Directors has set the size of the Board at eight members, and information about each of our directors, including our Director Nominees for election at the annual meeting, is set forth below.

For additional information concerning this proposal and our Director Nominees, see "Proposal One—Election of Directors" on [page 12](#) of this Proxy Statement, and for additional information regarding our other directors, see "Information Regarding the Board of Directors."

| Name | Age | Director Since | Class of Director | Employment Description | Independent | Board Committees | | Nominating and Governance |
|--------------------------|-----|----------------|-------------------|---|-------------|------------------|--------------|---------------------------|
| | | | | | | Audit | Compensation | |
| William L. Atwell, Chair | 67 | 2017 | II | Managing Director of Atwell Partners | Y | ü | | |
| Steven Aldrich | 48 | 2017 | II | CPO of GoDaddy | Y | | | ü |
| John S. Clendening* | 55 | 2016 | I | President & CEO Blucora | N | | | |
| Lance G. Dunn* | 55 | 2012 | I | Former Co-Founder & CEO of TaxAct | Y | ü | | |
| H. McIntyre Gardner* | 56 | 2017 | I | Private Investor and former Senior Executive at Merrill Lynch & Co., Inc. | Y | | Chair | |
| Georganne C. Proctor | 61 | 2017 | III | Former CFO of TIAA-CREF | Y | Chair | ü | |
| Christopher W. Walters | 44 | 2014 | II | CEO of Encompass Digital Media, Inc. | Y | | | Chair |
| Mary S. Zappone | 53 | 2015 | III | CEO of Brace Industrial Group | Y | | ü | ü |

* Class I Directors who are nominated for re-election at the 2018 Annual Meeting of Stockholders.

Proposal 2 - Auditor Ratification

We are asking you to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2018. Although a stockholder vote for this appointment is not required by law and is not binding on us, our Audit Committee will take your vote on this proposal into consideration when appointing the independent registered public accounting firm in the future.

For additional information concerning this proposal, see "Proposal Two—Ratification of Appointment of Independent Registered Public Accounting Firm for 2018" on [page 14](#) of this Proxy Statement, and for information concerning the fees we paid to Ernst & Young LLP during 2017 and 2016, see "Fees Paid to Independent Registered Public Account Firm for 2017 and 2016" on [page 42](#) of this Proxy Statement.

Proposal 3 - Executive Compensation

We are asking you to approve, on a non-binding, advisory basis, the compensation of our Named Executive Officers for 2017 as disclosed in the “Compensation Discussion and Analysis” and accompanying compensation tables and related narrative discussion beginning on [page 45](#). We believe that our Named Executive Officer compensation program described throughout our “Compensation Discussion and Analysis” reflects an overall pay-for-performance culture that is aligned with the interests of our stockholders. Our compensation programs are designed to provide a competitive level of compensation necessary to attract, motivate and retain talented and experienced executives and reward our named executive officers for the achievement of short- and long-term strategic and operational goals and the achievement of increased total stockholder return, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking. In addition, we have implemented a number of executive compensation best practices and policies over the last few years that we believe reflect sound governance that also promote the long-term interests of our stockholders.

For additional information concerning this proposal, see “Proposal Three—Advisory Vote to Approve the Compensation of the Company's Named Executive Officers” beginning on [page 15](#) of this Proxy Statement. In addition, please read the information included in the Executive Compensation section of this Proxy Statement beginning on [page 45](#), including the highlights of our 2017 executive compensation information included under “Executive Summary.”

Proposal 4 - 2018 Long-Term Incentive Plan

We are asking you to approve the Blucora, Inc. 2018 Long-Term Incentive Plan. The Blucora, Inc. 2018 Long-Term Incentive Plan is intended to replace the Blucora, Inc. 2015 Incentive Plan as Amended and Restated. Approval of the Blucora, Inc. 2018 Long-Term Incentive Plan by our stockholders is required under NASDAQ listing rules.

Approval of the Blucora, Inc. 2018 Long-Term Incentive Plan is very important because the Board and Compensation Committee believe that the number of shares of common stock currently available under the Blucora, Inc. 2015 Incentive Plan as Amended and Restated is insufficient to meet the Company's current and future equity compensation needs. Stockholder approval of the 2018 Plan is intended to ensure that the Company has sufficient shares available to attract and retain key employees, key contractors, and outside directors, and to further the Company's growth and development.

For additional information concerning this proposal, see “Proposal Four—Approval of the Blucora, Inc. 2018 Long-Term Incentive Plan” beginning on [page 16](#) of this Proxy Statement, and for additional information concerning awards under the 2018 Plan as components of our executive compensation program, see “Compensation Discussion and Analysis” beginning on [page 45](#) of this Proxy Statement.

Proposal 5 - Amendment to Restated Certificate of Incorporation

We are asking you to approve an amendment to the Blucora, Inc. Restated Certificate of Incorporation to increase both the minimum and maximum number of directors that may serve on the Board of Directors. Currently, the Blucora, Inc. Restated Certificate of Incorporation provides that the Board of Directors shall be composed of not less than five nor more than nine directors, with the specific number to be set by resolution of the Board of Directors. If the amendment is adopted, the Board of Directors will continue to have the authority to set the exact number of directors, but the range of our Board of Directors will be expanded from the current range of five to nine directors to a range of six to 15 directors. Approval of the amendment to the Blucora, Inc. Restated Certificate of Incorporation by our stockholders is required by Delaware law.

We have discussed the need for an amendment to our Restated Certificate of Incorporation with some of our institutional investors and believe that the approval of this amendment is important because it will ensure that the Company has a sufficient number of directors to provide effective oversight of the Company and comply with best corporate governance practices while also preventing the Board from becoming so large that it becomes inefficient

and the decision making process is hindered.

For additional information concerning this proposal, see “Proposal Five—Approval of Amendment to the Blucora, Inc. Restated Certificate of Incorporation” beginning on page 28 of this Proxy Statement.

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Corporate Governance Highlights

We are committed to good corporate governance, which promotes the long-term interests of our stockholders, strengthens board and management accountability and helps build public trust in our Company. Our governance framework is described throughout this proxy statement and includes the following highlights:

- ü 7 Independent Directors
- ü All Board Committees are Independent
- ü Movement toward a Declassified Board and Annual Election of Board Members
- ü Risk Oversight by Full Board and Committees
- ü Majority Voting for Directors in Uncontested Elections With Resignation Policy
- ü Stockholders can Call Special Meetings
- ü Regular Board and Committee Meetings
- ü Stock Ownership Requirements for Directors and Executive Officers
- ü Regular Board and Committee Self Evaluations
- ü Annual ratification of Independent Registered Public Accounting Firm
- ü Separate Chairman and Chief Executive Officer
- ü Hedging and Pledging Prohibitions
- ü Robust Insider Trading Policy
- ü Code of Conduct and Ethics administered by the Board of Directors

In addition, we believe that many of our compensation practices reflect good corporate governance. See our “Executive Compensation Best Practices” on [page 50](#) for additional information.

QUESTIONS AND ANSWERS REGARDING VOTING PROCEDURES AND OTHER INFORMATION

Questions and Answers about the Annual Meeting

Q. When and where is the annual meeting?

A. We will hold the annual meeting in the Rosetta Room of the Hilton Anatole, 2201 North Stemmons Freeway, Dallas, Texas 75207.

Q. Why did I receive a notice in the mail regarding Internet availability of proxy materials instead of a full set of proxy materials?

A. The Securities and Exchange Commission (the “SEC”) rules allow companies to choose the method for delivery of proxy materials for stockholders. We have elected to deliver a Notice of Internet Availability of Proxy Materials, rather than sending a full set of these materials in the mail. The Notice of Internet Availability was sent to stockholders on or about _____, and the proxy materials were made available on www.proxydocs.com/BCOR on the same day. Utilizing this method of proxy delivery expedites receipt of proxy materials by our stockholders and lowers the cost of the annual meeting.

Shares must be voted either by telephone, online or by completing and returning a proxy card. Shares cannot be voted by marking, writing on and/or returning the Notice of Internet Availability. Any Notices of Internet Availability that are returned will not be counted as votes. If you would like to receive a paper or email copy of the proxy materials, you should follow the instructions in the Notice of Internet Availability for requesting copies or follow the procedures set forth below.

Q. How do I request a paper copy of the proxy materials?

A. If you would like to request a paper copy of the proxy materials, including the proxy statement and form of proxy and the Annual Report to Stockholders, please contact our Investor Relations department by mail at the address on the first page of this proxy statement, by telephone at (972) 870-6000 or by e-mail at IR@Blucora.com, and we will promptly deliver a copy to you. You may also request a paper copy of the proxy materials at www.proxydocs.com/BCOR. Our proxy statement and Annual Report on Form 10-K are also available under the “Investor Relations” section of our website at www.blucora.com or at www.proxydocs.com/BCOR.

Questions and Answers About the Proposals Presented at the Annual Meeting

Q. What proposals will be voted on at the annual meeting?

A. There are five proposals scheduled to be voted on at the annual meeting:

Proposal One: Election of the three Class I directors nominated by the Board of Directors of the Company;

Proposal Two: Ratification of the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for 2018;

Proposal Three: Advisory vote to approve the compensation of the Company’s Named Executive Officers;

Proposal Four: Approval of the Blucora, Inc. 2018 Long-Term Incentive Plan; and

Proposal Five: Approval of the amendment to the Blucora, Inc. Restated Certificate of Amendment to increase the range of directors that may serve on the Board of Directors from a range of five to nine to a range of six to 15.

We do not expect any matters other than those described in this Proxy Statement to come before the annual meeting.

The accompanying proxy card confers on the persons named as proxies the authority to vote the shares represented by such proxy in their discretion on any other matters that may properly come before the annual meeting.

Q. What are the voting options for each proposal?

A. In the election of directors (Proposal One), you may vote “FOR” or “AGAINST” or “ABSTAIN” with respect to any nominee.

On the ratification of the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for 2018 (Proposal Two), the approval, on an advisory basis, of the compensation of the Company’s Named Executive Officers (Proposal Three), the approval of the Blucora, Inc. 2018 Long-Term Incentive Plan (Proposal 4),

and the approval of the amendment to the Blucora, Inc. Restated Certificate of Incorporation (Proposal Five), you may vote "FOR," "AGAINST," or "ABSTAIN."

Q. What are the Board of Directors' voting recommendations?

A. The Board of Directors recommends that you vote your shares:

- "FOR" each nominee to the Board of Directors listed in this Proxy Statement;
- "FOR" the ratification of Ernst & Young LLP as our independent registered public accounting firm for 2018;
- "FOR" the approval, on an advisory basis, of the compensation of the Company's Named Executive Officers;
- "FOR" the approval of the Blucora, Inc. 2018 Long-Term Incentive Plan; and
- "FOR" the approval of the amendment to the Blucora, Inc. Restated Certificate of Amendment.

Questions and Answers About Voting at the Annual Meeting

Q. How many votes are required to elect the Class I directors (Proposal One)?

A. For the election of directors (Proposal One), the three nominees to the Board of Directors of the Company who receive a greater number of "FOR" votes than "AGAINST" votes from shares present at the meeting will be elected. If the votes cast for any nominees do not exceed the votes cast against the nominee, the Board of Directors will consider whether to accept or reject such directors' resignation, which is tendered to the Board of Directors pursuant to the Company's Amended and Restated Corporate Governance Guidelines. Abstentions and broker non-votes will have no effect on the outcome of the election of directors.

Q. How many votes are required to ratify the appointment of Ernst and Young LLP as the Company's independent registered public accounting firm (Proposal 2), approve the compensation of the Company's Named Executive Officers (Proposal 3) and approve the Blucora, Inc. 2018 Long-Term Incentive Plan (Proposal 4)?

A. The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2018 (Proposal Two), the approval, on an advisory basis, of the compensation of the Company's Named Executive Officers (Proposal Three) and the approval of the Blucora, Inc. 2018 Long-Term Incentive Plan (Proposal 4) will each require the affirmative vote of a majority of the shares of common stock present in person or represented by proxy at the annual meeting and entitled to vote on such proposal.

If your shares are represented at the annual meeting but you "ABSTAIN" from voting on any of these matters, your shares will be counted as present and entitled to vote on a particular proposal for purposes of establishing a quorum, and the abstention will have the same effect as a vote against that proposal.

