

ASURE SOFTWARE INC
Form DEF 14A
May 23, 2012

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 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Pursuant to §240.14a-12

ASURE Software, 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):

- x No fee required.
- o 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:

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- o Fee paid previously with preliminary materials.
- o 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:

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ASURE SOFTWARE, INC.
110 Wild Basin Road, Suite 100
Austin, TX 78746

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD JUNE 26, 2012

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders (the “Annual Meeting”) of Asure Software, Inc. (NASDAQ: ASUR), a Delaware corporation (the “Company”), to be held at 108 Wild Basin Road, Austin, Texas 78746, on Tuesday, June 26, 2012 at 9:30 a.m. Central Time for the following purposes:

1. To elect five directors to the board of directors to hold office until the next annual meeting of stockholders or until their respective successors are duly elected and qualified;
2. To ratify the Audit Committee’s appointment of Ernst & Young LLP, independent registered public accountants, as our independent auditors for the year ending December 31, 2012;
3. To approve an amendment to the Company’s 2009 Equity Incentive Plan to increase the number of shares reserved under the plan from 525,000 to 900,000;
4. To approve an amendment to the Company’s Articles of Incorporation to increase the number of authorized Common Stock shares from 6,500,000 to 11,000,000; and
5. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

The proxy materials relating to the Annual Meeting are first being mailed to shareholders entitled to vote at the meeting on or about May 25, 2012. A copy of our Form 10-K for the year ended December 31, 2011 has been mailed concurrently with this Proxy Statement.

All holders of record of shares of our common stock (NASDAQ: ASUR) at the close of business on May 4, 2012 are entitled to vote at the annual meeting and at any postponements or adjournments of the annual meeting. Stockholders are cordially invited to attend the annual meeting in person; however, regardless of whether you plan to attend the annual meeting in person, please cast your vote as instructed in the Proxy as promptly as possible. Please complete, sign, date and promptly return the proxy card in the postage-prepaid return envelope provided, or follow the instructions set forth on the proxy card to authorize the voting of your shares over the Internet or by telephone. Your prompt response is necessary to ensure that your shares are represented at the annual meeting. Submitting your proxy by Internet, telephone or mail will not affect your right to vote in person if you decide to attend the annual meeting. Stockholders holding stock in brokerage accounts (“street name” holders) will receive instructions from the holder of record that you must follow in order for your shares to be voted. Certain of these institutions offer Internet and telephone voting.

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IF YOU PLAN TO ATTEND THE ANNUAL MEETING:

Registration will begin at 9:00 a.m., and seating will begin at 9:30 a.m. Each Stockholder will need to bring a proof of ownership and valid picture identification, such as a driver's license or passport, for admission to the annual meeting. Street name holders will need to bring a copy of a brokerage statement reflecting stock ownership as of the record date. Cameras, recording devices and other electronic devices will not be permitted at the annual meeting, and all cellular phones must be silenced during the annual meeting. We realize that many cellular phones have built-in digital cameras, and, while these phones may be brought into the annual meeting, the camera function may not be used at any time.

By Order of the Board of Directors,

Patrick Goepel
Chief Executive Officer
May 23, 2012
Austin, Texas

Important Notice Regarding the Availability of Proxy Materials for the
Stockholder Meeting to be Held on June 26, 2012

This Proxy Statement and our Annual Report to Stockholders are available on-line at
<http://www.asuresoftware.com/annual-meeting-proxy/>

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ASURE SOFTWARE, INC.
110 Wild Basin Road, Suite 100
Austin, TX 78746

PROXY STATEMENT
ANNUAL MEETING OF STOCKHOLDERS ON JUNE 26, 2012

This proxy statement contains information relating to our annual meeting of Stockholders to be held on Tuesday, June 26, 2012, beginning at 9:30 a.m. Central Time, at 108 Wild Basin Road, Austin, Texas 78746 and at any postponements or adjournments of the annual meeting. Your proxy for the annual meeting is being solicited by our board of directors.

AVAILABILITY OF PROXY MATERIALS

The proxy materials relating to the Annual Meeting are first being mailed to shareholders entitled to vote at the meeting on or about May 25, 2012. A copy of our Form 10-K for the year ended December 31, 2011 has been mailed concurrently with this Proxy Statement.

