

CROSS COUNTRY HEALTHCARE INC  
Form DEF 14A  
April 09, 2018  
**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

**CROSS COUNTRY HEALTHCARE, INC.**  
**(Name of Registrant as Specified In Its Charter)**

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth  
(3) 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.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**CROSS COUNTRY HEALTHCARE, INC.**  
**5201 Congress Avenue, Suite 100B**  
**Boca Raton, Florida 33487**

April 9, 2018

Dear Cross Country Healthcare Stockholder:

We invite you to attend our Annual Meeting of Stockholders. The meeting will be held on Tuesday, May 22, 2018 at 12:00 p.m. Eastern Time at the offices of Cross Country Healthcare, Inc. at 5201 Congress Avenue, Suite 100B, Boca Raton, Florida 33487.

On the following pages, you will find the Notice of Meeting, which lists the matters to be considered and acted upon at the meeting, and the Proxy Statement. After the formal business session, we will discuss the financial results for 2017 and report on current operations.

Your vote is very important regardless of the number of shares you own. Detailed voting instructions appear on page 1 of the Proxy Statement. The Board of Directors unanimously recommends that you vote **FOR** Proposals I, II, and III described in the Proxy Statement.

Sincerely,

Thomas C. Dircks  
*Chairman*

William J. Grubbs  
*President and Chief Executive Officer*

**CROSS COUNTRY HEALTHCARE, INC.**  
**5201 Congress Avenue, Suite 100B**  
**Boca Raton, Florida 33487**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD MAY 22, 2018**

To the Holders of Common Stock:

The Annual Meeting of Stockholders of Cross Country Healthcare, Inc. (the Company) will be held at the offices of Cross Country Healthcare, Inc. at 5201 Congress Avenue, Suite 100B, Boca Raton, Florida 33487 on Tuesday, May 22, 2018, at 12:00 p.m. Eastern Time for the following purposes:

1. The election of seven directors to the Company's Board of Directors to hold office until the next Annual Meeting or until their respective successors are duly elected and qualified;
  2. The approval and ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2018;
  3. The non-binding advisory vote to approve compensation of the Company's named executive officers, as described in this proxy statement; and
  4. To transact such other business, if any, as may properly come before the meeting or any adjournment thereof.
- Stockholders of record at the close of business on March 27, 2018 are entitled to receive notice of, and to vote at, the Annual Meeting.

**Important Notice Regarding the Availability of  
Proxy Materials for the Annual Meeting of Stockholders  
to be Held on May 22, 2018**

The Proxy Statement and the Annual Report to stockholders are available online at our website at <http://ir.crosscountryhealthcare.com>. We are pleased to take advantage of the Securities and Exchange Commission rules that allow us to furnish these proxy materials and our Annual Report to stockholders on the Internet. We believe that posting these materials on the Internet enables us to provide stockholders with the information that they need more quickly, while lowering our costs of printing and delivery and reducing the environmental impact of our Annual Meeting.

By Order of the Board of Directors,

Susan E. Ball  
*Executive Vice President,  
General Counsel and Secretary*

April 9, 2018

**YOUR VOTE IS IMPORTANT. ACCORDINGLY, THE COMPANY URGES YOU TO COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE ANNUAL MEETING. STOCKHOLDERS CAN ALSO RETURN THEIR VOTE BY THE INTERNET OR BY PHONE – PLEASE SEE THE PROXY CARD FOR VOTING INSTRUCTIONS.**

**CROSS COUNTRY HEALTHCARE, INC**  
**5201 Congress Avenue, Suite 100B**  
**Boca Raton, Florida 33487**

## **PROXY STATEMENT**

### **GENERAL INFORMATION**

These proxy materials are furnished in connection with the solicitation by the Board of Directors of Cross Country Healthcare, Inc. ( Cross Country, the Company, our, we, or us ), a Delaware corporation, of proxies to be voted at the 2018 Annual Meeting of Stockholders (the Annual Meeting ), or at any adjournment or postponement thereof.

You are invited to attend our Annual Meeting on Tuesday, May 22, 2018, beginning at 12:00 p.m. Eastern Time at the offices of Cross Country Healthcare, Inc. at 5201 Congress Avenue, Suite 100B, Boca Raton, Florida 33487.

**Electronic Notice and Mailing.** Pursuant to the rules promulgated by the Securities and Exchange Commission, or the Commission, we are making our proxy materials available to you on the Internet. Accordingly, we will mail a Notice of Internet Availability of proxy materials (which we refer to as the Notice of Internet Availability) to the beneficial owners of our common stock, par value \$.0001 per share, or Common Stock, on or about April 9, 2018. From the date of the mailing of the Notice of Internet Availability until the conclusion of the Annual Meeting, all beneficial owners will have the ability to access all of the proxy materials at [www.proxyvote.com](http://www.proxyvote.com). All stockholders will have an opportunity to request a paper or e-mail delivery of these proxy materials.

The Notice of Internet Availability will contain:

- the date, time and location of the Annual Meeting, the matters to be acted upon at the Annual Meeting and the Board of Directors' recommendation with regard to each matter;
- the Internet address that will enable access to the proxy materials;
- a comprehensive listing of all proxy materials available on the website;
- a toll-free phone number, e-mail address and Internet address for requesting either paper or e-mail delivery of proxy materials;
- the last reasonable date a stockholder can request materials and expect them to be delivered prior to the meeting; and
- instructions on how to access the proxy card.

You may also request a paper or e-mail delivery of the proxy materials on or before the date provided in the Notice of Internet Availability by calling 1-800-579-1639. We will fill your request within three business days. You will also have the option to establish delivery preferences that will be applicable for all your future mailings.

**How to Vote.** Stockholders of record (that is, stockholders who hold their shares in their own name) can vote any one of four ways:

- By Internet:* Go to the website [www.proxyvote.com](http://www.proxyvote.com) to vote via the Internet. You will need to follow the (1) instructions on your proxy card and the website. If you vote via the Internet, you may incur telephone and Internet access charges.
- (2) *By Telephone:* Call the toll-free number 1-800-690-6903 to vote by telephone. You will need to follow the instructions on your proxy card and the recorded instructions.
- By Mail:* If you prefer, you can contact us to obtain copies of all proxy materials, including proxy cards, by calling (3) 1-800-579-1639, or by mail: Cross Country Healthcare, Inc., General Counsel, at 5201 Congress Avenue, Suite 100B, Boca Raton, Florida, 33487. If you contact us to request a proxy

card, please mark, sign and date the proxy card and return it promptly in the self-addressed, stamped envelope, that we will provide. If you sign and return your proxy card but do not give voting instructions, the shares represented by that proxy will be voted as recommended by the Board of Directors.

*In Person:* You can attend the Annual Meeting, or send a personal representative with an appropriate proxy, to vote by ballot. Record holders and other beneficial owners holding shares in the name of a bank, broker or other holder (4) of record ( street name ) or their proxies may attend the Annual Meeting in person. When you arrive at the Annual Meeting, you must present photo identification, such as a driver's license.

If you vote via the Internet or by telephone, your electronic vote authorizes the named proxies to vote in the same manner as if you signed, dated and returned your proxy card. If you vote via the Internet or by telephone, do not mail a proxy card.

If your shares are held in street name you will receive instructions from the holder of record that you must follow in order for your shares to be voted. Internet and telephone voting also will be offered to stockholders owning shares through most banks and brokers.

***Stockholders Entitled to Vote.*** Persons holding shares of our Common Stock at the close of business on March 27, 2018, the record date for the Annual Meeting, are entitled to receive notice of and to vote their shares at the Annual Meeting. As of that date, there were 36,156,825 shares of Common Stock outstanding. Each share of Common Stock is entitled to one vote on each matter properly brought before the Annual Meeting.

***Revocability of Proxies.*** You may revoke your proxy and reclaim your right to vote up to and including the day of the Annual Meeting by giving written notice of revocation to us (to the attention of the Inspectors of Election), timely delivering a valid, later-dated proxy or voting by ballot at the Annual Meeting. Please note that attendance at the Annual Meeting will not by itself revoke a proxy.

***Vote at the Annual Meeting.*** Your mail-in vote, your e-vote or vote by telephone will not limit your right to vote at the Annual Meeting if you later decide to attend in person. If your shares are held in street name, as described above, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the meeting.

All shares that have been properly voted and not revoked will be voted at the Annual Meeting in accordance with your instructions. If you sign and return your proxy card, or vote by internet or telephone but fail to give voting instructions, the shares represented by the proxy will be voted by the Proxy Committee as recommended by the Board of Directors. The Proxy Committee consists of William J. Grubbs and Thomas C. Dircks.

***Other Matters.*** Proxy cards, unless otherwise indicated by the stockholder, confer upon the Proxy Committee discretionary authority to vote all shares of stock represented by the proxies on any matter which may be properly presented for action at the Annual Meeting even if not covered herein. If any of the nominees for director named in Proposal I—Election of Directors should be unavailable for election, the proxies will be voted for the election of such other person as may be recommended by the Board of Directors in place of such nominee. The Board of Directors is not aware of any matter for action by the stockholders at the Annual Meeting other than the matters described in the Notice.

***Quorum.*** The presence, in person or by proxy, of the holders of a majority of the shares of Common Stock issued and outstanding entitled to vote at the Annual Meeting is required to constitute a quorum. Abstentions and broker non-votes (i.e., proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owner or other persons entitled to vote shares as to a matter with respect to which the brokers or nominees do not have discretionary power to vote) are counted as present for purposes of determining the presence or absence of a quorum for the transaction of business.

***Required Vote; Abstentions and Broker Non-Votes.*** Directors will be elected by a majority of the votes cast at the Annual Meeting in an uncontested election. Votes withheld, abstentions and broker non-votes will not have any effect on the outcome of voting with respect to the election of directors, unless no affirmative votes are received for a nominee. The affirmative vote of holders of a majority of shares represented at the Annual Meeting, in person or by proxy, and entitled to vote is required for approval of (i) the election of seven directors to the Company's Board of Directors to hold office until the next Annual Meeting or until their respective

successors are duly elected and qualified, (ii) the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018, and (iii) the non-binding vote regarding the compensation of the Company's named executive officers as described in this proxy statement. Abstentions have the same effect as a vote against these proposals. Broker non-votes are deemed not entitled to vote and are not counted as votes for or against any proposal.

***Proxy Solicitation.*** We will bear the cost of solicitation, including the preparation, assembly, printing and mailing of the proxy materials. Copies of solicitation materials will be furnished to brokerage houses, fiduciaries and custodians holding shares in their names that are beneficially owned by others so that they may forward this solicitation material to such beneficial owners. In addition, we may reimburse such persons for their costs in forwarding the solicitation materials to such beneficial owners. The original solicitation of proxies by mail may be supplemented by a solicitation by telephone, telegram or other means by our directors, officers or employees. No additional compensation will be paid to these individuals for any such services. Except as described above, we do not presently intend to solicit proxies other than by mail.

***Stockholder Communications.*** The Board of Directors has adopted a process by which stockholders may communicate with our directors. Any stockholder wishing to do so may call our toll-free phone number at 800-354-7197 or send an e-mail to [governance@crosscountryhealthcare.com](mailto:governance@crosscountryhealthcare.com). All such communications will be kept confidential and forwarded directly to the Board of Directors or any individual director or committee of the Board of Directors, as applicable.

***Code of Ethics and Business Ethics Policy.*** We have adopted a code of ethics and a business ethics policy that applies to all of our employees, including executive officers and the Board of Directors. The code of ethics and business ethics policy are available on our website at [www.crosscountryhealthcare.com](http://www.crosscountryhealthcare.com) by choosing the Investors link, clicking on the Corporate Governance section, and selecting the respective document under View. A copy is on file with the Commission as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2015 (filed as Exhibit 14.1 on March 11, 2016).



**SECURITY OWNERSHIP OF CERTAIN  
BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information, as of March 27, 2018, regarding the beneficial ownership of our Common Stock by each person who is known by us to be the beneficial owner of 5% or more of our Common Stock, our Chief Executive Officer, Chief Financial Officer, and the three most highly compensated persons (other than the CEO and CFO) who were serving as executive officers at December 31, 2017 (referred to herein as Named Executive Officers, or the NEOs), each of our directors and director nominees, and all directors and executive officers as a group. The percentages in the last column are based on 36,156,825 shares of Common Stock outstanding on March 27, 2018, plus the number of shares of Common Stock deemed to be beneficially owned by such individual or group pursuant to Rule 13d-3(d)(1) of the Securities Exchange Act of 1934, as amended, or the Exchange Act. In each case, except as otherwise indicated in the footnotes to the table, the shares shown in the second column are owned directly by the individual or members of the group named in the first column and such individual or group members have sole voting and dispositive power with respect to the shares shown. For purposes of this table, beneficial ownership is determined in accordance with federal securities laws and regulations. Persons shown in the table disclaim beneficial ownership of all securities not held by such persons directly and inclusion in the table of shares not owned directly by such persons does not constitute an admission that such shares are beneficially owned by the director or officer for purposes of Section 16 of the Exchange Act or any other purpose. Shares of Common Stock subject to options that are currently exercisable or exercisable within 60 days of March 27, 2018 are deemed outstanding for computing the ownership percentage of the stockholder holding such shares, but are not deemed outstanding for computing the ownership percentage of any other stockholder.

Name	Number of Shares of Common Stock Beneficially Owned	Percentage of Outstanding Common Stock Owned
BlackRock Inc.	4,588,476 (a)(b)	12.7 %
Wellington Management Group LLP	4,205,534 (a)(c)	11.6 %
T Rowe Price Associates Inc.	2,293,830 (a)(d)	6.3 %
Vanguard Group	1,989,915 (a)(e)	5.5 %
Vickie L. Anenberg	—(f)(g)	—
Susan E. Ball	128,399 (f)(g)	*
William J. Burns	113,371 (f)(g)	*
W. Larry Cash	108,021 (f)(g)	*
Thomas C. Dircks	114,571 (f)(g)	*
Gale Fitzgerald	93,560 (f)(g)	*
William J. Grubbs	353,741 (f)(g)	*
Richard M. Mastaler	73,933 (f)(g)	*
Robert Murphy	22,465 (f)(g)	*
Mark Perlberg	26,040 (f)(g)	*
Joseph A. Trunfio, Ph.D.	119,360 (f)(g)	*
All directors and executive officers as a group	1,232,041 (h)	3.4 %

\*Less than 1%

Addresses are as follows: BlackRock, Inc., 55 East 52<sup>nd</sup> Street, New York, NY 10055; Wellington Management (a)Group LLP, 280 Congress Street, Boston, MA 02210; T Rowe Price Associates Inc., 100 E. Pratt Street, Baltimore, MD 21202; and Vanguard Group Inc., 100 Vanguard Blvd, Malvern, PA 19355.

The information regarding the beneficial ownership of shares by BlackRock, Inc. was obtained from its statement (b) on Schedule 13G/A, filed with the Commission on January 23, 2018. Such statement discloses that BlackRock, Inc. has sole voting power of 4,524,104 shares and has sole dispositive power of 4,588,476 shares.

- The information regarding the beneficial ownership of shares by Wellington Management Group LLP was obtained from its statement on Schedule 13G/A, filed with the Commission on February 8, 2018. Such
- (c) statement discloses that Wellington Management Group LLP possesses shared voting power over 3,057,521 shares and shared dispositive power over 4,205,534 shares.

- The information regarding the beneficial ownership of shares by T Rowe Price Associates Inc. was obtained from its statement on Schedule 13G/A, filed with the Commission on February 14, 2018. Such statement discloses that T
- (d) Rowe Price Associates Inc. possesses sole voting power over 343,900 shares and sole dispositive power over 2,293,830 shares.

- The information regarding the beneficial ownership of shares by Vanguard Group Inc. was obtained from its statement on Schedule 13G/A, filed with the Commission on February 9, 2018. Such statement discloses that
- (e) Vanguard Group Inc. possesses sole voting power over 54,878 shares, shared voting power over 3,100 shares, sole dispositive power over 1,936,937 shares, and shared dispositive power over 52,978 shares.

- Includes shares of Common Stock which such individuals have the right to acquire through the exercise of equity awards within 60 days of March 27, 2018 as follows: Vickie L. Anenberg, 0; Susan E. Ball, 5,625; William J. Burns, 0; W. Larry Cash, 0; Thomas C. Dircks, 0; Gale Fitzgerald, 0; William J. Grubbs, 0; Richard M. Mastaler, 0;
- (f) Robert Murphy, 2,750; Mark Perlberg, 0; and Joseph A. Trunfio, 0. Includes Restricted Shares as follows: Vickie L. Anenberg, 0; Susan E. Ball, 27,923; William J. Burns, 45,272; W. Larry Cash, 17,306; Thomas C. Dircks, 17,306; Gale Fitzgerald, 17,306; William J. Grubbs, 145,240; Richard M. Mastaler, 17,306; Robert Murphy, 10,213; Mark Perlberg, 17,306; and Joseph A. Trunfio, 17,306.

- (g) Address is c/o Cross Country Healthcare, Inc., 5201 Congress Avenue, Suite 100B, Boca Raton, Florida 33487.

- (h) Includes 8,375 shares of Common Stock which the directors and executive officers have the right to acquire through the exercise of equity awards within 60 days of March 27, 2018 and 386,348 shares of Restricted Stock.

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

The members of our Board of Directors, our executive officers and persons beneficially owning 10% or more of our outstanding Common Stock are subject to the reporting requirements of Section 16(a) of the Exchange Act that requires them to file reports with respect to their ownership of our Common Stock and their transactions in such Common Stock. Based solely upon a review of (i) the copies of Section 16(a) reports that we have received from such persons or entities for transactions in our Common Stock and their Common Stock holdings for the year ended December 31, 2017 and (ii) the written representations received from one or more of such persons or entities that no annual Form 5 reports were required to be filed by them for such fiscal year, we believe that all reporting requirements under Section 16(a) for such fiscal year were met in a timely manner by our directors, executive officers and beneficial owners of 10% or more of our Common Stock.

**BOARD OF DIRECTORS**

The Board of Directors currently consists of seven members. All of the directors currently serving on the Board of Directors have been nominated by the Governance and Nominating Committee of the Board of Directors to stand for re-election at the Annual Meeting of Stockholders for one-year terms. The Board of Directors unanimously approved these nominations. Each nominee elected will hold office until the Annual Meeting of Stockholders to be held in 2019 and until a successor has been duly elected and qualified unless, prior to such meeting a director shall resign, or his or her directorship shall become vacant due to his or her death, resignation or removal. All nominees were elected at the Annual Meeting of Stockholders held in 2017.

Each nominee has agreed to serve, if elected, and management has no reason to believe that they will be unavailable to serve. If any of the nominees should be unavailable for election, the proxies will be voted for the election of such other person as may be recommended by the Board of Directors in place of such nominee. Shares properly voted will be voted FOR the nominees unless the stockholder indicates on the proxy that authority to vote the shares is withheld for one or more or for all of the nominees listed. A proxy cannot be voted for a greater number of persons than the seven nominees named below. Directors are elected by a majority of the votes cast in an uncontested election. Votes withheld, abstentions and broker non-votes will not have any effect on the outcome of voting with respect to the election of directors unless no affirmative votes are received for a nominee. The following seven individuals have been nominated for election at the Annual Meeting of Stockholders for a one-year term ending upon the 2019 Annual Meeting of Stockholders:

<b>Name</b>	<b>Age</b>	<b>Position</b>
William J. Grubbs	60	President, Chief Executive Officer and Director
W. Larry Cash	69	Director
Thomas C. Dircks	60	Chairman of the Board and Director
Gale Fitzgerald	67	Director
Richard M. Mastaler	72	Director
Mark Perlberg	62	Director
Joseph A. Trunfio, Ph.D.	71	Director

The Board recommends that holders vote **FOR** the election of the nominees.

In selecting qualified individuals to serve on our Board of Directors, among other attributes, we look for those individuals who possess characteristics that include integrity, business experience, financial acumen and leadership abilities, familiarity with our business and businesses similar or analogous to ours, and the extent to which a candidate's knowledge, skills, background and experience are already represented by other members of our Board of Directors. In addition, in composing a well-rounded Board of Directors, we look for those individuals possessing a diversity of complementary skills, core-competencies and expertise, including diversity with respect to age, gender, national origin and race, for the optimal functioning of the Board and with a view toward constituting a Board with the appropriate skills and experience necessary to oversee our business.

The following information sets forth the principal occupation and employment during at least the past five years of each director nominee, positions and offices with us, specific skills, attributes and qualifications and certain other information. In addition, we have summarized for each director nominee why such director nominee has been chosen to serve on our Board of Directors. No family relationship exists among any of the nominees or executive officers.

**William J. Grubbs** became President, Chief Operating Officer and a director of the Company on April 1, 2013. He became Chief Executive Officer of the Company on July 5, 2013. From October 2012 through March 2013, Mr. Grubbs was Executive Vice President and Chief Operating Officer of Trueblue, Inc., a staffing company. From 2005 through 2011, Mr. Grubbs held various senior executive positions with SFN Group, Inc., a staffing company formerly

known as Spherion Corporation ( SFN Group, Inc. ). Mr. Grubbs holds a B.S. degree in Computer Science from University of New Hampshire. He is currently a member of the Board of Directors of Volt Information Sciences, Inc.

The Board has concluded that Mr. Grubbs should serve as a director due to his extensive executive level management skills and operational experience.

**W. Larry Cash** has been a director and Audit Committee member since October 2001 and a Compensation Committee member since May 2005. Mr. Cash is Chairman of the Audit Committee. Mr. Cash retired as President of Financial Services and Chief Financial Officer of Community Health Systems in May 2017 and currently serves as a consultant to Community Health Systems. He joined Community Health Systems as Executive Vice President and Chief Financial Officer in September 1997 and was named to the board of directors of Community Health Systems in 2001. Prior to joining Community Health Systems, Mr. Cash served as Vice President and Group Chief Financial Officer of Columbia/HCA Healthcare Corporation from September 1996 to August 1997. Prior to Columbia/HCA, Mr. Cash spent 23 years at Humana, Inc., most recently as Senior Vice President of Finance and Operations from 1993 to 1996. He received his B.S. in Accounting from the University of Kentucky at Lexington. He has served as a member of the Board of Directors and the Audit Committee of AAC Holdings, Inc. since October 2017, a provider of substance use treatment centers.

For eleven consecutive years, Mr. Cash was recognized as one of the Top 3 CFOs in the healthcare sector by *Institutional Investor* magazine. He was named *Business Tennessee*'s first ever CFO of the Year in 2008 and also earned that distinction in the public companies category from the *Nashville Business Journal* in 2009.

The Board has concluded that Mr. Cash should serve as a director due to his extensive executive level management skills, corporate financial management and operational experience. Additionally, Mr. Cash has a vast understanding of many aspects of the healthcare industry and brings solid expertise and proven leadership skills to the Board.

**Thomas C. Dircks** has been a director since July 1999 and was elected to serve as Chairman of the Board of Directors on August 2, 2013. Mr. Dircks is a Managing Director of Charterhouse Strategic Partners, a provider of strategically focused investments in growth companies in the United States. Mr. Dircks was previously Managing Partner of Charterhouse Equity Partners and was responsible for managing and overseeing the investment of Charterhouse's multi-billion dollars of North America focused institutional private equity funds. Charterhouse was one of the earliest investors in private equity and raised funds and invested in middle market companies for over three decades. Prior to joining Charterhouse, he was employed by PricewaterhouseCoopers as a Certified Public Accountant. He holds a B.S. in Accounting and a Masters of Business Administration from Fordham University.

The Board has concluded that Mr. Dircks should serve as a director due to his extensive executive management, accounting, tax, mergers and acquisition, and strategic planning expertise. Additionally, Mr. Dircks' risk management skills and financial acumen add an important dimension to our Board's composition.

**Gale Fitzgerald** has been a director and member of the Audit Committee since May 2007, and since January 2014 has served as the Chairperson of the Governance and Nominating Committee. Ms. Fitzgerald is a retired principal of TranSpend, Inc., a consulting company. Before co-founding TranSpend, Inc. in 2003, she served as the President of QP Group, Inc. Prior to joining QP Group, Inc., she served as the Chairman and Chief Executive Officer of Computer Task Group, Inc. from 1994 to 2000. She joined Computer Task Group, Inc. in 1991 as Senior Vice President and was promoted to President and Chief Operating Officer in July 1993. Prior to joining Computer Task Group, Inc., she was Vice President, Professional Services at International Business Machines Corporation, which evolved into IBM Global Services. Ms. Fitzgerald worked at IBM for 18 years in various technical, marketing and management positions. She is a member of the Board of Directors of Diebold Nixdorf, Inc. Ms. Fitzgerald has a B.A. in Government from Connecticut College and a Masters in Theology from Augustine Institute.

The Board has concluded that Ms. Fitzgerald should serve as a director because of her extensive executive leadership experience, management skills, and public board experience. Ms. Fitzgerald's expertise in the areas of Information Technology, Staffing and Healthcare provides an invaluable resource to the Board with respect to corporate and strategic planning and assessing and managing risks.

**Richard M. Mastaler** has been a director since June 21, 2011. Mr. Mastaler has served on the Audit Committee and Governance and Nominating Committee since January 2014. In 2017, Mr. Mastaler retired as the Chairman and Chief

Executive Officer of Managed Health Ventures, Inc., a managed care consulting firm, which he founded in 2002. He previously held the position of Chief Executive Officer with CCN Managed Care, Inc., Preferred Health Networks, QualMed, Inc., Unilab Corporation, and three Humana hospitals. Mr. Mastaler was a

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founder and Vice President with Humana Medical Plan. He also is a Fellow of the American College of Healthcare Executives. Mr. Mastaler holds a B.S. degree in Business Administration from Florida State University and a Masters in Healthcare Administration from George Washington University.

The Board has concluded that Mr. Mastaler should serve as a director because of his extensive healthcare and management experience. Mr. Mastaler's experience in the healthcare industry provides an excellent resource to the Board for strategic planning, marketing and leadership purposes.

**Mark Perlberg** has been a director and Compensation Committee member since May 12, 2015. He is currently President and Chief Executive Officer of Oasis Outsourcing, one of the nation's leading Professional Employer Organizations. He has served in that capacity since October 2003. Prior to joining Oasis Outsourcing, Mr. Perlberg held a series of executive positions with Profit Recovery Group, the John Harland Group and Western Union. Prior to joining Western Union, he practiced law in New Jersey. Mr. Perlberg received his B.A. degree in History from the University of Rochester and his Juris Doctor degree from Boston College Law School.

The Board has concluded that Mr. Perlberg should serve as a director due to his extensive executive management and leadership experience in growing companies both organically and through acquisitions. Mr. Perlberg's success during his career in overseeing the delivery of alternative workforce solutions provides a unique perspective to the Company.

**Joseph A. Trunfio, Ph.D.** has been a director since October 2001. He has served on the Governance and Nominating Committee since May 2006 and was appointed to the Compensation Committee as its Chairman, effective January 1, 2014. He served as President and Chief Executive Officer of Atlantic Health System, a not-for-profit hospital group, from March 1999 until his retirement in May 2015, where he was a member of the Board of Trustees. From July 1997 to February 1999, Mr. Trunfio served as President and Chief Executive Officer of Via Caritas Health System, a not-for-profit hospital group. Prior to his position with Via Caritas Health System, he served as President and Chief Executive Officer of SSM Healthcare Ministry Corp., a not-for-profit hospital group. Mr. Trunfio received his B.A. from St. John's University (N.Y.) and holds a Ph.D. in Clinical Psychology from the University of Miami.

The Board has concluded that Mr. Trunfio should serve as a director due to his extensive executive management and leadership experience. Mr. Trunfio brings to the Board a depth of understanding of the delivery of healthcare delivery system in the United States, our business and the various challenges we face in the evolving healthcare industry.

#### **Affirmative Determinations Regarding Director Independence and Other Matters**

The Board of Directors observes all criteria for independence established by the Nasdaq Stock Market, or NASDAQ, under its applicable Listing Rules. As such, the Board of Directors has determined each of the following directors and nominees to be an independent director under the meaning of Rule 5605(a) (2) of the Nasdaq Listing Rules:

W. Larry Cash  
Thomas C. Dircks  
Gale Fitzgerald  
Richard M. Mastaler  
Mark Perlberg  
Joseph A. Trunfio, PhD

The Board of Directors has also determined that each member of the Audit, Compensation and Governance and Nominating Committees meets the applicable independence requirements set forth by NASDAQ, the Commission and the Internal Revenue Service. The Board of Directors has further determined that W. Larry Cash, a member and Chairman of the Audit Committee, is an audit committee financial expert as defined in the rules promulgated by the Commission and, as such, Mr. Cash satisfies the requirements of Rule 5605(c)(2) of the Nasdaq Listing Rules.



**Board Committees and Meetings**

**Meetings of the Board of Directors.** During the year ended December 31, 2017, there were 6 meetings of the Board of Directors. Each director who served in such capacity during the year ended December 31, 2017

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attended 100% of the aggregate number of meetings of the Board of Directors, and 100% of the committee or committees thereof on which he or she served. All of the directors nominated for election to the Board were members of the Board for the entire 2017 year. It is the practice of the Board of Directors to have the independent directors meet in an executive session at each meeting of the Board. It is also our practice that all directors should attend the Annual Meeting of Stockholders. All of the directors attended the 2017 Annual Meeting.

**Board Leadership Structure and Role in Risk Oversight.** Our Company is led by Mr. William J. Grubbs, who has served as our President and Chief Executive Officer since July 5, 2013. Our Board of Directors is currently comprised of Mr. Grubbs, our Chief Executive Officer, and six independent directors. Mr. Dircks has served as the Chairman of the Board since 2013. Each of our Audit, Compensation and Governance and Nominating Committees are comprised entirely of independent directors. While risk management is primarily the responsibility of our management team, the Board is responsible for the overall supervision of our risk management activities which occurs at both the full Board level and at the committee level. Our Audit Committee also has the responsibility to, among other things, review with management, the Company's policies regarding major financial risk exposures and the steps management has taken to monitor and control such exposures. The Audit Committee also reviews with management, the policies governing the process by which risk assessment and risk management are undertaken and has oversight for the effectiveness of management's enterprise risk management process that monitors key business risks facing us. In addition to our Audit Committee, the other committees of the Board consider the risks within their areas of responsibility. For example, the Compensation Committee assesses risk that could result from the structure and design of our executive compensation programs, our incentive compensation plans, director compensation, perquisites and compliance with the Sarbanes-Oxley Act of 2002 regarding prohibitions on loans to executive officers and directors. The Governance and Nominating Committee evaluates risks with respect to, among other things, corporate governance matters and the background and suitability of director nominees. Additionally, the Board of Directors continually evaluates our risks related to liquidity, operations, credit, regulatory compliance and fiduciary risks, and the processes in place to monitor and control such exposures. Management also provides regular updates throughout the year to the respective committees regarding management of the risks they oversee, and each of these committees report their findings to the full Board, including any areas of risk that require Board attention. Additionally, the full Board reviews our short- and long-term strategies, including consideration of risks facing us and their potential impact.

The Board of Directors has determined that our current board leadership structure is appropriate and helps to ensure proper risk oversight for us for a number of reasons, the most significant of which are as follows:

- our Chief Executive Officer is the individual selected by the Board of Directors to manage us on a day-to-day basis and his direct involvement in our operations makes him best positioned to consult with our Board to create appropriate agendas for Board meetings and determine the time allocated to each agenda item in discussions of our short- and long-term objectives, as well as lead productive strategic planning sessions with the Board;
- members of the Board are kept informed of our business by various documents sent to them before each meeting and as otherwise requested, as well as through oral reports made to them during these meetings by our Chief Executive Officer, Chief Financial Officer and other senior executives;
- our Board structure provides strong oversight by independent directors, in particular because non-management directors meet separately, the Board is advised of all actions taken by the various committees of the Board, they have full access to all of our books, records and reports;
- members of the Board have direct access to the management team and those individuals are available at all times to answer questions from the Board Members;
- our Board has extensive management experience in business and, in particular, the healthcare industry in which we operate; and
- the continuity and tenure of our Board provide a valuable source of institutional knowledge.

**Compensation-Related Risk.** Our Board has specifically reviewed and considered whether our compensation programs and policies create risks that are reasonably likely to have a material adverse effect on us. In that regard, we design our programs in a balanced and diversified manner while also creating significant,



yet appropriate, incentives for strong performance based on our business and strategic plan. In most cases, each component of our performance-based compensation program is subject to a limit on the amount paid. We believe that our compensation programs reflect a balance of short-term, long-term, guaranteed and performance-based compensation in order not to encourage excessive risk-taking. A significant portion of our compensation program includes performance-based compensation. We believe that this ensures that our NEOs and other employees focus on the health of our business that will deliver stockholder value over time and discourages excess risk-taking by our NEOs and other employees.

**Committees of the Board of Directors.** Our Board of Directors has three standing committees: Audit, Compensation and Governance and Nominating Committees. Each of these committees is comprised solely of independent directors within the meaning of Rule 5605(a) (2) of the Nasdaq Listing Rules. Each committee operates pursuant to a committee charter. The charters of each of the Audit, Compensation and Governance and Nominating Committees are available on our website at [www.crosscountryhealthcare.com](http://www.crosscountryhealthcare.com) by choosing the Investors link, clicking on the Corporate Governance section, and selecting the respective charter under View.

The current composition of our Board's standing committees is as follows:

### **Audit Committee**

The Audit Committee consists of Messrs. Cash and Mastaler and Ms. Fitzgerald. Mr. Cash joined the Audit Committee upon his appointment to the Board in October 2001; Ms. Fitzgerald joined the Audit Committee upon her appointment to the Board in May 2007; and Mr. Mastaler was appointed to serve on the Audit Committee, effective January 1, 2014. Mr. Cash is the Chairman of the Audit Committee. Messrs. Cash and Mastaler and Ms. Fitzgerald are independent directors under the Commission's rules and NASDAQ's Listing Rules for Audit Committees. The Audit Committee has adopted a written charter, which is available on our website as described under Committees of the Board of Directors. The Audit Committee is the principal agent of the Board of Directors in overseeing (i) the quality and integrity of our financial statements, (ii) legal and regulatory compliance, (iii) the independence, qualifications, and performance of our independent registered public accounting firm, (iv) the performance of our internal auditors and (v) the integrity of management and the quality and adequacy of disclosures to stockholders. The Committee also:

is responsible for hiring and terminating our independent registered public accounting firm and pre-approving all auditing, as well as any audit-related, tax advisory and any other non-auditing services to be performed by the independent registered public accounting firm;

reviews and discusses with our independent registered public accounting firm their quality control procedures and our critical accounting policies and practices;

regularly reviews the scope and results of audits performed by our independent registered public accounting firm and internal auditors;

- meets with management to review the adequacy of our internal control framework and our financial, accounting, and reporting and disclosure control processes;
- reviews our periodic filings and quarterly earnings releases;
- reviews and discusses with our chief executive and financial officers the procedures they follow to complete their certifications in connection with our periodic filings with the Commission; and
  - discusses management's plans with respect to our major financial risk exposures.

During 2017, there were 8 meetings of the Audit Committee. By meeting with independent auditors and internal auditors, and operating and financial management personnel, the Audit Committee oversees matters relating to accounting standards, policies and practices, any changes thereto and the effects of any changes on our financial statements, financial reporting practices and the quality and adequacy of internal controls.

Additionally our Internal Audit function reports directly to the Audit Committee. The Audit Committee regularly meets with our independent registered public accounting firm separate from management and regularly holds

executive sessions without management. In addition, the Audit Committee regularly meets with our Chief Financial Officer and Director of Internal Audit in separate executive sessions.

The Audit Committee has established procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. A toll-free phone number is available for confidential and anonymous submission of concerns relating to accounting, auditing and other illegal or unethical matters, as well as alleged violations of the Company's Code of Conduct or any other policies. All submissions are reported to the General Counsel and, in turn, to the Chairman of the Audit Committee. The Audit Committee has the power to retain independent counsel and other advisors as it deems necessary to carry out its duties.

The Board has determined that each member of the Audit Committee is able to read and understand fundamental financial statements, including our balance sheet, income statement and cash flow statement, as required by NASDAQ rules. In addition to determining that Mr. Cash is an audit committee financial expert under the Commission's rules, the Board has determined that Mr. Cash satisfies the Nasdaq rule requiring that at least one member of the Audit Committee have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the member's financial sophistication, including being, or having been, a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

### **Compensation Committee**

The role of the Compensation Committee includes (i) reviewing and approving corporate goals and objectives relevant to our Chief Executive Officer's compensation, (ii) evaluating our Chief Executive Officer's performance in light of the Company's goals and objectives, and determining and approving our Chief Executive Officer's compensation level based on this evaluation, and (iii) making recommendations to the Board with respect to compensation, incentive compensation plans and equity-based plans for all of our employees, including officers other than our Chief Executive Officer. The members of the Compensation Committee consist of Messrs. Trunfio, Cash and Perlberg who are independent directors under Rule 5605(a) (2) of the Nasdaq Listing Rules. Mr. Cash was appointed to the Compensation Committee in May 2005 and Mr. Trunfio was appointed to the Compensation Committee as its Chairman, effective January 1, 2014. Mr. Perlberg was appointed to the Compensation Committee, effective May 12, 2015. During 2017, there were 7 meetings of the Compensation Committee. The Compensation Committee has adopted a written charter, which is available on our website as described under Committees of the Board of Directors.

The agenda for meetings of the Compensation Committee is determined by its Chairman with the assistance of our Chief Executive Officer. Compensation Committee meetings are regularly attended by our Chief Executive Officer, General Counsel, and Chief Human Resources Officer, except for portions of the meetings with respect to voting or deliberation. The Compensation Committee's Chairman reports the Committee's recommendations on executive compensation to the Board of Directors.

Under its charter, the Compensation Committee has the authority and may, in its sole discretion, obtain advice and seek assistance from internal and external legal, accounting and other consultants. The Compensation Committee has the sole authority to select or receive advice from, and terminate a compensation consultant or other advisor to the Compensation Committee (other than in-house legal counsel) to assist in the evaluation of the compensation of our Chief Executive Officer, senior executives and directors, including sole authority to approve such firm's fees and other retention terms, and we provide appropriate funding as determined by the Compensation Committee. In selecting advisers, the Compensation Committee will take into consideration certain independence factors.

Continuing its engagement with the Company, Pearl Meyer & Partners, LLC ( Pearl Meyer ) served as its independent compensation consultant in 2017. In its role, Pearl Meyer rendered services specifically requested by the Compensation Committee, which included reviewing the pay of our executives and directors and making recommendations to and advising the Compensation Committee on compensation design and levels. The Compensation Committee assessed the independence of Pearl Meyer pursuant to the applicable Nasdaq and

Commission requirement and concluded that no conflict of interest exists that would prevent Pearl Meyer from serving as its independent consultant.

**Governance and Nominating Committee**

The role of the Governance and Nominating Committee is to: (i) develop and recommend to the Board of Directors a set of corporate governance principles and review them at least annually; (ii) determine the

qualifications for board membership and recommend nominees to the stockholders; and (iii) ensure a robust and effective performance evaluation process is in place for the Board, the CEO, and senior management, as well as an effective succession planning process for these positions.

The Amended and Restated Charter of the Governance and Nominating Committee is available on our website as described under Committees of the Board of Directors. Our Governance Guidelines are also available on our website at [www.crosscountryhealthcare.com](http://www.crosscountryhealthcare.com) by choosing the Investors link, clicking on the Corporate Governance section, and selecting the guidelines under View. The Governance and Nominating Committee consists of Ms. Fitzgerald and Messrs. Trunfio and Mastaler, who are all independent directors under Rule 5605(a) (2) of the Nasdaq Listing Rules. Ms. Fitzgerald was appointed to the Governance and Nominating Committee as its Chairman, effective January 1, 2014; Mr. Trunfio has served on the Committee since October 2001; and Mr. Mastaler was appointed to the Committee, effective January 1, 2014.

The Board's current policy with regard to the consideration of director candidates recommended by stockholders is that the Governance and Nominating Committee will review and consider any director candidates who have been recommended by stockholders in compliance with the procedures established from time to time by the Board (the current procedures are described below), and conduct inquiries as it deems appropriate. The Governance and Nominating Committee will consider for nomination any such proposed director candidate who is deemed qualified by the Governance and Nominating Committee in light of the minimum qualifications and other criteria for Board membership approved by the Board from time to time. To date, we have not received any recommendation from stockholders requesting that the Governance and Nominating Committee consider a candidate for inclusion among the Governance and Nominating Committee's slate of nominees in our Proxy Statement.

Certain identification and disclosure rules apply to director candidate proposals submitted to the Governance and Nominating Committee by any single stockholder or group of stockholders that has beneficially owned more than five percent of Common Stock for at least one year, referred to as a Qualified Stockholder Proposal. If the Governance and Nominating Committee receives a Qualified Stockholder Proposal with the necessary notice, information and consent provisions as referenced above, the proxy statement to which the Qualified Stock Proposal referred will disclose the name of the proposed candidate and the stockholder (or stockholder group) who recommended the candidate and will also disclose whether or not the Governance and Nominating Committee chose to nominate the proposed candidate. However, no such disclosure will be made without the written consent of both the stockholder (or stockholder group) and the proposed candidate to be so identified. The procedures described in this paragraph are not meant to replace or limit stockholders' general nomination rights in any way.

In considering director nominees, the Nominating Committee will consider the following:

- the needs of the Company with respect to particular areas of specialized knowledge;
- the relevant business experience of the nominee including, but not limited to, extensive experience in healthcare, staffing, IT, business, finance, or accounting;
- the personal and professional integrity of the nominee;
- the nominee's ability to commit the resources necessary to be an effective director of a public company, including the nominee's ability to attend meetings; and
- the overall balance of the Board.

Other than the foregoing, there are no stated minimum criteria for nominees, although the Governance and Nominating Committee may also consider other facts as it may deem are in the best interests of the Company and its stockholders.

All stockholder recommendations for director candidates must be submitted to our legal department at 5201 Congress Avenue, Suite 100B, Boca Raton, Florida, 33487, which will forward all recommendations to the Governance and Nominating Committee. All stockholder recommendations for director candidates must be submitted to us not less than 120 calendar days prior to the first anniversary of the date of our proxy statement released to stockholders in



connection with the previous year's Annual Meeting. All stockholder recommendations for director candidates must include the following information:

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the name and address of record of the stockholder;

- a representation that the stockholder is a record holder of our securities or, if the stockholder is not a record holder, evidence of ownership in accordance with Rule 14a-8(b) (2) of the Exchange Act;
- the name, age, business and residential address, educational background, current principal occupation or employment, and principal occupation or employment for the preceding five full fiscal years of the proposed director candidate;
- a description of the qualifications and background of the proposed director candidate that addresses the minimum qualifications and other criteria for Board membership approved by the Board from time to time;
- a description of all arrangements or understandings between any stockholder and the proposed director candidate;
- the consent of the proposed director candidate (i) to be named in the proxy statement relating to our Annual Meeting of Stockholders and (ii) to serve as a director if elected at such Annual Meeting; and
- any other information regarding the proposed director candidate that is required to be included in a proxy statement filed pursuant to the rules of the Commission.

There have been no changes to the procedures by which stockholders may recommend nominees to our Board of Directors since our last disclosure of such procedures, which appeared in the definitive proxy statement for our 2017 Annual Meeting of Stockholders.

The Governance and Nominating Committee pursues a rigorous process of Board evaluations and self-assessments on a continuous basis to determine the needs of the Board in terms of experience, expertise and knowledge. The Committee consults with external advisors on a regular basis to ensure the Board is appropriately staffed and governed in the best interests of the Company and its shareholders. The Governance and Nominating Committee is responsible for identifying and evaluating individuals qualified to become Board members, including nominees recommended by Stockholders, and recommending to the Board the persons to be nominated by the Board for election as directors at the Annual Meeting of Stockholders and the persons to be elected by the Board to fill any vacancies on the Board. Director nominees are selected by the Governance and Nominating Committee in accordance with the policies and principles in its charter and the criteria and process set forth above. There are no differences in the manner in which the Governance and Nominating Committee evaluates director nominees recommended by stockholders and a candidate that has been initially recommended by the Governance and Nominating Committee. The Nominating Committee has the authority to retain a search firm to identify or evaluate or assist in identifying and evaluating potential nominees.

During 2017, there were 3 meetings of the Governance and Nominating Committee.

## **COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

The members of the Compensation Committee are Messrs. Trunfio, Cash and Perlberg. During 2017:

no officer (or former officer) or employee of the Company or any of its subsidiaries served as a member of the Compensation Committee;

none of the members of the Compensation Committee had a direct or indirect material interest in any transaction in which the Company was a participant and the amount involved exceeded \$200,000, except that W. Larry Cash served as the President of Financial Services and Chief Financial Officer of Community Health Systems until May 2017 when he retired and, during our fiscal year ended December 31, 2017, we provided healthcare staffing services to Community Health Systems resulting in revenues to us of \$4,851,866;

none of our executive officers served on the Compensation Committee (or another Board committee with similar functions or, if there was no such committee, the entire Board of Directors) of another entity where one of that entity's executive officers served on our Compensation Committee;

none of our executive officers was a director of another entity where one of that entity's executive officers served on our Compensation Committee; and

none of our executive officers served on the Compensation Committee (or another Board committee with similar functions or, if there was no such committee, the entire Board of Directors) of another entity where one of that entity's executive officers served as a director on our Board.

### **Director Compensation and Other Arrangements**

In 2017, each independent director received an annual retainer of \$70,000; the Chairman of the Board received an additional annual retainer of \$85,000; the Chairman of the Audit Committee received an additional annual retainer of \$25,000; the Chairman of the Compensation Committee received an additional annual retainer of \$15,000; and the Chairperson of the Governance and Nominating Committee received an additional annual retainer of \$10,000. No payments were made for committee member services in 2017. In accordance with the 2014 Omnibus Incentive Plan, Messrs. Cash, Dircks, Mastaler, Perlberg, Trunfio and Ms. Fitzgerald also received a grant of restricted shares of Common Stock on June 1, 2017, the first day of the month following our Annual Meeting. Each such grant consisted of a number of shares of restricted Common Stock equal to approximately \$110,000, based on the closing price of our Common Stock on the date of grant. The restricted shares vest in three equal installments on the first, second and third anniversaries of the grant date. Directors are required to hold an amount of the Company's common stock equal to five times the annual cash retainer, which amount may be accumulated over five years. All directors are also reimbursed for the expenses they incur in attending meetings of the Board or Board committees.

**2017 DIRECTOR COMPENSATION TABLE**

The following table provides compensation information for our directors in 2017, except for Mr. Grubbs, our President and Chief Executive Officer. Compensation earned by Mr. Grubbs for 2017 is included in the Summary Compensation Table on page 30 of this proxy statement.

<b>Name</b>	<b>Fees</b>		<b>Total</b>
	<b>Earned or Paid in Cash (\$)</b>	<b>Stock Awards (\$)(1)</b>	
W. Larry Cash	95,000	110,000	205,000
Thomas C. Dircks	155,000	110,000	265,000
Gale Fitzgerald	80,000	110,000	190,000
Richard M. Mastaler	70,000	110,000	180,000
Mark Perlberg	70,000	110,000	180,000
Joseph A. Trunfio Ph.D.	85,000	110,000	195,000

(1) Amounts in this column reflect the aggregate grant date fair value of awards of restricted stock granted under our 2014 Omnibus Incentive Plan and computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 718, *Compensation-Stock Compensation* (ASC Topic 718). The assumptions used in determining the amounts in this column are set forth in Note 14 to our consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 filed with the SEC on March 2, 2018. The aggregate grant date fair value per share of restricted stock granted on June 1, 2017 was \$11.82. The restricted stock granted on June 1, 2017 vests in three equal installments on the first, second and third anniversaries of the grant date. Based on a grant date fair value of approximately \$110,000, the actual number of shares of restricted stock granted to each Director was 9,307. Aggregate restricted shares outstanding as of December 31, 2017 for each non-employee director were as follows: Mr. Cash: 17,306; Mr. Dircks: 17,306; Ms. Fitzgerald: 17,306; Mr. Mastaler: 17,306; Mr. Perlberg: 17,306 and Mr. Trunfio: 17,306.

**EXECUTIVE OFFICERS**

The following table sets forth certain information with respect to our current executive officers other than Mr. Grubbs whose information is provided as part of Proposal I:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Daniele Addis, MBA	58	SVP, Business Services
Susan E. Ball, JD, MBA, RN	54	EVP, General Counsel and Secretary
William J. Burns, MBA, CPA	48	EVP and Chief Operating Officer
Timothy Fischer	50	President, Medical Doctor Associates
William G. Halnon	59	Chief Information Officer
Kevin Ingham, JD	49	SVP, Chief Human Resource Officer
Robert Murphy	59	President, Workforce Solutions
		SVP, Chief Financial Officer and Principal Accounting Officer
Christopher R. Pizzi, CPA	47	Officer
Buffy Stultz White	44	President – Travel Nurse and Allied
Marisa L. Zaharoff	44	President – Branch Operations

**Daniele Addis** has served as Senior Vice President, Business Services since January 29, 2014. From September 2011 to January 2014, Ms. Addis was Senior Vice President, Shared Services of Randstad Professionals, a staffing company. Prior to that, she was Vice President, Shared Services and held various other positions at SFN Group, Inc. From January 1998 to January 2006, Ms. Addis was Senior Finance Manager of Office Depot, Inc. Ms. Addis holds a Bachelor in Business from Ecole Supérieure de Commerce, Nantes, France, a Master of Arts in Economics from George Mason University and a Master of Business Administration from Jacksonville University.

**Susan E. Ball** has served as an Executive Vice President of the Company since January 1, 2017, as General Counsel since May 2004 and Secretary since March 2010. Prior to that, Ms. Ball served as our Corporate Counsel from March 2002 to May 2004. Ms. Ball also served as a Director of Jamestown Indemnity, Ltd. from September 2008 until its liquidation in the third quarter of 2015. Before joining us, Ms. Ball practiced law at Gunster, Yoakley & Stewart, P.A. from November 1998 to March 2002 and at Skadden, Arps, Slate, Meagher and Flom from 1996 to November 1998. Prior to practicing law, Ms. Ball was a registered nurse. Ms. Ball received her B.S. degree in Nursing from The Ohio State University, her Juris Doctor degree from New York Law School, and her Masters of Business Administration from Florida Atlantic University.

**William J. Burns** was appointed Chief Operating Officer, effective January 25, 2018. He served as Chief Financial Officer, effective from April 1, 2014, and Principal Accounting Officer, from December 1, 2014. He has served as an Executive Vice President of the Company since January 1, 2017. Prior to joining the Company, Mr. Burns served as Group Vice President and Corporate Controller for Gartner, Inc., a technology research and advisory firm, since 2008. From 2006 until 2008, Mr. Burns was the Chief Accounting Officer for CA Technologies, Inc. Mr. Burns earned his B.A. in Accounting and Information Systems from Queens College in 1992 and a Masters of Business Administration from New York University's Stern School of Business in 2000. Mr. Burns is a Certified Public Accountant.

**Timothy Fischer** has served as President MDA Holdings, Inc. since April 2016. Prior to joining MDA, from 2014 through January 2016, Mr. Fischer served as Chief Operating Officer at Mitchell Martin, Inc., a talent acquisition solutions firm. From 2013 to 2014, Mr. Fischer served as Senior Vice President and led the integration of his prior employer, RCG Global Services, into Stefanini. Mr. Fischer was President of RCG Staffing from 2009 to 2013. Mr. Fischer holds a B.S. in Business Administration from Culver-Stockton College.

**William G. Halnon** has served as Chief Information Officer since February 2017. Prior to joining the Company, from February 2016 to February 2017, Mr. Halnon served as President of Albedon Digital, Inc. From January 2007 to February 2016, Mr. Halnon served as Senior Vice President and Chief Information Officer of Republic Services, Inc. and, from January 2005 to January 2007, he served as Senior Vice President and Chief Information Officer of Spherion, Inc. Mr. Halnon holds a B.A. in Accounting from Langston University.

**Kevin Ingham** has served as Senior Vice President and Chief Human Resource Officer since October 2017. Prior to joining the Company, Mr. Ingham served at Insight Global LLC as Senior Vice President of Human Resources from 2013 to November 2017; as Senior Vice President and General Counsel from December 2011 to January 2013; and as Vice President, Human Resources and General Counsel from March 2010 to December 2011. From 2008 to 2010, he served as the Director of Human Resources & Associate General Counsel at Tatum LLC, and as Senior Operations Counsel from 2001 to 2007 for BellSouth Advertising & Publishing Corp/AT&T. Mr. Ingham hold his B.S. in Psychology from Saint Joseph's University and earned his Juris Doctor from the Rutgers School of Law.

**Robert Murphy** has served as President, Workforce Solutions since January 2017. Previously, Mr. Murphy served as Executive Vice President of Branch Operations of Cross Country after joining the Company in January 2011. From January 2007 to January 2011, Mr. Murphy served as Vice President of Insource Strategies and was President of Nurses PRN, a national healthcare staffing company.

**Christopher R. Pizzi** has served as Senior Vice President and Chief Financial Officer since January 2018. He joined Cross Country in December 2014 and has previously held the positions of Vice President of Finance, Corporate Controller and Treasurer. Prior to joining Cross Country, Mr. Pizzi served as Assistant Vice President, Corporate Finance and Accounting for Health Management Associates, Inc. and held various accounting positions with Pitney Bowes and PricewaterhouseCoopers. Mr. Pizzi earned his Bachelor of Science in Accounting from Central Connecticut State University and is a Certified Public Accountant.

**Buffy Stultz White** was appointed President, Travel Nurse and Allied in January 2018. She served as Senior Vice President, Recruiting Strategy and Operations since September 30, 2016. Before joining Cross Country Healthcare, Inc., Ms. White served as Executive Vice President, Global Services and Solutions Consulting, of Pontoon (a division of Adecco) from June 2015 to November 2015. Ms. White served in various capacities at Pontoon and Adecco since 2006 and, prior to that, in various roles at SFN Group, Inc. from August 2001 to July 2006.

**Marisa Zaharoff** was appointed President, Cross Country Staffing Branch Operations in January 2018. She has served as Executive Vice President, Cross Country Staffing Branch Operations since 2015. Ms. Zaharoff has more than 15 years of nursing, quality improvement, sales, operational and branch management experience. She earned her Master of Science in Nursing degree from the University of Illinois and a Bachelor of Science in Nursing degree from the University of Pittsburgh. She is also a Registered Nurse in the State of Illinois and Pennsylvania.

## COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis is designed to provide our shareholders with a clear understanding of our compensation philosophy and objectives, compensation-setting process, and the 2017 compensation of our named executive officers, or NEOs. As discussed in Proposal III, we are conducting a Say-on-Pay vote this year that requests your approval, on an advisory basis, of the compensation of our NEOs as described in this section and in the tables and accompanying narrative.

Our NEOs for 2017 are:

William J. Grubbs, President and Chief Executive Officer

William J. Burns, Executive Vice President, Chief Operating Officer, who served as our Chief Financial Officer and Principal Accounting Officer during 2017

Susan E. Ball, Executive Vice President, General Counsel and Secretary

Robert Murphy, President, Workforce Solutions

Vickie L. Anenberg, Former President, Cross Country Staffing

### Executive Summary

#### 2017 Business Performance Highlights

We are a national leader in providing healthcare staffing, recruiting and value-added workforce solutions. Through a full suite of innovative workforce solutions and a national presence including 75 office locations throughout the United States, we are able to meet the unique and dynamic needs of our clients. By utilizing our various solutions, clients are able to better plan their personnel needs, outsource recruitment processes, strategically flex their workforce, streamline their purchasing needs, access specialties not available in their local area, access quality healthcare personnel and provide continuity of care for improved patient outcomes. Our solutions are geared towards assisting our clients in solving their labor issues while maintaining high quality outcomes.

Over the past four years we have added nearly \$250 million of revenue and increased our Adjusted EBITDA\* (a non-GAAP financial measure) from \$17 million to \$43 million. In the past two years, we have won more than 40 Managed Service Programs (MSPs) representing anticipated spend under management of \$189 million when the programs are fully ramped. During 2017, we had more than 29,000 healthcare professionals on assignment at 6,975 facilities, and our MSPs served approximately 500 facilities.

Highlights from 2017 include:

• We were ranked the #1 provider of per diem healthcare staffing in the United States.

• Effective July 1, 2017, we completed the acquisition of Advantage RN, LLC, a travel nurse business, to support our growing demand.

• We won 23 MSP contracts with anticipated spend under management of \$111 million.

• We improved our borrowing capacity and reduced our interest cost of borrowing by repaying our higher priced convertible notes in March 2017, and renewing and upsizing our Senior Credit Facility to include a \$100 million term loan and a \$115 million revolving credit facility in August 2017.

• We released substantially all of our valuation allowances on deferred tax assets primarily due to positive evidence of the Company's three years of cumulative pre-tax income and projections of future taxable income.

#### 2017 Compensation Highlights

• **Base Salary:** Base salary increases for NEOs, approved in 2017, ranged from \$25,000 to \$45,000, or from 6.6% to 11.9%, substantially to position salaries of certain executives closer to median market values. Mr. Grubbs did not receive an increase in his base salary for 2018 and increases to other executives were generally for a change in



responsibilities.

\* See Annex A of this proxy statement for a reconciliation of non-GAAP financial measures to our results as reported under GAAP.

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Annual Incentives: Financial results of the Company for 2017 were below the threshold for the Company and all but one business unit, Cross Country Staffing ( CCS ). As a result, bonuses were paid to Messrs. Grubbs and Burns, and Ms. Ball for the 2017 year solely based on the achievement of individual objectives. In accordance with the Company's pay for performance philosophy, Mr. Grubbs received 66.6% less short-term incentive bonus in 2017 than the prior year.

### 3-Year STI Bonus Payment History

NEOs(1)(2)	Year	Target (\$)	Payout (\$)	Payout as % of Target	% Change vs. Prior Year
William J. Grubbs	2017	730,000	146,000	20.0 %	(66.6 )%
Chief Executive Officer	2016	685,000	437,564	63.9 %	(27.1 )%
and President	2015	625,000	600,000	96.0 %	43.5 %
William J. Burns	2017	332,500	66,500	20.0 %	(68.0 )%
Chief Financial Officer and	2016	308,000	207,751	67.5 %	(28.1 )%
Principal Accounting Officer	2015	280,000	288,899	103.2 %	81.0 %
Susan E. Ball	2017	225,000	81,000	36.0 %	(43.2 )%
General Counsel	2016	201,000	142,526	70.9 %	(31.3 )%
and Secreteray	2015	201,000	207,389	103.2 %	63.0 %
Robert Murphy	2017	137,500	30,986	22.5 %	(72.2 )%
President,	2016	125,000	111,261		