Because your broker does not have discretionary authority to vote your shares with respect to the vote to approve the compensation, on an advisory basis, of the Company's Named Executive Officers (Proposal Three) and the vote to approve the Blucora, Inc. 2018 Long-Term Incentive Plan (Proposal 4), your broker will not be considered "entitled to vote" at the annual meeting. Accordingly, a broker non-vote will have no effect on Proposals Three and Four. Broker non-votes are not applicable to the vote to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2018 (Proposal Two) because your broker has discretionary authority to vote your common stock with respect to such proposal.

Q. How many votes are required to approve the amendment to the Blucora, Inc. Restated Certificate of Incorporation (Proposal 5)?

A. The approval of the amendment to the Blucora, Inc. Restated Certificate of Incorporation (Proposal 5) will require the affirmative vote of a majority of the total shares of common stock outstanding. Because the total shares of common stock outstanding will be the same no matter how many shares are actually voted, abstentions and broker

non-votes will have the same effect as a vote against the proposal.

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Q. What is the purpose of the proposal to approve the amendment to the Blucora, Inc. Restated Certificate of Incorporation (Proposal 5)?

A. Currently, the Blucora Inc. Restated Certificate of Incorporation provides that the Board of Directors shall be composed of not less than five nor more than nine directors, with the specific number to be set by resolution of the Board of Directors. If Proposal 5 is approved at the annual meeting, the Board of Directors will continue to have the authority to set the exact number of directors, but the range will be expanded from the current range of five to nine directors to a range of six to 15 directors.

The Board of Directors has determined that it is advisable and in the best interests of the Company and its stockholders to increase both the minimum and maximum number of directors that may serve on the Board of Directors. Although the Board of Directors has no current intention to increase the size of the Board of Directors to more than nine directors, the Board of Directors believes that it is important to have the flexibility to adjust the size of the Board of Directors to meet changing circumstances and the needs of the Company without seeking an amendment to the Certificate of Incorporation. In making this decision, the Board of Directors concluded that fixing a range of between six and 15 directors would ensure that the Company has a sufficient number of directors to provide effective oversight of the Company and comply with best corporate governance practices while also preventing the Board of Directors from becoming so large that it becomes inefficient and the decision making process is hindered.

Q. How many votes do you need at the annual meeting to transact business?

A. A quorum must be present in order for business to be conducted at the annual meeting. A majority of our outstanding shares entitled to vote, present in person or represented by proxy at the annual meeting, constitutes a quorum. In addition to shares that are voted on any matter, abstentions and broker non-votes will be considered present at the annual meeting for purposes of establishing a quorum.

Q. What is the difference between a Stockholder of Record and a Street Name holder?

A. If your shares are registered directly in your name with Computershare Shareowner Services, our transfer agent, you are considered the "Stockholder of Record" with respect to those shares and we have sent the proxy statement and proxy card directly to you.

If you hold your shares in an account with a broker, bank, or other nominee, the nominee is considered the record holder of that stock. You are considered the beneficial owner of that stock, and your stock is held in "Street Name." The proxy statement and proxy card have been forwarded to you by your broker, bank, or other nominee. As the beneficial owner, you have the right to direct your nominee regarding how to vote your shares.

Q. Who is entitled to vote?

A. All stockholders who owned our common stock at the close of business on the record date of April 9, 2018 are entitled to receive notice of the annual meeting and to vote the shares they own as of the record date. Each stockholder is entitled to one vote for each share of common stock held on all matters properly brought before the annual meeting to be voted on. Our Restated Certificate of Incorporation and our Amended and Restated By-Laws prohibit cumulative voting in the election of directors.

On the record date, _____ shares of our common stock were outstanding and entitled to vote, and _____ shares were held of record by stockholders. The number of holders of record does not include beneficial owners of our common stock who hold their shares in Street Name.

Q. What is a broker non-vote?

A. A broker non-vote occurs when a broker holding shares for a beneficial owner does not vote on a particular proposal because the broker does not have discretionary voting power with respect to that item and has not received voting instructions from the beneficial owner.

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It is important that you instruct your broker, bank, or other nominee to cast your vote if you want it to count in the election of directors (Proposal One), in the advisory vote to approve the compensation of our Named Executive Officers (Proposal Three), in the vote to approve the Blucora, Inc. 2018 Long-Term Incentive Plan (Proposal 4) or in the vote to approve the amendment to the Blucora, Inc. Restated Certificate of Incorporation (Proposal 5). If you hold your shares in Street Name and do not instruct your broker, bank, or other nominee how to vote, your shares will not be voted on these proposals. In such a case, your shares will be considered “broker non-votes” with regard to such proposals because the broker, bank, or other nominee will not have discretionary authority to vote your shares. The only proposal for which brokers and banks have discretionary authority is the ratification of Ernst & Young LLP as our independent registered public accounting firm (Proposal Two).

Q. What if I do not vote for some of the items listed on my proxy card or voting instruction card?

A. If you provide specific voting instructions (either on your proxy card or to your broker, bank, or other nominee), your shares will be voted as you have instructed. If you are a Stockholder of Record and you execute the proxy card and do not provide voting instructions on certain matters, your shares will be voted in accordance with the Board’s recommendations. If you hold your shares in Street Name and do not provide voting instructions, your broker, bank, or other nominee will have discretionary authority to vote such shares ONLY on the ratification of the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for 2018 (Proposal Two) and your shares will not be voted or counted on any of the other proposals.

Q. How can I vote my shares without attending the annual meeting?

A. Whether you are a Stockholder of Record or you hold your shares beneficially through a broker, bank, or other nominee, you may vote without attending the annual meeting. You may vote by granting a proxy or, for shares held in Street Name, by submitting voting instructions to your broker, bank, or other nominee. In most cases, you will be able to do this by telephone, via the Internet, or by mail. For Stockholders of Record, please refer to the summary instructions included on your proxy card. For shares held through a broker, bank, or other nominee, please refer to the voting instruction card that will be provided by your broker, bank, or other nominee.

If your shares are registered under different names, or if they are in more than one account, you may receive more than one proxy card or voting instruction card. Please follow the instructions on each proxy card or voting instruction card to ensure that all of your shares are represented at the annual meeting. Please sign each proxy card exactly as your name or names appear on the proxy card. For joint accounts, each owner should sign the proxy card. When signing as an executor, administrator, attorney, trustee, guardian, or other representative, please print your full name and title on the proxy card.

BY TELEPHONE OR THE INTERNET - If you have telephone or Internet access, you may submit your vote by following the instructions on the proxy card or voting instruction card. Blucora, Inc. is incorporated under Delaware law, which specifically permits electronically transmitted proxies, provided that each such proxy contains or is submitted with information from which the inspector of election can determine that such proxy was authorized by the stockholder. The electronic voting procedures provided for the annual meeting are designed to authenticate each stockholder by the use of a control number to allow stockholders to vote their shares and to confirm that their instructions have been properly recorded.

BY MAIL - You may submit your proxy by mail by signing your proxy card if you requested and received one or, for shares held through a broker, bank, or other nominee, by following the voting instruction card provided by your broker, bank, or other nominee and mailing it in the enclosed, postage-paid envelope. Shares cannot be voted by marking, writing on and/or returning the Notice. Any Notices that are returned will not be counted as votes.

Q. How may I vote my shares in person at the annual meeting?

A. Shares held directly in your name as the Stockholder of Record may be voted in person at the annual meeting. If you hold your shares in Street Name, and you wish to vote at the meeting, you must present a legal proxy from your broker, bank, or other nominee in order to vote at the meeting. If you choose to attend the annual meeting, please bring proof of identification for entrance to the meeting. If you hold your shares in Street Name, please also bring your proof of beneficial ownership from your bank, broker, or other nominee, such as a brokerage statement.

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Even if you currently plan to attend the annual meeting, the Company recommends that you submit your proxy card or voting instruction card as described above so that your vote will be counted if you later decide not to attend the annual meeting.

Q. Can I change my vote?

A. Yes. If you are a Stockholder of Record, you may revoke your proxy by any of the following means:

- signing and submitting a new proxy card with a later date;
- voting by telephone or via the Internet as instructed above (only your latest telephone or Internet proxy is counted); or
- attending the meeting and voting in person (as described above).

Attending the annual meeting will not revoke your proxy unless you specifically request it.

If you are a Street Name holder, your broker, bank, or other nominee should provide instructions explaining how you may change or revoke your voting instructions. In general, Street Name holders may change their vote at any time prior to 5:00 p.m. Eastern Time on the day before the annual meeting date.

Q. Do I have any dissenters' or appraisal rights with respect to any of the matters to be voted on at the annual meeting?

A. No. Delaware law does not provide stockholders any dissenters' or appraisal rights with respect to the matters to be voted on at the annual meeting.

Q. Where can I find the voting results of the annual meeting?

A. The preliminary voting results will be announced at the annual meeting. The final results will be published in a Current Report on Form 8-K within four business days of the end of the annual meeting, which will be filed with the SEC and will also be available at www.blucora.com. If final results are not available within four business days of the end of the annual meeting, preliminary results will be published in a Current Report on Form 8-K at that time, and the final results will be published in an amended Current Report on Form 8-K/A when they are available.

Q. Who will count the votes?

A. Votes will be counted and certified by the Inspector of Election.

Questions and Answers About the Procedures of the Annual Meeting

Q. Is a list of registered stockholders available?

A. The Company's list of stockholders as of the record date, April 9, 2018, will be available for inspection for 10 days prior to the 2018 annual meeting and at the annual meeting for any purpose germane to the annual meeting. If you want to inspect the stockholder list, please call the office of the Chief Legal Officer at (972) 870-6000 to schedule an appointment.

Q. What is "householding" and how does it affect me?

A. The Company has adopted a procedure approved by the SEC called "householding." Under this procedure, Stockholders of Record who have the same address and last name and who do not participate in electronic delivery of proxy materials will receive only one set of the proxy materials, unless one or more of these stockholders notifies the Company that they wish to continue receiving individual copies. The Company believes this will provide greater convenience for stockholders, as well as cost savings for the Company by reducing the number of duplicate documents that are mailed. Stockholders who participate in householding will continue to receive separate proxy

cards. Householding will not in any way affect your rights as a stockholder.

If you are eligible for householding, but you and other Stockholders of Record with whom you share an address currently receive multiple copies of our proxy materials, or if you hold stock in more than one account, and in either case you wish to receive only a single copy of each of these documents for your household, please contact Mediant

Communications Inc. at 1-866-648-8133 or contact them by email at paper@investorelections.com or using the internet at www.investorelections.com/BCOR.

If you participate in householding and wish to receive a separate copy of our proxy materials, including the Annual Report on Form 10-K for the year ended December 31, 2017 or this Proxy Statement, or if you do not wish to participate in householding and prefer to receive separate copies of these documents in the future, please contact Mediant Communications Inc. as indicated above.

Street Name holders can request information about householding from their banks, brokers, or other Stockholders of Record.

Q. Who is making this proxy solicitation and who will bear the expenses of the proxy solicitation?

A. This solicitation of proxies is made on behalf of the Company. We will bear all expenses incurred in connection with the solicitation of proxies. We have engaged D.F. King & Co., Inc. to assist with the solicitation of proxies for an estimated fee of \$10,000 plus expenses. We will bear the reasonable expenses incurred by banks, brokerage firms, custodians, nominees and fiduciaries in forwarding proxy material to beneficial owners. Our directors, officers and employees may also solicit proxies by mail, telephone and personal contact. They will not receive any additional compensation for these activities.

Q. Who can help answer my questions?

A. The information provided above in this “Question and Answer” format is for your convenience only and is merely a summary of certain information contained in this Proxy Statement. We urge you to carefully read this entire Proxy Statement, including the documents referred to in this Proxy Statement. If you have any questions or need additional material, please feel free to contact Investor Relations at (972) 870-6000 or IR@Blucora.com.

PROPOSAL ONE ELECTION OF DIRECTORS

General

At our 2017 annual meeting of stockholders, our stockholders voted to approve the declassification of our Board of Directors over a three-year period beginning with our 2018 annual meeting of stockholders. Each director is currently assigned to one of three classes. The Class I directors up for election at our 2018 annual meeting will be elected for a one-year term. In 2019, the Class II directors will be up for election and will be elected for a one-year term. In 2020, all members of our Board of Directors will be up for election for a one-year term, and thereafter all directors will be elected annually. The Company's Board of Directors has set the size of the Board at eight members.

A director serves in office until his or her successor is duly elected and qualified unless the director resigns, dies, or is unable to serve in the capacity of director due to disability or other cause. If a director resigns or is otherwise unable to serve before the end of his or her term, the Board may appoint a director to fill the remainder of that term, reduce the size of the Board, or leave the position vacant.

Director Nominee Information and Qualifications

The three directors set forth below have been nominated by the Board of Directors at the recommendation of the Nominating and Governance Committee for election at the 2018 annual meeting of stockholders to serve for a one-year term ending in 2019. The Board of Directors has affirmatively determined that each Director Nominee, excluding Mr. Clendening who also serves as our Chief Executive Officer ("CEO") and President, qualifies as an independent director under the NASDAQ listing rules. No Director Nominee is being elected pursuant to any arrangement or understanding between the Director Nominee and any other person or persons. For further information on the process of director nominations and criteria for selection of Director Nominees, see "Director Nomination Process" below.

| Name of Director Nominee | Age | Positions with Blucora | Director Since |
|--------------------------|-----|-----------------------------|----------------|
| John S. Clendening | 55 | Director, President and CEO | 2016 |
| Lance G. Dunn | 55 | Director | 2012 |
| H. McIntyre Gardner | 56 | Director | 2017 |

John S. Clendening was appointed to serve as the Company's President and CEO on April 4, 2016, and he was also appointed as a member of the Board on the same date. Prior to being appointed President and Chief Executive Officer, Mr. Clendening served as Executive Vice President and Co-Head, Investor Services Division at The Charles Schwab Corporation in San Francisco from 2012 to 2015. He served as Executive Vice President, Shared Strategic Services from 2007 to 2011 and as Chief Executive Officer and Executive Vice President of Charles Schwab Bank from 2007 to 2009. From 2004 to 2007, Mr. Clendening served in executive roles with the Investor Services Division and Independent Investor Business Unit with The Charles Schwab Corporation. Prior to joining The Charles Schwab Corporation, he served in various leadership roles at eMac Digital LLC and Living.Com. He was also Chief Marketing Officer and Senior Vice President, Consumer Banking Group and Senior Vice President, Marketing and Strategy, Credit Card Division for First Union Corporation. Earlier in his career, he served at The Coca-Cola Company, the Frito-Lay, Inc. Division of PepsiCo, SEARS Specialty Merchandising Group and Booz-Allen & Hamilton, Inc. Mr. Clendening previously served on the board of directors of Betterment Holdings, Inc. and currently serves on the board of directors of SVB Financial Group. He received a B.A. in Economics from Northwestern University and an M.B.A. from Harvard Graduate School of Business Administration.

Relevant Qualifications and Experience: Mr. Clendening has relevant experience as an executive in the financial services and consumer goods industries, leading both Fortune 500 companies and entrepreneurial businesses. The Board believes that Mr. Clendening's experience as an executive in the financial services industry brings important perspective to the Board as the Company continues its transformation to a technology enabled financial solutions

company. As President and CEO, Mr. Clendening brings insight into the Company's operations and strategic plan and facilitates the Board's ability to perform its critical oversight function.

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Lance G. Dunn has served as a director of Blucora since 2012. Mr. Dunn was a co-founder and Chief Executive Officer of TaxAct (formerly 2nd Story Software, Inc.) until January 31, 2012, when the Company acquired TaxAct. From the closing of the acquisition until August 2012, he served as TaxAct's Vice President, Development. Prior to co-founding TaxAct in 1998, Mr. Dunn was Vice President of Software Development at Parsons Technology, Inc., where he played a significant role in the development and growth of Parson's tax software. Mr. Dunn received a B.A. in Accounting from Coe College and is a Certified Public Accountant.

Relevant Qualifications and Experience: As the co-founder and former CEO of the Company's TaxAct business, Mr. Dunn brings significant experience and background to the Board with respect to an industry and business that is important to the Company's success. The Board also believes that Mr. Dunn's extensive experience as a technology executive provides insight and guidance that assists the Board in its oversight and strategy roles.

H. McIntyre Gardner was appointed to the Board of Directors on March 1, 2017. Mr. Gardner has been a private investor since 2008. From July 2000 to January 2008, Mr. Gardner held senior executive positions at Merrill Lynch & Co., Inc., a global financial services company, most recently as Senior Vice President, Head of Americas Region and Global Bank Group, Global Private Client. Prior to 2000, Mr. Gardner served in senior executive positions with Helen of Troy Limited and Appliance Corporation of America and as an investment banker with Merrill Lynch. Mr. Gardner has been a director of Spirit Airlines, Inc., a NYSE listed transportation company, since 2010 and a director of TeamSnap, Inc. since April 2017. Mr. Gardner earned a B.A. in Religion from Dartmouth College in 1983.

Relevant Qualifications and Experience: Mr. Gardner brings relevant industry experience to the Board from his decades of leadership and operating experience in the wealth and consumer products industries. The Board believes that Mr. Gardner's experience as an executive in the wealth and consumer products industries brings an important perspective to the Board and the Company as it continues its transformation into a technology enabled financial solutions company and seeks to meet its strategic growth initiatives.

Additional Information

Unless otherwise instructed, the proxy holders will vote the proxies received by them "FOR" the nominees listed in this Proxy Statement. The Director Nominees have consented to be named in this Proxy Statement and agreed to serve as directors if elected by the stockholders. In the event that any nominee to the Board is unable or declines to serve as a director at the time of the annual meeting, the proxies will be voted for a nominee who may be designated by the present Board of Directors to fill the vacancy. It is not expected that any nominees will be unable or will decline to serve as a director. Alternatively, the Board of Directors may reduce the size of the Board or maintain such vacancy.

Pursuant to our Corporate Governance Guidelines, each of the Director Nominees has tendered an irrevocable resignation that becomes effective if such Director Nominee fails to receive the required vote at the annual meeting. The Nominating and Corporate Governance Committee must consider the resignation and recommend to the Board the action to be taken with respect to the resignation. The director whose resignation is under consideration shall not participate in the Nominating and Corporate Governance Committee's recommendation with respect to the resignation. The Board of Directors is required to consider and act on the recommendation within ninety (90) days following certification of the election results and will publicly disclose its decision whether to accept the resignation offer.

A copy of our Corporate Governance Guidelines is available on the investor relations section of our website at www.blucora.com/governance.

Vote Required

A Director Nominee will be elected to the Board of Directors if the votes cast "FOR" such Director Nominee's election exceed the votes cast "AGAINST" such Director Nominee's election (with abstentions and broker non-votes not counted as a vote cast either "FOR" or "AGAINST" that Director Nominee's election).

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" THE NOMINEES NAMED HEREIN

PROPOSAL TWO

RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2018

The Audit Committee of the Board of Directors has appointed Ernst & Young LLP as the Company's independent registered public accounting firm for 2018 and recommends that stockholders vote "FOR" ratification of this appointment. Although stockholder approval of this appointment is not required by law and is not binding on the Company, the Audit Committee will take your vote on this proposal into consideration when appointing the independent registered public accounting firm in the future. Even if you ratify the appointment of Ernst & Young LLP, the Audit Committee may, in its sole discretion, terminate such engagement and direct the appointment of another independent registered public accounting firm at any time during the year, although it has no current intention to do so.

Ernst & Young LLP was initially appointed by the Audit Committee in March 2012. Representatives of Ernst & Young LLP are expected to be present at the meeting, with the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions.

Vote Required

The proposal to ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for 2018 requires the affirmative vote of the holders of a majority of the shares of common stock present, in person or by proxy, and entitled to vote on the proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" PROPOSAL TWO

PROPOSAL THREE

ADVISORY VOTE TO APPROVE THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS

What You are Being Asked to Approve

We hold advisory votes on the compensation of our Named Executive Officers, which is referred to as say-on-pay, at every annual meeting of stockholders. Our Board of Directors values the opinions of our stockholders and believes an annual advisory vote allows our stockholders to provide us with their input on our executive compensation program. We conducted an advisory vote on the frequency of the advisory say-on-pay vote at our 2017 Annual Meeting. Following the recommendation of our stockholders in 2017, we will continue to hold our advisory Say on Pay vote on an annual basis. We received very strong approval of our say-on-pay vote at our annual meeting of stockholders in 2017, with 97.5% of our stockholders who voted at the meeting voting "FOR" approval.

We are asking you to approve, on a non-binding, advisory basis, the compensation of our Named Executive Officers for 2017 as disclosed in the "Compensation Discussion and Analysis" and accompanying compensation tables and related narrative discussion beginning on [page 45](#). This vote is not intended to address any specific item of compensation, but rather the overall compensation of our Named Executive Officers and the compensation philosophy, policies and practices described in this proxy statement.

Our Compensation Program

We believe that our Named Executive Officer compensation program described throughout the "Compensation Discussion and Analysis" is aligned with the interests of our stockholders. Our compensation programs are designed to provide a competitive level of compensation necessary to attract, motivate and retain talented and experienced executives and reward our Named Executive Officers for the achievement of short- and long-term strategic and operational goals and the achievement of increased total stockholder return, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking. In addition, we have implemented a number of executive compensation best practices and policies over the last few years that we believe reflect sound governance that also promote the long-term interests of our stockholders.

Resolution for Advisory Vote to Approve Executive Compensation

The Board of Directors and its committees value the opinions of our stockholders and will carefully consider the outcome of the advisory vote to approve executive compensation. Because this vote is advisory, it is not binding on the Board of Directors and/or its committees. The resolution below is required by Section 14A of the Securities Exchange Act of 1934 (the "Exchange Act"). We ask our stockholders to vote FOR the following resolution at the Annual Meeting:

"RESOLVED, that the compensation of our Named Executive Officers, as disclosed in the proxy statement for our 2018 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the compensation tables and the narrative discussion, is hereby APPROVED on an advisory basis."

Vote Required

The proposal to approve, on a non-binding basis, the compensation of our Named Executive Officers requires the affirmative vote of the holders of a majority of the shares of common stock present, in person or by proxy, and entitled to vote on the proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" PROPOSAL THREE

PROPOSAL FOUR
APPROVAL OF THE BLUCORA, INC. 2018 LONG-TERM INCENTIVE PLAN

Proposed Plan

We are asking stockholders to approve the Blucora, Inc. 2018 Long-Term Incentive Plan (the "2018 Plan"). The Board of Directors of the Company has adopted the 2018 Plan upon the recommendation of the Compensation Committee of the Board of Directors (the "Compensation Committee"), subject to stockholder approval. The 2018 Plan is intended to replace the Blucora, Inc. 2015 Incentive Plan as Amended and Restated (the "2015 Plan"), which was originally approved by stockholders in 2015 and subsequently approved by stockholders as amended and restated in 2016. If the 2018 Plan is approved by stockholders, the 2015 Plan will terminate and no further awards will be made under the 2015 Plan on or after the date of such stockholder approval (the "Effective Date"), provided that the terms of the 2015 Plan will continue to apply to awards previously granted under the 2015 Plan. It is the judgment of the Board that the 2018 Plan is in the best interest of the Company and its stockholders.

Reasons for the Proposal

The Board and the Compensation Committee believe that to enhance long-term stockholder value, the Company needs to maintain competitive employee compensation, incentive, and retention programs. Providing employees and other key contributors an equity stake in the Company's success is a vital component of these programs. The purpose of the 2018 Plan is to attract and retain the services of key employees, key contractors, and outside directors of the Company and its related companies and to provide such persons with a proprietary interest in the Company through the granting of incentive stock options, nonqualified stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units ("RSUs"), performance awards, dividend equivalent rights, and other awards, whether granted singly, or in combination, or in tandem, that will increase the interest of such persons in the Company's welfare, furnish an incentive to such persons to continue their services for the Company or its related companies and provide a means through which the Company may attract able persons as employees, contractors, and outside directors.

The Board and Compensation Committee further believe that the number of shares of common stock currently available under the 2015 Plan is insufficient to meet the Company's current and future equity compensation needs. Stockholder approval of the 2018 Plan is intended to ensure that the Company has sufficient shares available to attract and retain key employees, key contractors, and outside directors, and to further the Company's growth and development. For a discussion of awards under the 2018 Plan as components of the Company's executive compensation program, please refer to the "Compensation Discussion and Analysis" section.

Background for Requested Share Authorization

The 2018 Plan newly authorizes the issuance of an additional 2,600,000 shares. If the 2018 Plan is approved, the number of shares of the Company's common stock authorized for grant under the 2018 Plan will be equal to the sum of (i) 5,563,134 shares (which reflects the newly authorized shares, plus the 2,963,134 reserved but unissued shares available as of April 2, 2018 under the 2015 Plan), plus (ii) the number of shares subject to awards granted under the 2015 Plan and the Company's Restated 1996 Flexible Stock Incentive Plan (the "1996 Plan") as of April 4, 2016 (collectively, the "Prior Plans") that are outstanding on the Effective Date, and that on or after the Effective Date, are forfeited, expire or are canceled; and (iii) the number of shares subject to awards relating to common stock under the Prior Plans that, on or after the Effective Date are settled in cash ((ii) and (iii) collectively, the "Prior Plan Awards"). If the 2018 Plan is approved by stockholders, the 2015 Plan will terminate and no further awards will be made under the 2015 Plan on or after the Effective Date. As of April 2, 2018, we had the following:

| | |
|---|------------|
| Total shares underlying outstanding options / SARs (including 1996 Plan, 2015 Plan and Inducement Plan (defined below)) | 3,697,810 |
| Weighted-average exercise price of outstanding options / SARs (including 1996 Plan, 2015 Plan and Inducement Plan) | \$ 14.54 |
| Weighted-average remaining term of outstanding options / SARs (including 1996 Plan, 2015 Plan and Inducement Plan) | 5.18 years |
| Total shares underlying outstanding unvested full value awards (including 1996 Plan, 2015 Plan and Inducement Plan) | 1,159,137 |
| Total shares available for grant (under the 2015 Plan only) | 2,963,134 |
| Total shares available under all equity plans (including 2015 Plan and Inducement Plan) | 4,134,190 |

In setting the number of shares authorized for issuance under the 2018 Plan, the Compensation Committee and the Board considered the number of outstanding equity awards and shares available for grant under the 2015 Plan, the Company's historical granting practices and burn rate, and the level of potential dilution that will result from adoption of the 2018 Plan.

In 2015, 2016 and 2017, the Company granted equity awards representing a total of 2,632,182, 6,534,378, and 1,847,795 shares, respectively, as follows:

| | 2015 | 2016 ⁽¹⁾ | 2017 |
|---|------------|---------------------|------------|
| Stock options granted | 1,794,763 | 4,955,954 | 1,474,266 |
| RSUs granted / performance stock units earned | 837,419 | 1,578,424 | 373,529 |
| Weighted-average common stock outstanding during the year | 40,959,000 | 41,494,000 | 44,370,000 |
| Gross burn rate (unadjusted) | 6.43% | 15.75% | 4.16% |
| Gross burn rate (adjusted) ⁽²⁾ | 8.47% | 19.55% | 5.01% |

(1) Includes grants made under our 2016 Inducement Plan (the "Inducement Plan"), which was adopted by our Board of Directors on January 29, 2016 and did not require stockholder approval.

(2) For the purposes of calculating Gross Burn Rate (adjusted), RSU grants are converted to option equivalents at a 2/1 ratio based on the Company's stock price volatility.

The Company's three-year average annual gross burn rate for the period from January 1, 2015 through December 31, 2017 was 11.01% on an adjusted basis and 8.78% on an unadjusted basis. As of April 2, 2018, the number of shares subject to outstanding equity awards plus the number of the shares available for grant under the 2015 Plan, represent 19.8% of the Company's outstanding common stock on a fully diluted basis, which was 46,827,171 shares outstanding as of April 2, 2018. If the 2018 Plan is approved, the potential dilution will be 24.8% based on the shares outstanding as of April 2, 2018. We believe our three-year average annual burn rate and level of potential dilution, assuming the 2018 Plan is approved by stockholders, compare favorably to the Company's industry peers and are lower than the industry thresholds established by certain major proxy advisory firms.

Based on a review of the Company's historical practice, the recent trading price of our common stock, and advice from the Compensation Committee's independent compensation consultant, Meridian Compensation Partners, LLC, the Compensation Committee and the Board currently believe the amounts authorized for issuance under the 2018 Plan will be sufficient to cover awards for at least three years. The Company's future burn rate will depend on a number of factors, including the number of participants in the 2018 Plan, the price per share of our common stock, any changes to our compensation strategy, changes in business practices or industry standards, changes in the compensation practices of our competitors, or changes in compensation practices in the market generally, and the methodology used to establish the equity award mix.

Highlights of the Plan

The 2018 Plan includes several features that are consistent with the interests of the Company's stockholders and sound corporate governance practices, including the following:

- ü Fungible share pool. Shares issued as RSUs and other full-value awards count as 2.0 shares against the number of shares authorized for issuance under the 2018 Plan.
- ü No recycling of shares or "liberal share counting" practices. Shares tendered to the Company or retained by the Company in the exercise or settlement of an award or for tax withholding may not become available again for issuance under the 2018 Plan.
- ü Minimum Vesting Requirements. No Award will vest prior to one-year from its date of grant (subject to a 5% carve-out as described below for "Exempt Shares" and subject to an exception for shares granted directors that vest at the Company's next annual meeting as described below).
- ü No automatic share replenishment or "evergreen" provision. There is no evergreen feature pursuant to which the shares authorized for issuance under the 2018 Plan can be automatically replenished.
- ü No liberal change in control definition. Change in control is triggered only by the occurrence, rather than stockholder approval, of a merger or other change in control event.
- ü No discounted stock options or SARs. All stock options and SARs must be issued with an exercise or grant price at fair market value or above.
- ü No repricing of stock options or SARs. Repricing or other exchanges or buyouts of stock options and SARs are prohibited.
- ü Awards subject to clawback. Awards under the Plan are subject to recoupment as provided in the Company's clawback policy.
- ü No dividends on stock options, SARs or unvested awards. No dividends or dividend equivalents accrue or are payable on stock options or SARs. Dividends and dividend equivalent rights accrue and are payable only when the underlying awards become vested.
- ü Limit on outside director awards. The 2018 Plan establishes a maximum amount of shares (by dollar value) that may be granted to any outside director in any calendar year.
- ü No tax gross ups. The 2018 Plan does not provide for the gross-up of any excise tax liability on 2018 Plan awards.
- ü No reload options. The 2018 Plan does not provide for the grant of reload stock options.

Description of the 2018 Plan

The following is a brief description of the 2018 Plan. A copy of the 2018 Plan is attached as Appendix A to this Proxy Statement, and the following description is qualified in its entirety by reference to the 2018 Plan.

Effective Date and Expiration. The 2018 Plan was adopted by the Board of Directors on April 6, 2018, subject to and conditioned upon stockholder approval of the 2018 Plan and to be effective as of the date of stockholder approval. Unless sooner terminated by action of the Board, the 2018 Plan will terminate and expire on the tenth anniversary of the Effective Date, but awards granted before that date will continue to be effective in accordance with their terms and conditions. The 2018 Plan replaces and supersedes the 2015 Plan in its entirety. The 2015 Plan will terminate on the Effective Date, but will continue to apply to awards granted under the 2015 Plan prior to the Effective Date.

Share Authorization. Subject to certain adjustments, the maximum number of shares of common stock that may be delivered pursuant to awards granted under the 2018 Plan is equal to the sum of (i) 5,563,134 shares (which reflects the newly authorized shares, plus the 2,963,134 reserved but unissued shares currently available under the 2015 Plan), plus (ii) the number of shares subject to the Prior Plan Awards. Of the shares of common stock reserved under the 2018 Plan, up to 5,000,000 shares may be delivered pursuant to incentive stock options qualifying under Section 422 of the Internal Revenue Code of 1986, as amended (the "IRC"). Shares to be issued may be made available from authorized but unissued shares of common stock, shares of common stock held by the Company in its treasury, or

shares of common stock purchased by the Company on the open market or otherwise. During the term of the 2018 Plan, the Company will at all times reserve and keep available the number of shares of common stock that shall be sufficient to satisfy the requirements of the 2018 Plan. The 2018 Plan also provides that no more than 5% of the shares of common stock that may be issued pursuant to an award under the 2018 Plan may be designated as “Exempt Shares.” “Exempt Shares” are shares subject to awards that are granted with more favorable vesting provisions than the minimum vesting provisions otherwise required by the 2018 Plan (as described below).

Share Counting and Fungible Pool. If an award under the 2018 Plan (or a Prior Plan Award) is cancelled, forfeited, or expires, in whole or in part, the shares subject to such forfeited, expired, or cancelled award may again be awarded under the 2018 Plan. Awards that may be satisfied either by the issuance of shares of common stock or by cash or other consideration will be counted against the maximum number of shares of common stock that may be issued under the 2018 Plan only during the period that the award is outstanding or to the extent the award is ultimately satisfied by the issuance of shares of common stock. Shares of common stock otherwise deliverable pursuant to an award that are withheld upon exercise or vesting of an award for purposes of paying the exercise price or tax withholdings (including, without limitation, any shares withheld in connection with the exercise of stock-settled SARs) will be treated as delivered to the participant and will be counted against the maximum number of shares of common stock that may be issued under the 2018 Plan. However, such awards will not reduce the number of shares of common stock that may be issued if the settlement of the award will not require the issuance of shares, as, for example, a SAR that can be satisfied only by the payment of cash. Only shares forfeited back to the Company or shares cancelled on account of termination, expiration or lapse of an award will again be available for grant of incentive stock options under the 2018 Plan, but will not increase the maximum number of shares described above as the maximum number of shares of common stock that may be delivered pursuant to incentive stock options.

The aggregate number of shares of common stock available for issuance under the 2018 Plan will be reduced by 2.0 shares for each share delivered in settlement of awards other than stock options or SARs and one share for each share delivered in settlement of stock options or SARs. Any shares of common stock that again become available for issuance under the 2018 Plan will be added back to the 2018 Plan as 2.0 shares if such shares were subject to awards other than stock options or SARs and one share if such shares were subject to stock options or SARs.

Director Award Limits. No outside director may be granted any award or awards which would permit the aggregate fair market value (determined on the date of grant) of awards granted to the outside director during any calendar year to exceed \$700,000 plus an additional \$700,000 in fair market value (determined on the date of grant) for one-time awards to a newly appointed or elected director. This limit does not apply to any award made pursuant to deferred compensation arrangements in lieu of all or a portion of cash retainers.

Administration. The 2018 Plan will be administered by the Board or such committee of the Board of Directors as is designated by the Board of Directors (the “Committee”). The Committee shall consist of not fewer than two persons. Any member of the Committee may be removed at any time, with or without cause, by resolution of the Board of Directors. Any vacancy occurring in the membership of the Committee may be filled by appointment by the Board of Directors. Membership on the Committee shall be limited to those members of the Board who are “non-employee directors” as defined in Rule 16b-3 promulgated under the Exchange Act. As of the Effective Date, the Board intends for the Compensation Committee to administer the 2018 Plan.

The Board or the Committee may delegate certain duties to one or more officers of the Company as provided in the 2018 Plan. The Committee will interpret the 2018 Plan and award agreements, prescribe, amend, and rescind any rules and regulations, as necessary or appropriate for the administration of the 2018 Plan, establish performance goals for an award and certify the extent of their achievement, and make such other determinations or certifications and take such other action as it deems necessary or advisable in the administration of the 2018 Plan. Any interpretation, determination, or other action made or taken by the Committee shall be final, binding, and conclusive on all interested parties.

Eligibility. Employees (including any employee who is also a director or an officer), contractors, and outside directors of the Company or its related companies whose judgment, initiative and efforts contributed to or may be expected to contribute to the successful performance of the Company and its related companies are eligible to participate in the 2018 Plan. As of April 2, 2018, the Company and its related companies had approximately 493 employees, 4,011 contractors, and 7 outside directors. The Committee is empowered, in its sole discretion, to select

the employees, contractors, and directors who will participate in the 2018 Plan.

Financial Effect of Awards. The Company will receive no monetary consideration for the granting of awards under the 2018 Plan, unless otherwise provided when granting restricted stock or RSUs. The Company will receive no monetary consideration other than the option price for shares of common stock issued to participants upon the exercise of their stock options and the Company will receive no monetary consideration upon the exercise of stock appreciation rights.

Stock Options. The Committee may grant either incentive stock options qualifying under IRC Section 422 or non-qualified stock options, provided that only employees of the Company and its subsidiaries (excluding subsidiaries that

are not corporations) are eligible to receive incentive stock options. Stock options may not be granted with an option price less than 100% of the fair market value of a share of common stock on the date the stock option is granted. If an incentive stock option is granted to an employee who owns or is deemed to own more than 10% of the combined voting power of all classes of stock of the Company (or any parent or subsidiary), the option price must be at least 110% of the fair market value of a share of common stock on the date of grant. The Committee will determine the terms of each stock option at the time of grant, including, without limitation, the methods by or forms in which shares will be delivered to participants. The maximum term of each option, the times at which each option will be exercisable, and provisions requiring forfeiture of unexercised options at or following termination of employment or service generally are fixed by the Committee, except that the Committee may not grant stock options with a term exceeding 10 years or, in the case of an incentive stock option granted to an employee who owns or is deemed to own more than 10% of the combined voting power of all classes of stock of the Company (or any parent or subsidiary), five years. In addition, no dividends or dividend equivalent rights may be paid or granted with respect to any stock options granted under the 2018 Plan.

Recipients of stock options may pay the option exercise price (i) in cash; (ii) by wire transfer or check acceptable to the Company; (iii) if permitted by the Committee, having the Company withhold shares of common stock that would otherwise be issued on exercise of the stock option that have an aggregate fair market value equal to the aggregate option price of the shares being purchased; (iv) if permitted by the Committee, tendering (either actually or, so long as the shares are registered under Section 12(b) or 12(g) of the Exchange Act, by attestation) shares of common stock owned by the participant that have an aggregate fair market value equal to the aggregate option price of the shares being purchased; (v) unless the Committee determines otherwise and so long as the shares are registered under Section 12(b) or 12(g) of the Exchange Act, and to the extent permitted by law, by delivery of irrevocable instructions to a brokerage firm designated or approved by the Company to sell certain of the shares of common stock purchased upon the exercise of the option and to promptly deliver to the Company the amount of proceeds to pay the aggregate option price of the shares being purchased; or (vi) such other consideration as the Committee may permit, in its sole discretion.

Stock Appreciation Rights. The Committee is authorized to grant SARs as a stand-alone award, or freestanding SARs, or in conjunction with stock options granted under the 2018 Plan, or tandem SARs. A SAR is the right to receive an amount equal to the excess of the fair market value of a share of common stock on the date of exercise over the exercise price. The exercise price may be equal to or greater than the fair market value of a share of common stock on the date of grant. The Committee, in its sole discretion, may place a ceiling on the amount payable on the exercise of a SAR, but any such limitation shall be specified at the time the SAR is granted. A SAR granted in tandem with a stock option will require the holder, upon exercise, to surrender the related stock option with respect to the number of shares as to which the SAR is exercised. The Committee will determine the terms of each SAR at the time of the grant, including, without limitation, the methods by or forms in which the value will be delivered to participants (whether made in shares of common stock, in cash or in a combination of both). The maximum term of each SAR, the times at which each SAR will be exercisable, and provisions requiring forfeiture of unexercised SARs at or following termination of employment or service generally are fixed by the Committee, except that no freestanding SAR may have a term exceeding 10 years and no tandem SAR may have a term exceeding the term of the option granted in conjunction with the tandem SAR. In addition, no dividends or dividend equivalent rights may be paid or granted with respect to any SARs granted under the 2018 Plan.

Restricted Stock and RSUs. The Committee is authorized to grant restricted stock and RSUs. Restricted stock consists of shares that are transferred or sold by the Company to a participant, but are subject to substantial risk of forfeiture and to restrictions on their sale or other transfer by the participant. RSUs are the right to receive shares of common stock at a future date in accordance with the terms of such grant upon the attainment of certain conditions specified by the Committee, which include substantial risk of forfeiture and restrictions on their sale or other transfer by the participant. The Committee determines the eligible participants to whom, and the time or times at which, grants of

restricted stock or restricted stock units will be made, the number of shares or units to be granted, the price to be paid, if any, the time or times within which the shares covered by such grants will be subject to forfeiture, the time or times at which the restrictions will terminate, and all other terms and conditions of the grants. Restrictions or conditions could include, but are not limited to, the attainment of performance goals (as described below), continuous service with the Company, the passage of time or other restrictions or conditions; provided that, if the right to receive dividends is awarded, then (A) any cash dividends and stock dividends with respect to a restricted stock award shall be withheld by the Company for the participant's account, and interest may be credited on the amount of the cash dividends withheld at a rate and subject to such terms as determined by the Committee; and (B) such cash dividends or stock dividends so withheld by the Company and attributable to any particular share of restricted stock (and earnings thereon, if applicable) shall be distributed to such participant in cash or, at the discretion of the Committee, in shares of common

stock having a fair market value equal to the amount of such dividends, if applicable, upon the release of restrictions on such share and, if such share is forfeited, the participant shall will also forfeit the right to dividends attributable to such forfeited share. The value of the RSUs may be paid in shares of common stock, cash, or a combination of both, as determined by the Committee.

Performance Awards. The Committee may grant performance awards payable in cash, shares of common stock, or a combination thereof at the end of a specified performance period. Payment will be contingent upon achieving pre-established performance goals (as discussed below) by the end of the performance period. The Committee will determine the length of the performance period, the maximum payment value of an award, and the minimum performance goals required before payment will be made, so long as such provisions are not inconsistent with the terms of the 2018 Plan, and to the extent an award is subject to IRC Section 409A, are in compliance with the applicable requirements of IRC Section 409A and any applicable regulations or guidance. If the Committee determines in its sole discretion that the established performance measures or objectives are no longer suitable because of a change in the Company's business, operations, corporate structure, or for other reasons that the Committee deems satisfactory, the Committee may modify the performance measures or objectives and/or the performance period. Subject to Committee discretion, a performance award will terminate for all purposes if the participant is not continuously employed by the Company at all times during the applicable performance period.

Other Awards. The Committee may grant other forms of awards payable in cash or shares of common stock if the Committee determines that another form of award is consistent with the purpose and restrictions of the 2018 Plan. The terms and conditions of such other form of award will be specified by the grant. Such other awards may be granted for no cash consideration, for such minimum consideration as may be required by applicable law or for such other consideration as may be specified by the grant.

Dividend Equivalent Rights. The Committee may grant a dividend equivalent right either as a component of another award (to the extent permitted under the 2018 Plan) or as a separate award. The terms and conditions of the dividend equivalent right will be specified by the grant and, when granted as a component of another award, may have terms and conditions different from such other award; provided, however, that (i) any dividend equivalent rights with respect to such other award will be withheld by the Company for a participant's account until such other award is vested, subject to such terms as determined by the Committee; and (ii) such dividend equivalent rights so withheld and attributable to another award will be distributed to such participant in cash or, at the discretion of the Committee, in shares of common stock having a fair market value equal to the amount of such dividend equivalent rights, if applicable, upon vesting of the other award and, if such other award is forfeited, the right to dividend equivalent rights attributable to such forfeited award will also be forfeited. No dividend equivalent right may be paid or granted with respect to any stock option or SAR. Dividend equivalents granted as a separate award may also be paid currently or may be deemed to be reinvested in additional shares of common stock. Any such reinvestment will be at the fair market value at the time thereof. Dividend equivalent rights may be settled in cash or shares of common stock.

Performance Goals. Awards of restricted stock, RSUs, performance awards, and other awards (whether relating to cash or shares of common stock) under the 2018 Plan may be made subject to the attainment of performance goals relating to one or more business criteria which, where applicable, may consist of one or more or any combination of the following criteria: cash flow (including, but not limited to, operating cash flow, free cash flow or cash flow return on capital); cost; working capital; earnings (and any variations thereon, including, without limitation, earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; earnings before interest, taxes, depreciation, amortization, and stock-based compensation or other similar expenses; operating earnings); earnings per share; book value per share; share price; operating income (including or excluding depreciation, amortization, extraordinary items, restructuring charges or other expenses); revenues (and any variations thereon, including, without limitation, gross revenues; net revenues; revenues from products); expenses (and any variations thereon); assets under management; fees based on assets under management; monetized units or products; sales (and any variations thereon);

operating margins; gross margins; return on assets; return on equity; debt; debt plus equity; credit quality or debt ratings; profit (and any variations thereon) market or economic value added; stock price appreciation; total stockholder return; cost control; strategic initiatives; market share; net income; return on invested capital; improvements in capital structure; capital expenditures; operational improvements; or customer satisfaction, employee satisfaction, services performance, subscriber, cash management or asset management metrics; the accomplishment of mergers, acquisitions, dispositions, public offerings or similar extraordinary business transactions; inventory levels, inventory turn or shrinkage; or total return to stockholders (“Performance Criteria”). Any Performance Criteria may include or exclude (i) events that are of an unusual nature or indicate infrequency of occurrence; (ii) gains or losses acquisitions or divestitures, (iii) asset write-downs; (iv) litigation or claim judgments or settlements; (v) foreign exchange gains and losses; (vi) impairments; (vi) changes in tax or accounting regulations or laws, (vii) the effect of a merger or acquisition,

any reorganization or restructuring programs; or (viii) other similar occurrences. In all other respects, Performance Criteria are to be calculated in accordance with the Company's financial statements, under generally accepted accounting principles, or under a methodology established by the Committee prior to the issuance of an award which is consistently applied and identified in the audited financial statements, including footnotes, or the Compensation Discussion and Analysis section of the Company's proxy statement as incorporated by reference to the Company's Annual Report on Form 10-K.

Vesting of Awards; Forfeiture; Assignment. Except as otherwise provided below, the Committee, in its sole discretion, may determine that an award will be immediately vested in whole or in part, or that all or any portion may not be vested until a date, or dates, subsequent to its date of grant, or until the occurrence of one or more specified events, subject in any case to the terms of the 2018 Plan. Except to the extent an award is for Exempt Shares, no awards granted by the Committee nor any portion of an award (even on a pro rata basis) may vest earlier than one (1) year after the date of grant; provided, however, with respect to grants of awards made on the date of an annual stockholders meeting to outside directors, such one (1) year vesting period shall be deemed satisfied if such awards vest on the earlier of the first anniversary of the date of grant of such award or the first annual stockholders meeting following the date of grant. The Committee may not accelerate the date on which all or any portion of an award may be vested or waive the period an award is restricted on a full value award except upon the participant's death, "total and permanent disability," retirement, or a "change in control" (as such terms are defined in the 2018 Plan). Notwithstanding the foregoing, the Committee may, in its sole discretion, grant awards with more favorable vesting provisions at any time, provided that the shares of common stock subject to such awards will be designated as Exempt Shares. As discussed above, only 5% of the shares of common stock that may be issued pursuant to an award under the 2018 Plan may be designated as Exempt Shares.

The Committee may impose on any award, at the time of grant or thereafter, such additional terms and conditions as the Committee determines, including terms requiring forfeiture of awards in the event of a participant's termination of service. The Committee will specify the circumstances under which performance awards may be forfeited in the event of a termination of service by a participant prior to the end of a performance period or settlement of awards. Except as otherwise determined by the Committee, restricted stock will be forfeited upon a participant's termination of service during the applicable restriction period.

Awards granted under the 2018 Plan generally are not assignable or transferable except by will or by the laws of descent and distribution, except that the Committee may, in its discretion and pursuant to the terms of an award agreement, permit certain transfers of nonqualified stock options or SARs to: (i) the spouse (or former spouse), children, or grandchildren of the participant ("Immediate Family Members"); (ii) a trust or trusts for the exclusive benefit of such Immediate Family Members; (iii) a partnership in which the only partners are (1) such Immediate Family Members and/or (2) entities which are controlled by Immediate Family Members; (iv) an entity exempt from federal income tax pursuant to IRC Section 501(c)(3) or any successor provision; or (v) a split interest trust or pooled income fund described in IRC Section 2522(c)(2) or any successor provision, provided that (x) there is no consideration for any such transfer, (y) the applicable award agreement pursuant to which such award is granted must be approved by the Committee and must expressly provide for such transferability, and (z) subsequent transfers of transferred awards will be prohibited except those by will or the laws of descent and distribution.

Adjustments Upon Changes in Capitalization. In the event that any dividend or other distribution, recapitalization, stock split, reverse stock split, rights offering, reorganization, merger, consolidation, split-up, spin-off, split-off, combination, subdivision, repurchase, or exchange of the shares of common stock or other securities of the Company, issuance of warrants or other rights to purchase shares of common stock or other securities of the Company, or other similar corporate transaction or event affects the fair value of an award, then the Committee will adjust any or all of the following so that the fair value of the award immediately after the transaction or event is equal to the fair value of the award immediately prior to the transaction or event (i) the number of shares and type of common stock (or the

securities or property) which thereafter may be made the subject of awards, (ii) the number of shares and type of shares of common stock (or other securities or property) subject to outstanding awards, (iii) the option price of each outstanding award, (iv) the amount, if any, the Company pays for forfeited shares of common stock in accordance with the terms of the 2018 Plan, and (v) the number of or exercise price of shares of common stock then subject to outstanding SARs previously granted and unexercised under the 2018 Plan, to the end that the same proportion of the Company's issued and outstanding shares of common stock in each instance will remain subject to exercise at the same aggregate exercise price; provided however, that the number of shares of common stock (or other securities or property) subject to any award will always be a whole number. Notwithstanding the foregoing, no such adjustment will be made or authorized to the extent that such adjustment would cause the 2018 Plan or any stock option to violate IRC Section

422 or IRC Section 409A. All such adjustments must be made in accordance with the rules of any securities exchange, stock market, or stock quotation system to which the Company is subject.

Amendment or Discontinuance of the 2018 Plan. The Board may, at any time and from time to time, without the consent of the participants, alter, amend, revise, suspend, or discontinue the 2018 Plan in whole or in part; provided, however, that (i) no amendment that requires stockholder approval in order for the 2018 Plan and any awards under the 2018 Plan to continue to comply with IRC Sections 421 and 422 (including any successors to such sections, or other applicable law) or any applicable requirements of any securities exchange or inter-dealer quotation system on which the Company's stock is listed or traded, will be effective unless such amendment is approved by the requisite vote of the Company's stockholders entitled to vote on the amendment; and (ii) unless required by law, no action by the Board regarding amendment or discontinuance of the 2018 Plan may adversely affect any rights of any participants or obligations of the Company to any participants with respect to any outstanding award under the 2018 Plan without the consent of the affected participant.

No Repricing of Stock Options or SARs. The Committee may not "reprice" any stock option or SAR. For purposes of the 2018 Plan, "reprice" means any of the following or any other action that has the same effect: (i) amending a stock option or SAR to reduce its exercise price or base price, (ii) canceling a stock option or SAR at a time when its exercise price or base price exceeds the fair market value of a share of common stock in exchange for cash or a stock option, SAR, award of restricted stock or other equity award, or (iii) taking any other action that is treated as a repricing under generally accepted accounting principles, provided that nothing will prevent the Committee from (x) making adjustments to awards upon changes in capitalization, (y) exchanging or cancelling awards upon a merger, consolidation, or recapitalization, or (z) substituting awards for awards granted by other entities, to the extent permitted by the 2018 Plan.

Recoupment for Restatements. The Committee may recoup all or any portion of any shares or cash paid to a participant in connection with an award, as set forth in the Company's clawback policy, if any, approved by the Board from time to time.

Federal Income Tax Consequences

The following is a brief summary of certain federal income tax consequences relating to the transactions described under the 2018 Plan as set forth below. This summary does not purport to address all aspects of federal income taxation and does not describe state, local, or foreign tax consequences. This discussion is based upon provisions of the IRC and the treasury regulations issued thereunder, and judicial and administrative interpretations under the IRC and treasury regulations, all as in effect as of the date hereof, and all of which are subject to change (possibly on a retroactive basis) or different interpretation.

Law Affecting Deferred Compensation. In 2004, IRC Section 409A was added to regulate all types of deferred compensation. If the requirements of IRC Section 409A are not satisfied, deferred compensation and earnings thereon will be subject to tax as they vest, plus an interest charge at the underpayment rate plus 1% and a 20% penalty tax. Certain performance awards, stock options, stock appreciation rights, RSUs, and certain types of restricted stock are subject to IRC Section 409A. The Company intends that awards granted under the 2018 Plan comply with, or otherwise be exempt from, IRC Section 409A, but make no representation or warranty to that effect.

Incentive Stock Options. A participant will not recognize income at the time an incentive stock option is granted. When a participant exercises an incentive stock option, a participant also generally will not be required to recognize income (either as ordinary income or capital gain). However, to the extent that the fair market value (determined as of the date of grant) of the shares of common stock with respect to which the participant's incentive stock options are exercisable for the first time during any year exceeds \$100,000, the incentive stock options for the shares of common

stock over \$100,000 will be treated as non-qualified stock options, and not incentive stock options, for federal tax purposes, and the participant will recognize income as if the incentive stock options were non-qualified stock options. In addition to the foregoing, if the fair market value of the shares of common stock received upon exercise of an incentive stock option exceeds the exercise price, then the excess may be deemed a tax preference adjustment for purposes of the federal alternative minimum tax calculation. The federal alternative minimum tax may produce significant tax repercussions depending upon the participant's particular tax status.

The tax treatment of any shares of common stock acquired by exercise of an incentive stock option will depend upon whether the participant disposes of his or her shares prior to two years after the date the incentive stock option was granted or one year after the shares of common stock were transferred to the participant (referred to as the "Holding

Period”). If a participant disposes of shares of common stock acquired by exercise of an incentive stock option after the expiration of the Holding Period, any amount received in excess of the participant’s tax basis for such shares will be treated as short-term or long-term capital gain, depending upon how long the participant has held the shares of common stock. If the amount received is less than the participant’s tax basis for such shares, the loss will be treated as short-term or long-term capital loss, depending upon how long the participant has held the shares.

If the participant disposes of shares of common stock acquired by exercise of an incentive stock option prior to the expiration of the Holding Period, the disposition will be considered a “disqualifying disposition.” If the amount received for the shares of common stock is greater than the fair market value of the shares of common stock on the exercise date, then the difference between the incentive stock option’s exercise price and the fair market value of the shares of common stock at the time of exercise will be treated as ordinary income for the tax year in which the “disqualifying disposition” occurs. The participant’s basis in the shares of common stock will be increased by an amount equal to the amount treated as ordinary income due to such “disqualifying disposition.” In addition, the amount received in such “disqualifying disposition” over the participant’s increased basis in the shares of common stock will be treated as capital gain. However, if the price received for shares of common stock acquired by exercise of an incentive stock option is less than the fair market value of the shares of common stock on the exercise date and the disposition is a transaction in which the participant sustains a loss which otherwise would be recognizable under the IRC, then the amount of ordinary income that the participant will recognize is the excess, if any, of the amount realized on the “disqualifying disposition” over the basis of the shares of common stock.

Non-qualified Stock Options. A participant generally will not recognize income at the time a non-qualified stock option is granted. When a participant exercises a non-qualified stock option, the difference between the option price and any higher market value of the shares of common stock on the date of exercise will be treated as compensation taxable as ordinary income to the participant. The participant’s tax basis for shares of common stock acquired under a non-qualified stock option will be equal to the option price paid for such shares of common stock, plus any amounts included in the participant’s income as compensation. When a participant disposes of shares of common stock acquired by exercise of a non-qualified stock option, any amount received in excess of the participant’s tax basis for such shares will be treated as short-term or long-term capital gain, depending upon how long the participant has held the shares of common stock. If the amount received is less than the participant’s tax basis for such shares, the loss will be treated as short-term or long-term capital loss, depending upon how long the participant has held the shares.

Special Rule if Option Price is Paid for in Shares of Common Stock. If a participant pays the option price of a non-qualified stock option with previously-owned shares of common stock and the transaction is not a disqualifying disposition of shares previously acquired under an incentive stock option, the shares of common stock received equal to the number of shares surrendered are treated as having been received in a tax-free exchange. The participant’s tax basis and holding period for these shares received will be equal to the participant’s tax basis and holding period for the shares surrendered. The shares of common stock received in excess of the number of shares surrendered will be treated as compensation taxable as ordinary income to the participant to the extent of their fair market value. The participant’s tax basis in these shares will be equal to their fair market value on the date of exercise, and the participant’s holding period for such shares will begin on the date of exercise.

If the use of previously acquired shares of common stock to pay the exercise price of a non-qualified stock option constitutes a disqualifying disposition of shares previously acquired under an incentive stock option, the participant will have ordinary income as a result of the disqualifying disposition in an amount equal to the excess of the fair market value of the shares of common stock surrendered, determined at the time such shares were originally acquired on exercise of the incentive stock option, over the aggregate option price paid for such shares. As discussed above, a disqualifying disposition of shares of common stock previously acquired under an incentive stock option occurs when the participant disposes of such shares before the end of the Holding Period. The other tax results from paying the exercise price with previously-owned shares are as described above, except that the participant’s tax basis in the shares

that are treated as having been received in a tax-free exchange will be increased by the amount of ordinary income recognized by the participant as a result of the disqualifying disposition.

Restricted Stock. A participant who receives restricted stock generally will recognize as ordinary income the excess, if any, of the fair market value of the shares of common stock granted as restricted stock at such time as the shares are no longer subject to forfeiture or restrictions, over the amount paid, if any, by the participant for such shares.

However, a participant who receives restricted stock may make an election under IRC Section 83(b) within 30 days of the date of transfer of the shares of common stock to recognize ordinary income on the date of transfer of the shares equal to the excess of the fair market value of such shares (determined without regard to the restrictions on such shares) over the purchase price, if any, of such shares. If a participant does not make an election under IRC Section

83(b), then the participant will recognize as ordinary income any dividends received with respect to such shares. At the time of sale of such shares, any gain or loss realized by the participant will be treated as either short-term or long-term capital gain (or loss) depending on the holding period. For purposes of determining any gain or loss realized, the participant's tax basis will be the amount previously taxable as ordinary income, plus the purchase price paid by the participant, if any, for such shares.

Stock Appreciation Rights. Generally, a participant who receives a stand-alone SAR will not recognize taxable income at the time the stand-alone SAR is granted, provided that the SAR is exempt from or complies with IRC Section 409A. If a participant receives the appreciation inherent in the SARs in cash, the cash will be taxed as ordinary income to the recipient at the time it is received. If a participant receives the appreciation inherent in the SARs in stock, the spread between the then current market value and the grant price, if any, will be taxed as ordinary income to the participant at the time it is received. In general, there will be no federal income tax deduction allowed to the Company upon the grant or termination of SARs. However, upon the exercise of a SAR, the Company will be entitled to a deduction equal to the amount of ordinary income the recipient is required to recognize as a result of the exercise.

Other Awards. In the case of an award of RSUs, performance awards, dividend equivalent rights or other stock or cash awards, the recipient will generally recognize ordinary income in an amount equal to any cash received and the fair market value of any shares received on the date of payment or delivery, provided that the award is exempt from or complies with IRC Section 409A. In that taxable year, the Company will receive a federal income tax deduction in an amount equal to the ordinary income which the participant has recognized.

Federal Tax Withholding. Any ordinary income realized by a participant upon the exercise of an award under the 2018 Plan is subject to withholding of federal, state, and local income tax and to withholding of the participant's share of tax under the Federal Insurance Contribution Act and the Federal Unemployment Tax Act. To satisfy federal income tax withholding requirements, the Company and its related companies will have the right to require that, as a condition to the issuance of any shares of common stock, the participant remit to the Company an amount sufficient to satisfy the withholding requirements. Alternatively, the Company may withhold a portion of the shares of common stock (valued at fair market value) that otherwise would be issued to the participant to satisfy all or part of the withholding tax obligations or may, if the Company consents, accept delivery of shares of common stock with an aggregate fair market value that equals or exceeds the required tax withholding payment.

Withholding does not represent an increase in the participant's total income tax obligation, since it is fully credited toward his or her tax liability for the year. Additionally, withholding does not affect the participant's tax basis in the shares of common stock. Compensation income realized and tax withheld will be reflected on Forms W-2 supplied by the Company to employees by January 31 of the succeeding year. Deferred compensation that is subject to IRC Section 409A will be subject to certain federal income tax withholding and reporting requirements.

Tax Consequences to the Company. To the extent that a participant recognizes ordinary income in the circumstances described above, the Company will be entitled to a corresponding deduction provided that, among other things, the income meets the test of reasonableness, is an ordinary and necessary business expense, is not an "excess parachute payment" within the meaning of IRC Section 280G and is not disallowed by the \$1,000,000 limitation on certain executive compensation under IRC Section 162(m).

Million Dollar Deduction Limit and Other Tax Matters. Following the recent enactment of the Tax Cuts and Jobs Act in late 2017, the Company may not deduct compensation of more than \$1,000,000 (including performance-based compensation, unless grandfathered as described below) that is paid to "covered employees" (as defined in IRC Section 162(m)), which include an individual (or, in certain circumstances, his or her beneficiaries) who, at any time during the taxable year, is the Company's principal executive officer, principal financial officer, an individual who is among

the three highest compensated officers for the taxable year (other than an individual who was either the Company's principal executive officer or its principal financial officer at any time during the taxable year), or anyone who was a covered employee for purposes of IRC Section 162(m) for any tax year beginning on or after January 1, 2017. This limitation on deductions only applies to compensation paid by a publicly-traded corporation (and not compensation paid by non-corporate entities) and may not apply to certain types of compensation, such as qualified performance-based compensation, that is payable pursuant to a written, binding contract (such as an award agreement corresponding to a Prior Plan Award) that was in place as of November 2, 2017, so long as the contract is not materially modified after that date. To the extent that compensation is payable pursuant to a Prior Plan Award on or before November 2, 2017, and if the Company determines that IRC Section 162(m) will apply to any such awards, the Company intends that the terms of those awards will not be materially modified and will be constructed so as to constitute qualified

performance-based compensation and, as such, will be exempt from the \$1,000,000 limitation on deductible compensation.

If an individual's rights under the 2018 Plan are accelerated as a result of a change in control and the individual is a "disqualified individual" under IRC Section 280G, the value of any such accelerated rights received by such individual may be included in determining whether or not such individual has received an "excess parachute payment" under IRC Section 280G, which could result in (i) the imposition of a 20% federal excise tax (in addition to federal income tax) payable by the individual on the value of such accelerated rights, and (ii) the loss by the Company of a compensation deduction.

Interest of Directors and Executive Officers

All members of the Board and all executive officers of the Company are eligible for awards under the 2018 Plan and thus, have a personal interest in the approval of the 2018 Plan.

Plan Benefits

All awards to employees, officers, contractors and outside directors under the 2018 Plan are made at the discretion of the Committee. No awards may be made under the 2018 Plan until on or after the Effective Date. Therefore, the future benefits and amounts that will be received or allocated to such individuals under the 2018 Plan are not determinable at this time.

The closing sale price of a share of the Company's common stock on the NASDAQ Global Select Market ("NASDAQ") on April 2, 2018 was \$24.50 per share.

Vote Required

The proposal to approve the Blucora, Inc. 2018 Long-Term Incentive Plan requires the affirmative vote of the holders of a majority of the shares of common stock present, in person or by proxy, and entitled to vote on the proposal.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR" PROPOSAL FOUR

EQUITY COMPENSATION PLANS

Our stockholders have approved the 2015 Plan, the 1996 Plan, and the Blucora, Inc. 2016 Employee Stock Purchase Plan (the “2016 ESPP”). Our Board of Directors adopted the Inducement Plan on January 29, 2016, which did not require stockholder approval under NASDAQ rules. The terms and conditions of the Inducement Plan are substantially similar to those of the 2015 Plan, except that under the Inducement Plan, 2,400,000 shares are authorized for issuance, eligibility is limited to newly hired employees, incentive stock options may not be granted, and the Inducement Plan is not subject to stockholder approval. The 1996 Plan is now terminated and no additional equity grants may be made under that plan.

Each plan is described under “Note 11: Stockholders' Equity” in the Notes to Consolidated Financial Statements included in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2017.

The table below sets forth information regarding outstanding awards and shares available for future issuance under the Company’s equity compensation plans as of December 31, 2017.

| Plan category | (a) Number of securities to be issued upon exercise of outstanding options, warrants, and rights | (b) Weighted-average exercise price of outstanding options, warrants, and rights | (c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|--|---|---|--|
| Equity compensation plans approved by stockholders | 3,747,116 | (2) \$ 14.08 | 4,889,450 (3) |
| Equity compensation plans not approved by stockholders | 972,983 | (4) \$ 9.46 | 1,132,776 (5) |
| Total | 4,720,099 | \$ 13.13 | 6,022,226 |

(1) Consists of the weighted-average exercise price of outstanding options, as outstanding RSUs do not have an exercise price.

(2) Consists of 3,023,516 shares of common stock issuable upon exercise of outstanding options and 723,600 shares of common stock issuable upon vesting of RSUs under the 2015 Plan and 1996 Plan.

(3) Includes 4,027,730 shares available for future grant under the 2015 Plan and 861,599 shares available for future grant under the 2016 ESPP. For the most current offering period that ended on January 31, 2018, 36,314 shares were issued under the 2016 ESPP. The 1996 Plan was terminated for purposes of future grants in May 2015. Does not include shares available for grant under the 2016 Inducement Plan.

(4) Consists of 782,406 shares of common stock issuable upon exercise of outstanding options and 190,577 shares of common stock issuable upon vesting of RSUs under the 2016 Inducement Plan.

(5) Includes shares available for future grant under the 2016 Inducement Plan.

PROPOSAL FIVE
APPROVAL OF AMENDMENT TO THE BLUCORA, INC.
RESTATED CERTIFICATE OF INCORPORATION

Currently, our Restated Certificate of Incorporation, dated August 10, 2012 (as amended, the “Certificate of Incorporation”), provides that the Board shall be composed of not less than five nor more than nine directors, with the specific number to be set by resolution of the Board. If Proposal Five is approved by the Company’s stockholders at the annual meeting, the Board will continue to have the authority to set the exact number of directors, but the range will be expanded from the current range of five to nine directors to a range of six to 15 directors (the “Charter Amendment”).

The general description of the proposed Charter Amendment set forth in these Proposals is qualified in its entirety by reference to the text of the Charter Amendment, which is attached as Appendix B to this Proxy Statement. Additions to our Certificate of Incorporation are indicated by bolded underlined text and deletions are indicated by strike-outs.

Reasons for the Charter Amendment

The Board determined that it was advisable and in the best interests of the Company and its stockholders to increase both the minimum and maximum number of directors that may serve on the Board. Although the Board has no current intention to increase the size of the Board to more than nine directors, the Board believes that it is important to have the flexibility to adjust the size of the Board to meet changing circumstances and the needs of the Company without seeking an amendment to the Certificate of Incorporation. In making this decision, the Board concluded that fixing a range of between six and 15 directors would ensure that the Company has a sufficient number of directors to provide effective oversight of the Company and comply with best corporate governance practices while also preventing the Board from becoming so large that it becomes inefficient and the decision making process is hindered.

Effective Time of the Charter Amendment

If Proposal Five is approved by our stockholders, it will become effective when the Company files the Charter Amendment with the Secretary of State of the State of Delaware, which the Company intends to do promptly following the annual meeting. However, notwithstanding the approval of the Charter Amendment, the Board will have the sole authority to elect whether and when to amend the Certificate of Incorporation. If the Company’s stockholders do not approve Proposal Five, the current limitations on Board size contained in the Certificate of Incorporation will be maintained.

Vote Required

The approval of the Charter Amendment will require the affirmative vote of the holders of a majority of the outstanding shares entitled to vote at the annual meeting.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE
“FOR” PROPOSAL FIVE

INFORMATION REGARDING THE BOARD OF DIRECTORS

Director Information

Our Board of Directors is currently comprised of eight members. In addition, the Board of Directors' committee structure currently consists of three principal committees that are all comprised of independent directors: the Audit Committee, the Compensation Committee and the Nominating and Governance Committee. The Board may also convene other ad hoc or sub-committees, the composition, number, and membership of which the Board of Directors may revise from time to time, as appropriate.

The following table lists each of our current directors and sets forth the information about each of the committees of the Board of Directors:

Directors and Board Committees as of April 2, 2018

(M = Committee Member; C = Committee Chair)

| Director | Audit Committee | Compensation Committee | Nominating and Governance Committee |
|---------------------------|-----------------|------------------------|-------------------------------------|
| Steven Aldrich | | | M |
| William L. Atwell (Chair) | M | | |
| John S. Clendening* | | | |
| Lance G. Dunn | M | | |
| H. McIntyre Gardner | | C | |
| Georganne C. Proctor | C | M | |
| Christopher W. Walters | | | C |
| Mary S. Zappone | | M | M |

* Mr. Clendening is our only director who is not independent because he serves as our President and CEO.

The Board of Directors has general oversight responsibility for the Company's affairs and, in exercising its fiduciary duties, the Board represents and acts on behalf of the stockholders. Although the Board does not have responsibility for the Company's day-to-day management, it stays regularly informed about the Company's business and provides oversight and guidance to management through periodic meetings and other communications. The Board is significantly involved in, among other things, the Company's strategic planning process, leadership development, and succession planning, as well as other functions carried out through the Board committees as described below.

2017 Board of Directors Transition

During 2017, our Board underwent the following membership changes. Effective February 28, 2017, the Board appointed William L. Atwell (Chair) and H. McIntyre Gardner as Class I and Class II directors, respectively, to fill the vacancies created as a result of the retirement of John Cunningham and David Chung. Steven Hooper retired from the Board following our 2017 annual meeting of stockholders and Andrew Snyder did not stand for re-election at the 2017 annual meeting. Georganne C. Proctor was elected as a Class III director to fill the vacancy left by Andrew Snyder, and Steven Aldrich was appointed as a Class II director in order to fill the vacancy created by Mr. Hooper. When Ms. Huebner retired from our Board on August 10, 2017, the Board reduced the Board size from nine to eight members rather than filling the vacancy at that time. The Company and the Board express their deepest gratitude to Messrs. Cunningham, Chung, Hooper and Snyder and Ms. Huebner for their years of dedicated service.

We believe that the experience and qualifications of each of our new Board members will provide valuable assistance to the Board and the Company as it continues its transformation into a technology-enabled financial solutions company and seeks to meet its strategic growth initiatives.

Director Nominees and Continuing Directors

Information regarding our Director Nominees is included under "Proposal One—Election of Directors." Information regarding our Class II and Class III directors who are not up for election is described below.

Qualifications

The descriptions below and the information under "Proposal One—Election of Directors" includes a brief discussion of the specific experience, qualifications, attributes, and skills that led to the conclusion that each of the directors and nominees should continue to serve on the Board of Directors.

The Board of Directors nominates candidates for election after receiving recommendations from the Nominating and Governance Committee, which bases its recommendations on the criteria set forth in the Director Nomination Policy described below under "Director Nomination Process." The Board of Directors believes that the directors and nominees have an appropriate balance of knowledge, experience, attributes, skills, and expertise as a whole to ensure the Board of Directors appropriately satisfies its oversight responsibilities and acts in the best interests of stockholders. In light of the Company's transformation into a technology enabled financial solutions company, the Board of Directors will continue to assess the skills and qualifications of its members.

Class II Directors - Terms expiring in 2019

The names of the continuing Class II directors whose terms expire in 2019, and certain information about them are set forth below:

| Name of Director | Age | Positions with Blucora | Director Since |
|------------------------|-----|------------------------|----------------|
| Steven Aldrich | 48 | Director | 2017 |
| William L. Atwell | 67 | Chairman | 2017 |
| Christopher W. Walters | 44 | Director | 2014 |

Steven Aldrich was appointed to the Board of Directors on June 1, 2017. Mr. Aldrich has served as the Chief Product Officer at GoDaddy, Inc. ("GoDaddy") since January 2016, and he previously served as Senior Vice President, Business Applications beginning in July 2012. Before joining GoDaddy in 2012, Mr. Aldrich served in various senior management roles at Intuit, Inc., a business and financial software company, from 1996 through 2008, including Vice President of Strategy and Innovation for the small business division. Mr. Aldrich also served as Chief Executive Officer of Outright Inc., a bookkeeping and accounting service, from 2011 to 2012, when it was acquired by GoDaddy, and as Chief Executive Officer of Posit Science Corporation, a software and services company, from 2008 to 2011. Mr. Aldrich holds a Bachelor of Arts in Physics from the University of North Carolina and an M.B.A. from Stanford University.

Relevant Qualifications and Experience: Mr. Aldrich has extensive product management experience from his years of serving in senior management positions that provides him with unique experience in operations, strategy, company growth, and management. He also has significant experience with consumer and small business software-as-a-service businesses, which the Board believes will provide valuable assistance to the Board and the Company as it continues its transformation into a technology enabled financial solutions company and seeks to meet its strategic growth initiatives.

William L. Atwell was appointed as Chairman of the Board on March 1, 2017. Mr. Atwell has been Managing Director of Atwell Partners, LLC, a financial services consulting firm, since June 2012. From September 2008 to May 2012, Mr. Atwell was President of Cigna International, a global financial services company. Prior to 2008, Mr. Atwell held senior executive positions with Charles Schwab & Co., Inc. and Citigroup, Inc. Mr. Atwell currently serves as a director of Webster Financial Corporation, a NYSE listed commercial banking company, as an independent trustee of AQR Mutual Funds (AQR Capital Management, LLC) and as a Trustee at Fairfield University. Previously, he served as a director of USI Holdings, which was formerly listed on the NASDAQ, until it was sold to Goldman Sachs Capital Partners in 2007. Mr. Atwell holds a B.S. and an M.B.A. from Long Island University.

Relevant Qualifications and Experience: Mr. Atwell brings extensive relevant industry experience and knowledge to the Board, having spent more than 40 years in the financial services industry as an executive at Cigna International, Charles Schwab & Co., Inc. and Citigroup, Inc. The Board believes Mr. Atwell's extensive financial services industry experience will provide valuable assistance to the Board and the Company as it continues its transformation into a technology enabled financial solutions company and seeks to meet its strategic growth initiatives.

Christopher W. Walters was appointed to the Board of Directors in 2014. Mr. Walters is currently the Chief Executive Officer of Encompass Digital Media, Inc. ("Encompass"), a technology services business that captures, processes and delivers more than 25,000 hours of video across platforms for over 850 leading global content companies every day, which he joined in January 2015. As Chief Executive Officer, Mr. Walters oversees Encompass's day-to-day operations on a worldwide basis. Mr. Walters joined Encompass from The Weather Company, a weather focused media information services company that owned and operated The Weather Channel, weather.com, intellicast.com, Weather Underground and WSI, where he served as the Chief Operating Officer from March 2012 to December 2014. Prior to The Weather Company, he served in a variety of leadership roles at Bloomberg L.P. between 2008 and 2012, most recently as the Chief Operating Officer of the Bloomberg Industry Verticals Group, responsible for operations, strategy, business development, and expansion of the premium web-based subscription businesses. Previously, Mr. Walters was a partner at McKinsey & Co., advising media, entertainment, and investment companies. Mr. Walters holds a Bachelor of Science from The University of Vermont and an M.B.A. from the University of Chicago.

Relevant Qualifications and Experience: Mr. Walters has extensive operational and management experience from his work as an executive and an advisor to a variety of companies. Mr. Walters' experience also includes work with technology businesses that are relevant to the Company's current operations. The Board believes this experience and knowledge provides valuable guidance in its oversight obligations as it continues its transformation into a technology enabled financial solutions company and seeks to meet its strategic growth initiatives.

Class III Directors - Terms Expiring in 2020

| Name of Director | Age | Positions with Blucora | Director Since |
|----------------------|-----|------------------------|----------------|
| Georganne C. Proctor | 61 | Director Nominee | 2017 |
| Mary S. Zappone | 53 | Director | 2015 |

Georganne C. Proctor was elected to the Board on June 1, 2017. Ms. Proctor is the former Chief Financial Officer of TIAA-CREF, a national financial services organization, a position she held from 2006 to 2010. From 2003 to 2005, Ms. Proctor was Executive Vice President, Finance of Golden West Financial Corporation. She served as Chief Financial Officer of Bechtel Group, Inc. from 1997 to 2002 and as a director of Bechtel from 1999 to 2002. Since 2006, Ms. Proctor has been a director of Redwood Trust, Inc., a NYSE listed company, where she currently is Chair of the Compensation Committee and a member of the Audit Committee. From 2013 until 2017, she was a director of SunEdison, Inc., a NYSE listed company. Since 2011, Ms. Proctor has also served on the Board of Directors of Och-Ziff Capital Management Group, a NYSE listed company, where she is the Chair of the Audit Committee. Ms. Proctor holds a B.S. in Business Management from the University of South Dakota and an M.B.A. from California State University at Hayward.

Relevant Qualifications and Experience: Ms. Proctor has significant financial and accounting experience and has worked closely with boards and board committees throughout her career, including as the chief financial officer of large financial institutions. This experience provides her with a thorough understanding of public company reporting obligations, Sarbanes-Oxley compliance and planning, and treasury and liquidity management. Furthermore, her service on the audit and compensation committees of other public companies gives her a strong background in the oversight of financial and corporate governance matters.

Mary S. Zappone has served as a director of Blucora since March 2015. Ms. Zappone has extensive experience as an executive, including her current tenure as Chief Executive Officer of Brace Industrial Group, an industrial services company. Prior to joining Brace in October 2017, she served as President and Chief Executive Officer of Service Champ, a specialty distributor of consumable automotive aftermarket maintenance parts and accessories, from November 2015 to September 2017. Prior to joining Service Champ, she served as President and Chief Executive Officer of RecoverCare, a supplier of healthcare equipment, from May 2011 to February 2015. Ms. Zappone worked at Alcoa, Inc. from 2006 to 2011, serving in a variety of roles, most recently as President of the Alcoa Oil & Gas

Group, where she was responsible for operations, strategy, business development, and expansion of the aluminum alloy product systems business. During her career, she has also held other senior-level positions at Tyco International, General Electric, and Exxon, and worked at McKinsey & Co., where she advised companies in improving operating performance, capital investment, and merger and acquisition strategies. She earned her undergraduate degree from Johns Hopkins University, and her M.B.A. in Finance at Columbia Business School.

Relevant Qualifications and Experience: Ms. Zappone has significant operational and management experience from her career as an executive and advisor. This experience includes high-level roles at companies that are renowned for their operational excellence, and the Board believes Ms. Zappone is a valuable resource for both the Board and management as the Company seeks to optimize its current operations and seeks to meet its strategic growth initiatives.

Independence, Committee and Other Board Information

Independence

NASDAQ listing rules require that a majority of the members of the Board of Directors be independent directors. The Board of Directors recently undertook its annual review of director independence in accordance with the applicable rules of NASDAQ. The independence rules include a series of objective tests, including that the director is not employed by the Company and has not engaged in various types of business dealings with the Company. In addition, the Board of Directors is required to make a subjective determination as to each independent director that no relationships exist that, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Board of Directors has affirmatively determined that each of our directors, excluding Mr. Clendening, is independent as defined in the NASDAQ rules. Mr. Clendening is not considered independent because he is an employee of the Company.

Each of the members of the Audit Committee, Compensation Committee, and Nominating and Governance Committee are independent under the NASDAQ rules. In addition, the Board of Directors has affirmatively determined that each of the members of the Audit Committee qualifies as independent under the audit committee independence rules established by the SEC.

There are no family relationships between any of our directors, Director Nominees or executive officers.

Board Committees

The Board of Directors' committee structure currently consists of three principal committees: the Audit Committee, the Compensation Committee and the Nominating and Governance Committee. Our Board has adopted a written charter for each of its committees.

The Audit Committee

The Audit Committee currently consists of the following independent directors: Georganne C. Proctor (Chair), William L. Atwell and Lance Dunn. The Audit Committee is responsible for providing independent and objective oversight and review of the Company's auditing, accounting, and financial reporting processes. Among other functions, the Audit Committee's duties include the following:

- Reviewing and approving the appointment, compensation, oversight, and retention of the independent registered public accounting firm;
- Pre-approving all services (audit and non-audit) to be performed by the independent registered public accounting firm;
- Monitoring the adequacy and effectiveness of accounting and financial controls, including internal control over financial reporting;
- Reviewing the audited financial statements and quarterly unaudited financial information and discussing them with management and the independent registered public accounting firm;
- Establishing procedures for receiving and reviewing accounting-related complaints and concerns by whistle blowers;
- Reviewing and monitoring compliance with risk management and investment policies;
- Reviewing and pre-approving related person transactions; and

Reviewing and monitoring compliance with the Code of Ethics and Conduct and recommending changes to the Code of Ethics and Conduct to the Board as appropriate.

The Board of Directors has determined that each Audit Committee member has sufficient knowledge in reading and understanding financial statements to serve on the Audit Committee. The Board of Directors has further determined that Ms. Proctor and Mr. Atwell each qualify as an “audit committee financial expert” in accordance with SEC rules and the professional experience requirements of NASDAQ. The designation of an “audit committee financial expert” does not impose upon such person any duties, obligations, or liabilities that are greater than those that are generally imposed on him or her as a member of the Audit Committee and the Board of Directors, and such designation does not affect the duties, obligations, or liability of any other member of the Audit Committee or the Board of Directors. Under the terms of the Audit Committee Charter, the Audit Committee is authorized to engage independent advisors, at the Company’s expense, to advise the Audit Committee on any matters within the scope of the Audit Committee’s duties. The Audit Committee may also form subcommittees and delegate its authority to those subcommittees as it deems appropriate.

The Compensation Committee

The Compensation Committee currently consists of the following independent directors: H. McIntyre Gardner (Chair), Georganne C. Proctor and Mary Zappone. The Compensation Committee’s duties include the following:

Evaluating the performance of, and reviewing and approving (or recommending to the Board) the compensation of, our CEO and other executive officers;

Reviewing and making recommendations to management regarding general compensation goals and guidelines for employees and criteria by which employee bonuses are determined;

Monitoring compensation trends;

- Overseeing the independent compensation consultant;

Reviewing the Company’s compensation policies and practices for all employees, including a review of the interaction between compensation incentives that could encourage risk-taking and the Company’s risk management policies and practices; and

Acting as administrator of our stock plans.

Under the terms of the Compensation Committee Charter, the Compensation Committee is authorized to engage independent advisors, at the Company’s expense, to advise the Compensation Committee on any matters within the scope of the Committee’s duties. The Compensation Committee may also form subcommittees and delegate its authority to those subcommittees as it deems appropriate. A description of the considerations and determinations of the Compensation Committee regarding the compensation of our Named Executive Officers is contained in “Compensation Discussion and Analysis” below.

The Nominating and Governance Committee

The Nominating and Governance Committee currently consists of the following independent directors: Christopher Walters (Chair), Steven Aldrich and Mary Zappone. The Nominating and Governance Committee’s duties include:

Assisting the Board of Directors by identifying prospective director nominees to fill vacancies and recommending to the Board of Directors the director nominees for the next annual meeting of stockholders;

Reviewing, and recommending to the Board of Directors any appropriate changes to, the Company’s Corporate Governance Guidelines and Director Nomination Policy;

Reviewing proposed changes to the Company’s Certificate of Incorporation and Bylaws and making recommendations for any such changes to the Board of Directors;

Evaluating the performance and effectiveness of the committees and the Board of Directors as a whole;

Recommending to the Board of Directors membership for each committee;

- Recommending to the full Board of Directors any changes to the non-employee director compensation program;
- Overseeing director orientation and education;
- Evaluating committee structure and recommending changes to the Board of Directors;
- Monitoring compliance with independence standards by the directors;
- Monitoring, and periodically reporting to the Board of Directors, any significant developments in the law and practice of corporate governance; and
- Considering stockholder nominees for election to the Board of Directors as described below under “Director Nomination Process.”

As part of each Committee's annual review of their charters, in November 2017, oversight of director compensation was moved from the Compensation Committee to the Nominating and Governance Committee. A description of the compensation program for our non-employee directors for 2017 is set forth in “Director Compensation” below.

Meeting Attendance

The Board of Directors and each of its committees held the following meetings during 2017:

- Board of Directors - 9 meetings;
- Audit Committee - 9 meetings;
- Compensation Committee - 12 meetings; and
- Nominating and Governance Committee - 9 meetings.

For 2017, each director attended at least 75% of the aggregate number of meetings of the Board of Directors and committees thereof, if any, on which such director served during the period for which he or she was a director or committee member. The Board of Directors has not adopted a formal policy regarding directors' attendance at the annual meetings of stockholders. In 2017, all of the Company's Board members attended the annual meeting of stockholders, excluding Mr. Hooper who retired from the Board on the date of the annual meeting.

Leadership Structure

The leadership structure of the Board of Directors consists of Chairman, William L. Atwell, and the chairs of each of the principal committees of the Board of Directors. The Company's Bylaws require that the Chairman be an independent director, and thus the Chairman position is not combined with the Chief Executive Officer position, which is currently filled by John S. Clendening. The Board of Directors believes that the current leadership structure is appropriate for the Company because it balances the operational and day-to-day management leadership of the Chief Executive Officer with the independent oversight provided by the independent Chairman of the Board and the independent chairs of each of the principal committees. This structure ensures that oversight of risk management and the Company's management is distributed among multiple independent directors. The Board of Directors currently believes that this distribution of oversight is the best method of ensuring optimal Company performance and risk management.

Risk Management

Management is responsible for our day-to-day enterprise risk management activities, and the Board of Directors has oversight responsibility for managing risk, focusing on the adequacy of the Company's risk management and mitigation processes. The Board of Directors has an active role, as a whole and also at the committee level, in overseeing our risk management. The Board of Directors regularly receives reports from senior management on areas of our material risk, including our credit, liquidity, operational, cybersecurity, compliance and legal and regulatory risks, and regularly devotes time during its meetings to review and discuss our most significant risks, management's responses to those risks and the mitigation of those risks.