All holders of record of shares of our common stock (NASDAQ: ASUR) at the close of business on May 4, 2012 are entitled to vote at the annual meeting and at any postponements or adjournments of the annual meeting. Stockholders are cordially invited to attend the annual meeting in person; however, regardless of whether you plan to attend the annual meeting in person, please cast your vote as instructed in the Notice as promptly as possible. Please complete, sign, date and promptly return the proxy card in the postage-prepaid return envelope provided, or follow the instructions set forth on the proxy card to authorize the voting of your shares over the Internet or by telephone. Your prompt response is necessary to ensure that your shares are represented at the annual meeting. Submitting your proxy by Internet, telephone or mail will not affect your right to vote in person if you decide to attend the annual meeting. Stockholders holding stock in brokerage accounts ("street name" holders) will receive instructions from the holder of record that you must follow in order for your shares to be voted. Certain of these institutions offer Internet and telephone voting.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Stockholders to Be Held on June 26, 2012: The proxy statement and annual report to Stockholders are available at <http://www.asuresoftware.com/annual-meeting-proxy/>

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ABOUT THE ANNUAL MEETING AND VOTING

Purposes - At the Annual Meeting, you will be asked:

1. To elect five directors to the board of directors to hold office until the next annual meeting of stockholders or until their respective successors are duly elected and qualified;
2. To ratify the Audit Committee's appointment of Ernst & Young LLP, independent registered public accountants, as our independent auditors for the year ending December 31, 2012;
3. To approve an amendment to the Company's 2009 Equity Incentive Plan to increase the number of shares reserved under the plan from 525,000 to 900,000;
4. To approve an amendment to the Company's Articles of Incorporation to increase the number of authorized Common Stock shares from 6,500,000 to 11,000,000; and
5. To transact such other business as may properly come before the Annual Meeting or any adjournment thereof.

The Board knows of no other matters to be presented for action at the Annual Meeting. If any other matters properly come before the Annual Meeting, however, the persons named in the proxy will vote on such other matters in accordance with their best judgment.

Record Date; Stockholders Entitled to Vote - Only holders of record of our shares of Common Stock at the close of business on May 4, 2012 will be entitled to vote at the Annual Meeting or any adjournment thereof. Each share of Common Stock will be entitled to one vote. As of May 4, 2012, there were 4,635,997 shares of Common Stock outstanding.

Quorum - A majority of the voting power of the outstanding shares of Common Stock entitled to vote, represented in person or by proxy, will be required to constitute a quorum for the Annual Meeting.

Vote Required - Directors are elected by a plurality of the votes of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the election of directors. If more than five nominees are properly presented to the stockholders at the Annual Meeting, the five nominees receiving the highest number of affirmative votes of the shares which are present or represented by proxy at the Annual Meeting and entitled to vote for the election of directors will be elected to our Board. Each of the remaining proposals must be approved by a majority of the votes of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote thereon.

Dissenters' Rights - No dissenters' rights are provided under the Delaware General Corporation Law, our Restated Certificate of Incorporation or our Restated bylaws with respect to any of the proposals described in this Proxy Statement.

Board Recommendation - Your Board of Directors has unanimously approved and recommends that an affirmative vote be cast "FOR" each of our director nominees and "FOR" the ratification or approval of each of the additional four proposals as set forth on the enclosed proxy card.

Voting Your Shares - If you are a registered Stockholder, you may submit your proxy by US Mail, Internet or telephone and following the instructions in the Notice. If you requested a paper copy of the proxy materials, you also

may submit your proxy by mail by following the instructions included with your proxy card. The deadline for submitting your proxy by Internet or telephone is 11:59 p.m. Eastern Time the day before the Annual Meeting date. The designated proxy will vote according to your instructions. You may also attend the annual meeting and vote in person.

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If you are a street name Stockholder, your broker or nominee firm may provide you with a Notice. Follow the instructions on the Notice to access our proxy materials and vote by Internet or to request a paper or email copy of our proxy materials. If you receive these materials in paper form, the materials include a voting instruction card so that you can instruct your broker or nominee how to vote your shares. Please check your Notice or voting instruction card or contact your broker or other nominee to determine whether you will be able to deliver your voting instructions by Internet or telephone. If you are a street name Stockholder and you want to vote at the annual meeting, you will need to obtain a signed proxy from the broker or nominee that holds your shares, because the broker or nominee is the legal, registered owner of the shares.

If you sign and submit your proxy without specifying how you would like your shares voted, your shares will be voted in accordance with the board's recommendations specified below under "What are the board's recommendations?" and in accordance with the discretion of the proxy holders with respect to any other matters that may be voted upon at the annual meeting.

Changing Your Vote by Revoking Your Proxy - If you are a registered Stockholder, you may revoke or change your vote at any time before the proxy is voted by filing with our Secretary either a written notice of revocation or a duly executed proxy bearing a later date. If you attend the annual meeting in person, you may ask the judge of elections to suspend your proxy holder's power to vote, and you may submit another proxy or vote by ballot. Your attendance at the annual meeting will not by itself revoke a previously granted proxy.

If your shares are held in street name or you hold shares through a retirement or savings plan or other similar plan, please check your voting instruction card or contact your broker, nominee, trustee or administrator to determine whether you will be able to revoke or change your vote.

How Proxies are Counted - If you return a signed and dated proxy card but do not indicate how your shares are to be voted, those shares will be voted "FOR" each of the listed proposals. Votes cast by proxy or in person at the Annual Meeting will be tabulated by the election inspectors appointed for the Annual Meeting. Only the latest dated proxy you submit will be counted.

Shares voted as abstentions on any matter will be counted for purposes of determining the presence of a quorum at the Annual Meeting and treated as unvoted, although present and entitled to vote, for purposes of determining the approval of each matter as to which a stockholder has abstained. As a result, abstentions with respect to any proposal, other than the election of directors, will have the same effect as a vote against such proposal.

Broker Non-Votes - A broker non-vote occurs when a broker submits a proxy card with respect to shares held in a fiduciary capacity (typically referred to as being held in "street name") but declines to vote on a particular matter because the broker has not received voting instructions from the beneficial owner. Under the rules that govern brokers who are voting with respect to shares held in street name, brokers have the discretion to vote such shares on routine matters, but not on non-routine matters. NASDAQ Global Market Rule 2251 prohibits brokers from casting discretionary votes in any election of directors.

Additional Information

Additional information about our Company is contained in our current and periodic reports filed with the Commission. These reports, their accompanying exhibits and other documents filed with the Commission may be inspected without charge at the Public Reference Room maintained by the Commission at 100 F. Street, N.E., Washington, D.C. 20549. You can obtain information about operation of the Public Reference Room by calling the Commission at 1-800-SEC-0330. The Commission also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the Commission at

www.sec.gov. Copies of such materials can be obtained from the public reference section of the Commission at prescribed rates.

ELECTION OF DIRECTORS
(ITEM 1)

The first proposal to be voted on at the Annual Meeting is the election of directors. Directors are elected annually and serve a one-year term. The Board has submitted five nominees for election this year. Jeffrey Vogel resigned from the Board of Directors as of January 1, 2012. Our Board has nominated each of David Sandberg, Patrick Goepel, Adrian Pertierra, Matthew Behrent, and J. Randall Waterfield for re-election, to serve until the next annual stockholder meeting or until each of their respective successors is elected and qualified. Each of our nominees has consented to being named in this Proxy Statement and has consented to serve as a director of the Company if elected.

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Director nominees are recommended for selection by the Nominating Committee.

The Nominating and Governance Committee recommends director nominations, and reviews nominees against the skills and characteristics that are required of our Board members. The Committee focuses on a candidate's expertise in the Company's industry and experience in technology, business, legal matters and finance. We look at a candidate's education, skills, business experience, administration experience and other appropriate factors given the current needs of the Board and the Company. Our goal is to maintain a balance among Board members of industry knowledge, experience and ability to map out successful strategies for the Company's business. Nominees for the Board should have the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of stockholders. They should be forward-thinking, possess critical analysis skills, and exhibit independence and practical judgment on issues. Evaluation of candidates for all nominees, whether submitted by a Board member or a stockholder, generally involves reviewing background materials, internal discussions among committee members, and interviewing selected candidates as appropriate. Upon selecting a qualified candidate, the Committee recommends the candidate for the Board's consideration.

The full Board then selects and recommends candidates for nomination as directors for stockholders to consider and vote upon at the Annual Meeting. The Board reviews and considers any candidates submitted by a stockholder or stockholder group in the same manner as all other candidates. Each nominee has consented to serve until the next annual stockholder meeting, if elected, or until his or her successor is elected and qualified.

Stockholders may recommend a nominee by writing to Mr. David Scoglio, