

Square, Inc.  
Form DEF 14A  
April 26, 2019  
Table of Contents

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

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

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

**SQUARE, INC.**

**(Name of Registrant as Specified In Its Charter)**

Payment of Filing Fee (Check the appropriate box):

Edgar Filing: Square, Inc. - Form DEF 14A

No fee required.

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

- (1) Title of each class of securities to which transaction applies:
  
- (2) Aggregate number of securities to which transaction applies:
  
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
  
- (4) Proposed maximum aggregate value of transaction:
  
- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
  
- (2) Form, Schedule or Registration Statement No.:
  
- (3) Filing Party:
  
- (4) Date Filed:

**Table of Contents**

**Proxy**

**Statement**

Notice of 2019 Annual

Meeting of Stockholders

June 18, 2019

Table of Contents

**SQUARE, INC.**

**1455 MARKET STREET, SUITE 600**

**SAN FRANCISCO, CALIFORNIA 94103**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To Be Held at 1:00 p.m. Pacific Time on Tuesday, June 18, 2019**

Dear Stockholders of Square, Inc.:

We cordially invite you to attend the 2019 annual meeting of stockholders (the Annual Meeting) of Square, Inc., a Delaware corporation, which will be held virtually on **Tuesday, June 18, 2019, at 1:00 p.m. Pacific Time**. You can attend the Annual Meeting by visiting [www.virtualshareholdermeeting.com/SQ2019](http://www.virtualshareholdermeeting.com/SQ2019), where you will be able to listen to the meeting live, submit questions and vote your shares online during the meeting, just as you could at an in-person meeting.

We are holding the Annual Meeting for the following purposes, as more fully described in the accompanying proxy statement:

1. To elect four Class I directors to serve until the 2022 annual meeting of stockholders and until their successors are duly elected and qualified;
2. To approve, on an advisory basis, the compensation of our named executive officers; and
3. To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

Our board of directors has fixed the close of business on April 23, 2019 as the record date for the Annual Meeting. Only stockholders of record on April 23, 2019 are entitled to notice of, and to vote at, the Annual Meeting. A list of stockholders entitled to vote at the Annual Meeting will be available for examination during ordinary business hours for 10 days prior to the Annual Meeting at our headquarters located at 1455 Market Street, Suite 600, San Francisco, California 94103. The stockholder list will also be available online during the Annual Meeting. Further information regarding voting rights, the matters to be voted upon and instructions to attend the Annual Meeting is presented in the accompanying proxy statement.

The accompanying proxy statement and our annual report can be accessed by visiting [www.proxyvote.com](http://www.proxyvote.com). You will be asked to enter the 16-digit control number located on your Notice of Internet Availability of Proxy Materials, your proxy card or the instructions that accompanied your proxy materials to attend the Annual Meeting.

**YOUR VOTE IS IMPORTANT. Whether or not you plan to attend the Annual Meeting, we urge you to submit your vote via the Internet, telephone or mail as soon as possible to ensure your shares are represented. For additional instructions on attending the Annual Meeting or voting your shares, please refer to the section titled Questions and Answers About Our Proxy Materials and Annual Meeting in this proxy statement. Returning the proxy does not deprive you of your right to attend the Annual Meeting and to vote your shares at the Annual Meeting.**

We appreciate your continued support of Square.

By order of the Board of Directors,

Jack Dorsey

President, Chief Executive Officer and

Chairman of the Board

San Francisco, California

April 26, 2019

**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
<u>EXECUTIVE SUMMARY</u>	i
<u>BOARD OF DIRECTORS AND CORPORATE GOVERNANCE</u>	1
<u>Nominees for Director</u>	1
<u>Continuing Directors</u>	2
<u>Director Independence</u>	4
<u>Board Leadership Structure and Role of Our Lead Independent Director</u>	5
<u>Board Meetings and Committees</u>	5
<u>Compensation Committee Interlocks and Insider Participation</u>	9
<u>Considerations in Evaluating Director Nominees</u>	9
<u>Stockholder Recommendations and Nominations to the Board of Directors</u>	10
<u>Communications with the Board of Directors</u>	11
<u>Corporate Governance Guidelines and Code of Business Conduct and Ethics</u>	11
<u>Stock Ownership Guidelines</u>	11
<u>Risk Management</u>	12
<u>Corporate Responsibility and Sustainability</u>	13
<u>Director Compensation</u>	14
<u>PROPOSAL NO. 1 ELECTION OF DIRECTORS</u>	19
<u>Nominees</u>	19
<u>Vote Required</u>	19
<u>PROPOSAL NO. 2 ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS</u>	20
<u>Vote Required</u>	20
<u>RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	21
<u>Fees Paid to the Independent Registered Public Accounting Firm</u>	21
<u>Auditor Independence</u>	22
<u>Audit and Risk Committee Policy on Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm</u>	22
<u>REPORT OF THE AUDIT AND RISK COMMITTEE</u>	23
<u>EXECUTIVE OFFICERS</u>	24
<u>EXECUTIVE COMPENSATION</u>	25
<u>Compensation Discussion and Analysis</u>	25
<u>Compensation Committee Report</u>	38
<u>Compensation Risk Assessment</u>	39
<u>Compensation Tables</u>	40
<u>EQUITY COMPENSATION PLAN INFORMATION</u>	49
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	50
<u>PAY RATIO DISCLOSURE</u>	54
<u>CERTAIN RELATIONSHIPS, RELATED PARTY AND OTHER TRANSACTIONS</u>	55
<u>Policies and Procedures for Related Party Transactions</u>	56
<u>QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND OUR ANNUAL MEETING</u>	57
<u>OTHER MATTERS</u>	64
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	64



**Table of Contents****EXECUTIVE SUMMARY**

*This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.*

**Information about our 2019 Annual Meeting of Stockholders**

**Date and Time:** Tuesday, June 18, 2019, at 1:00 p.m. Pacific Time.

**Location:** The Annual Meeting will be a completely virtual meeting. You can attend the Annual Meeting by visiting [www.virtualshareholdermeeting.com/SQ2019](http://www.virtualshareholdermeeting.com/SQ2019), where you will be able to listen to the meeting live, submit questions and vote your shares online during the meeting.

**Record Date:** April 23, 2019

**Voting Matters**

	<b>Proposals</b>	<b>Board Recommendation</b>	<b>Page Number for Additional Information</b>
<b>1</b>	The election of Jack Dorsey, David Viniar, Paul Deighton and Anna Patterson as Class I directors.	<b>FOR</b>	19
<b>2</b>	The approval, on an advisory basis, of the compensation of our named executive officers.	<b>FOR</b>	20

We will also transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof. As of the date of this proxy statement, we have not received notice of any such business.

**Information About Our Independent Registered Public Accounting Firm**

Our audit and risk committee routinely reviews the performance and retention of our independent auditor and has recently submitted a request for proposal to several firms for the current fiscal year, including our current independent registered public accounting firm, KPMG LLP. In light of this ongoing process, we are not submitting a proposal for the ratification of the appointment of our independent registered public accounting firm as our independent registered public accounting firm at the Annual Meeting. However, we expect to resume this practice in 2020. For additional information, see [Ratification of Appointment of Independent Registered Public Accounting Firm](#).





**Table of Contents****Corporate Governance Highlights**

We are committed to having sound corporate governance principles that we believe promote long-term value and serve the best interest of all our stockholders, sellers, customers and other stakeholders. Some highlights of our corporate governance practices are listed below:

- Proactive approach to board pipeline management
- 10 out of 11 directors are independent
- 3 out of 11 directors are women
- 4 out of 5 executive officers are women
- Separate lead independent director and Chairman
- Regular executive sessions of independent directors
- Strong risk oversight by full board and committees
- Annual board of director and committee evaluations
- Significant stock ownership requirements for directors and executive officers
- Insider Trading policy prohibits hedging and pledging transactions
- All board committees are 100% independent
- Each director attended at least 75% of board and committee meetings

**Our 2019 Director Nominees**

Our Class I director nominees demonstrate a mix of experiences and perspectives.

<b>Name</b>	<b>Director Since</b>	<b>Experience</b>	<b>Indep- dence</b>	<b>Board and Committee Positions</b>	<b>Other Current Public Company Boards</b>
Jack Dorsey	2009	Co-Founder, President and CEO of Square Co-Founder, President and CEO of Twitter		Chairperson	Twitter

David Viniar	2013	Former CFO of The Goldman Sachs Group	Lead Independent Director Audit and Risk Committee (Chair) Nominating and Corporate Governance Committee	The Goldman Sachs Group
Paul Deighton	2016	Former U.K. Commercial Secretary to the Treasury	Compensation Committee Capital Compliance and Governance Committee (Chair)	None
Anna Patterson	2017	Founder and Managing Partner, Gradient Ventures	Audit and Risk Committee Capital Compliance and Governance Committee	None

---

**Table of Contents**

**Executive Compensation Philosophy and Highlights**

*Our Compensation Philosophy*

Square stands for economic empowerment, and everything we do is intended to give our sellers accessible, affordable tools designed to help them start, run and grow their businesses to fully participate in the economy. Today, our Cash App product has begun to build a similar ecosystem of services for individuals. Our customers inspire us in how they innovate, take risks and take ownership. We want our employees, like our customers, to act like owners. Our compensation approach reflects this philosophy.

To this end, our compensation programs are designed to attract, retain and grow the best teams while reflecting the core tenets of our culture:

*Fairness:* By designing and delivering compensation programs that are generally equitable across similarly situated employees, our employees are motivated to work collaboratively to achieve our long-term business objectives and serve our sellers.

*Simplicity:* By providing compensation programs that are simple and do not distract from their day-to-day responsibilities, our employees are able to focus on growing our business and are rewarded when Square is successful.

*Performance-driven:* By creating compensation programs that reward individual performance and achievement of corporate objectives, our employees are incentivized to perform their best work and receive financial awards for their impact on Square and our business.

*Executive Compensation Highlights*

**CEO Compensation.** At his request, our chief executive officer receives no cash or equity compensation except for an annual salary of \$2.75.

**Annual Say-on-Pay Vote.** We conduct an annual non-binding advisory vote on the compensation of our named executive officers. At our 2018 annual meeting of stockholders, more than 98% of the votes cast on the say-on-pay proposal were voted in favor of the named executive officers' compensation.

**Clawback Policy.** Our executives are subject to a clawback policy, which permits our board to require forfeiture or reimbursement of incentive compensation if an executive engages in certain misconduct.

**Independent Compensation Consultant.** Our compensation committee engages its own independent compensation consultant to advise on executive and non-employee director compensation matters.

**Alignment with Company Success.** A substantial percentage of our executive's compensation aligns with the long-term success of the company through grants of stock options and restricted stock-based awards.

**Risk Oversight.** Risk and exposures mitigated by strong oversight by our compensation committee.

**Stock Ownership Guidelines.** Our stock ownership guidelines require significant stock ownership levels and are designed to align the long-term interests of our executives and non-employee directors with those of our stockholders.

**Table of Contents****BOARD OF DIRECTORS AND CORPORATE GOVERNANCE**

Square, Inc., a Delaware corporation (referred to herein as the Company, Square, we, us or our), is committed to having sound corporate governance principles. Our business affairs are managed under the direction of our board of directors, which is currently composed of 11 members. All of our directors, other than Mr. Dorsey, are independent within the meaning of the listing standards of the New York Stock Exchange. Our board of directors is divided into three staggered classes of directors. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the class whose term is then expiring.

The following table sets forth the names, ages as of March 31, 2019 and certain other information for each of the members of our board of directors with terms expiring at our 2019 annual meeting of stockholders (and any postponements, adjournments or continuations thereof (the Annual Meeting)), who are also nominees for election as a director at the Annual Meeting, and for each of the continuing members of our board of directors:

Name	Class	Age	Position	Director Since	Current Term Expires	Expiration of Term For Which Nominated
<b>Directors with Terms Expiring at the Annual Meeting/Nominees</b>						
Jack Dorsey	I	42	President, Chief Executive Officer and Chairman	2009	2019	2022
David Viniar(1)(2)	I	63	Lead Independent Director	2013	2019	2022
Paul Deighton(3)(4)	I	63	Director	2016	2019	2022
Anna Patterson(2)(4)	I	53	Director	2017	2019	2022
<b>Continuing Directors</b>						
Roelof Botha(2)(3)	II	45	Director	2011	2020	
James McKelvey	II	53	Director	2009	2020	
Ruth Simmons(1)(4)	II	73	Director	2015	2020	
Randy Garutti(1)	III	43	Director	2017	2021	
Mary Meeker(3)	III	59	Director	2011	2021	
Naveen Rao(3)	III	43	Director	2017	2021	
Lawrence Summers(2)	III	64	Director	2011	2021	

(1) Member of our nominating and corporate governance committee

(2) Member of our audit and risk committee

(3) Member of our compensation committee

(4) Member of Capital compliance and governance committee

**Nominees for Director**

*Jack Dorsey* is our co-founder and has served as our President and Chief Executive Officer and as a member of our board of directors since July 2009. From May 2007 to October 2008, Mr. Dorsey served as President and Chief Executive Officer of Twitter, Inc. In July 2015, Mr. Dorsey returned to Twitter and serves as Chief Executive Officer.

Edgar Filing: Square, Inc. - Form DEF 14A

He has served as a director of Twitter since May 2007. Mr. Dorsey is committed to his chief executive officer roles at both Square and Twitter. While he does not have minimum time commitments at either company, he devotes significant time, attention and efforts to each of them. He generally divides his time roughly

---

SQUARE 2019 Proxy Statement 1

## **Table of Contents**

equally between them several days a week, and he retains flexibility to ensure he can re-allocate his time based on the needs of each business. The particulars of his time-allocation strategy may change over time. Mr. Dorsey also served as a member of the board of directors of The Walt Disney Company until March 2018.

Mr. Dorsey was selected to serve on our board of directors because of the perspective and experience he provides as our President and Chief Executive Officer and one of our founders, as well as his extensive experience with technology companies and innovation.

*David Viniar* has served as a member of our board of directors since October 2013. From August 1980 until his retirement in January 2013, Mr. Viniar served in various positions at The Goldman Sachs Group, including as Chief Financial Officer, Executive Vice President and Head of the Operations, Technology, Finance and Services Division. Mr. Viniar currently serves on the boards of directors of The Goldman Sachs Group and a number of privately-held companies. Mr. Viniar holds a B.A. in Economics from Union College and an M.B.A. from Harvard Business School.

Mr. Viniar was selected to serve on our board of directors because of his financial, risk management and business expertise.

*Paul Deighton* has served as a member of our board of directors since May 2016. Mr. Deighton has served as the non-executive chairman of The Economist Group since June 2018 and of Heathrow Airport Holdings Limited, the owner of Heathrow Airport in the United Kingdom, since June 2016. From December 2012 to May 2015, Mr. Deighton served as Commercial Secretary to the Treasury and as a member of the House of Lords in the United Kingdom. Mr. Deighton previously served as the Chief Executive Officer of the London Organising Committee of the Olympic and Paralympic Games and held various roles at The Goldman Sachs Group, an investment bank. Mr. Deighton currently serves on the board of the Holdingham Group, an advisory firm, and as a member of the Parliamentary Committee overseeing the restoration of the Houses of Parliament. Mr. Deighton holds a B.A. in Economics from Trinity College, Cambridge University.

Mr. Deighton was selected to serve on our board of directors because of his financial and business expertise, as well as his international perspective and his government and regulatory experience.

*Anna Patterson* has served as a member of our board of directors since November 2017. Since April 2017, Ms. Patterson has served as Founder and Managing Partner at Gradient Ventures, Google's artificial intelligence-focused venture fund, and since September 2010, as a Vice President of Engineering at Google. Prior to that, from January 2007 to September 2010, Ms. Patterson served as Co-Founder and President at Cuil, and from February 2004 to January 2007, as Director of Engineering at Google. Ms. Patterson also currently serves on the National Council at the School of Engineering and Applied Science at Washington University in St. Louis and on the boards of directors of a number of privately-held companies. Ms. Patterson holds a B.S. in Computer Science and Electrical Engineering from Washington University in St. Louis and a Ph.D. in Computer Science from the University of Illinois at Urbana-Champaign.

Ms. Patterson was selected to serve on our board of directors because of her engineering and business experience as well as her financial expertise as a founder of a venture fund.

## **Continuing Directors**

*Roelof Botha* has served as a member of our board of directors since January 2011. Since January 2003, Mr. Botha has served in various positions at Sequoia Capital, a venture capital firm,





**Table of Contents**

including as a Managing Member of Sequoia Capital Operations, LLC. From 2000 to 2003, Mr. Botha served in various positions at PayPal, Inc., including as Chief Financial Officer. Mr. Botha currently serves on the boards of directors of Eventbrite, Inc., Natera, Inc. and MongoDB, Inc. and a number of privately-held companies, and previously served on the board of directors of Xoom Corporation until it was acquired by PayPal, Inc. in November 2015. Mr. Botha holds a B.S. in Actuarial Science, Economics and Statistics from the University of Cape Town and an M.B.A. from the Stanford Graduate School of Business.

Mr. Botha was selected to serve on our board of directors because of his financial and managerial experience.

*James McKelvey* is our co-founder and has served as a member of our board of directors since July 2009. Since July 2013, Mr. McKelvey has served as a Managing Director of SixThirty FinTech Accelerator, LLC, a financial technology accelerator. Since March 2012, Mr. McKelvey has served as a General Partner of Cultivation Capital, a venture capital firm. Since January 1990, Mr. McKelvey has served in various positions at Mira Smart Conferencing, a digital conferencing company. Mr. McKelvey currently serves on the boards of directors of a number of privately-held companies, as well as the Federal Reserve Bank of St. Louis. Mr. McKelvey holds a B.S. in Computer Science and a B.A. in Economics from Washington University in St. Louis.

Mr. McKelvey was selected to serve on our board of directors because of the perspective and experience he brings as one of our founders.

*Dr. Ruth Simmons* has served as a member of our board of directors since August 2015. Dr. Simmons is President of Prairie View A&M University, having served as interim President from July 2017 to December 2017, and President Emerita of Brown University, having served as President from July 2001 to June 2012. Prior to that, Dr. Simmons served as President of Smith College from 1995 to 2001 and Vice Provost of Princeton University from 1991 to 1995. Dr. Simmons currently serves on the boards of directors of Fiat Chrysler Automobiles N.V. and a number of privately-held companies, and previously served on the board of directors of Mondelez International, Inc. until November 2017 and Texas Instruments Inc. until April 2016. Dr. Simmons holds a B.A. in French from Dillard University and a Ph.D. in Romance Languages and Literatures from Harvard University.

Dr. Simmons was selected to serve on our board of directors because of her expertise on educational and public policy issues and her service on the boards of directors of a number of public companies.

*Randy Garutti* has served as a member of our board of directors since July 2017. Since April 2012, Mr. Garutti has served as Chief Executive Officer and on the board of directors of Shake Shack. Prior to becoming Chief Executive Officer, Mr. Garutti served as Chief Operating Officer of Shake Shack since January 2010. Before Shake Shack, Mr. Garutti was the Director of Operations for Union Square Hospitality Group, LLC, overseeing the operations for all its restaurants. Additionally, Mr. Garutti currently serves on the board of directors of the Columbus Avenue Business Improvement District, a not-for-profit organization. Mr. Garutti holds a B.S. from Cornell University's School of Hotel Administration.

Mr. Garutti was selected to serve on our board of directors because of his business expertise and leadership of a global brand.

*Mary Meeker* has served as a member of our board of directors since June 2011. Since January 2019, Ms. Meeker has served as a General Partner of Bond Capital. From December 2010



## **Table of Contents**

to December 2018, Ms. Meeker served as a General Partner of Kleiner Perkins Caufield & Byers. From 1991 to 2010, Ms. Meeker worked at Morgan Stanley as a Managing Director and Research Analyst. Ms. Meeker currently serves on the boards of directors of LendingClub Corporation, DocuSign and a number of privately-held companies. Ms. Meeker holds a B.A. in Psychology from DePauw University and an M.B.A. from Cornell University.

Ms. Meeker was selected to serve on our board of directors because of her extensive experience advising and analyzing technology companies.

*Naveen Rao* has served as a member of our board of directors since September 2017. Mr. Rao currently serves as Corporate Vice President and General Manager of the Artificial Intelligence Products Group at Intel Corporation, after serving as Vice President and General Manager of Artificial Intelligence Solutions from August 2016 to March 2017. In February 2014, Mr. Rao co-founded Nervana Systems, Inc. and served as Chief Executive Officer until Nervana's acquisition by Intel in August 2016. From October 2012 until February 2014, Mr. Rao was a neuromorphic machines researcher at Qualcomm Incorporated, and prior to that, he served as an Assistant Vice President at Investment Technology Group, Inc. from October 2011 to October 2012. Mr. Rao also currently serves as a member of the Technical Advisory Board at Mythic, Inc. and on the boards of directors of a number of privately-held companies. Mr. Rao holds a B.S.E.E. in Electrical Engineering and Computer Science from Duke University and a Ph.D. in Computational Neuroscience from Brown University.

Mr. Rao was selected to serve on our board of directors because of his experience with machine learning and technology as well as his business expertise as a founder.

*Dr. Lawrence Summers* has served as a member of our board of directors since June 2011. Since January 2011, Dr. Summers has served as the Charles W. Eliot University Professor & President Emeritus of Harvard University and the Weil Director of the Mossavar-Rahmani Center for Business & Government at the Harvard Kennedy School. From January 2009 to December 2010, Dr. Summers served as Director of the National Economic Council for President Obama. Dr. Summers previously served as President of Harvard University, and he has also served in various other senior policy positions, including as Secretary of the Treasury and Vice President of Development Economics and Chief Economist of the World Bank. Dr. Summers currently serves as the Chairman of the International Advisory Board at Santander Bank and on the boards of directors of a number of privately-held companies. Dr. Summers holds a B.S. in Economics from Massachusetts Institute of Technology and a Ph.D. in Economics from Harvard University.

Dr. Summers was selected to serve on our board of directors because of his extensive policy experience and in-depth knowledge of macroeconomic trends.

## **Director Independence**

Our Class A common stock is listed on the New York Stock Exchange. Under the listing standards of the New York Stock Exchange, independent directors must comprise a majority of a listed company's board of directors. In addition, the listing standards of the New York Stock Exchange require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and corporate governance committees be independent. Under the listing standards of the New York Stock Exchange, a director will only qualify as an independent director if, in the opinion of that listed company's board of directors, that director does not have a material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). As noted in the commentary to the listing standards, the concern is independence from management.



## **Table of Contents**

Audit and risk committee members must also satisfy the additional independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act), and the listing standards of the New York Stock Exchange. Compensation committee members must also satisfy the additional independence criteria set forth in Rule 10C-1 under the Exchange Act and the listing standards of the New York Stock Exchange.

Our board of directors has undertaken a review of the independence of each of our directors. Based on information provided by each director concerning his or her background, employment and affiliations, our board of directors has determined that Mses. Meeker and Patterson, Messrs. Botha, Deighton, Garutti, McKelvey, Rao and Viniar and Drs. Simmons and Summers do not have material relationships with the Company and that each of these directors is independent as that term is defined under the applicable rules and regulations of the Securities and Exchange Commission (SEC) and the listing standards of the New York Stock Exchange. In making the determination of the independence of our directors, the board of directors considered relevant transactions between Square and entities associated with our directors or members of their immediate families, including transactions involving Square and payments made to or from companies and entities in the ordinary course of business where our directors or members of their immediate families serve as partners, directors or as a member of the executive management of the other party to the transaction, and determined that none of these relationships constitute material relationships that would impair the independence of our directors.

### **Board Leadership Structure and Role of Our Lead Independent Director**

Mr. Dorsey currently serves as both the Chairman of our board of directors and as our Chief Executive Officer. Our independent directors bring experience, oversight and expertise from outside of our company, while Mr. Dorsey brings current company-specific experience, leadership and insight. As our co-founder and Chief Executive Officer, Mr. Dorsey is best positioned to identify strategic priorities, oversee product development, lead critical discussions and execute our business plans.

Our board of directors has adopted Corporate Governance Guidelines that provide that one of our independent directors should serve as our Lead Independent Director at any time when the Chairman of our board of directors is not independent, including when our Chief Executive Officer serves as the Chairman of our board of directors. Because Mr. Dorsey is our Chairman and is not an independent director as defined in the listing standards of the New York Stock Exchange, our board of directors has appointed Mr. Viniar to serve as our Lead Independent Director. As our Lead Independent Director, Mr. Viniar presides over periodic meetings of our independent directors, serves as a liaison between our Chief Executive Officer and Chairman and our independent directors and performs such additional duties as our board of directors may otherwise determine and delegate. We believe that the structure of our board of directors and committees of our board of directors provides effective independent oversight of management, while Mr. Dorsey's combined role enables strong leadership, creates clear accountability and enhances our ability to communicate our message and strategy clearly and consistently to stockholders.

### **Board Meetings and Committees**

During our fiscal year ended December 31, 2018, our board of directors held seven meetings (including regularly scheduled and special meetings), and each director attended at least 75% of the aggregate of (i) the total number of meetings of our board of directors held during the period for which he or she has been a director and (ii) the total number of meetings held by all committees of our board of directors on which he or she served during the periods that he or she served.



## **Table of Contents**

Although our Corporate Governance Guidelines do not have a formal policy regarding attendance by members of our board of directors at annual meetings of stockholders, we encourage, but do not require, our directors to attend. All of our directors attended our 2018 annual meeting of stockholders.

Our board of directors has established an audit and risk committee, a compensation committee, a nominating and corporate governance committee and a Capital compliance and governance committee. The composition and responsibilities of each of the committees of our board of directors is described below. Members will serve on these committees until their resignation or until otherwise determined by our board of directors.

### ***Audit and Risk Committee***

Our audit and risk committee consists of Ms. Patterson, Messrs. Botha and Viniar and Dr. Summers, with Mr. Viniar serving as Chair. Each of our audit and risk committee members meets the requirements for independence for audit committee members under the listing standards of the New York Stock Exchange and SEC rules and regulations. Each member of our audit and risk committee also meets the financial literacy and sophistication requirements of the listing standards of the New York Stock Exchange. In addition, our board of directors has determined that Mr. Viniar is an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act of 1933, as amended ( Regulation S-K ). Our audit and risk committee is, among other things, responsible for the following:

selecting and hiring a qualified independent registered public accounting firm to audit our financial statements;

helping to ensure the independence and performance of the independent registered public accounting firm;

reviewing our financial statements and discussing the scope and results of the independent audit and quarterly reviews with the independent registered public accounting firm, and reviewing, with management and the independent registered public accounting firm, our interim and year-end results of operations and the reports and certifications regarding internal controls over financial reporting and disclosure controls;

preparing, reviewing and approving the audit and risk committee report that the SEC requires to be included in our annual proxy statement;

reviewing the adequacy and effectiveness of our disclosure controls and procedures, and developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;

reviewing our program and policies on risk assessment and risk management, including risks associated with data privacy and cybersecurity;

Edgar Filing: Square, Inc. - Form DEF 14A

reviewing and overseeing related party transactions for which review or oversight is required by applicable law or required to be disclosed in our financial statements or SEC filings; and

approving or, as required,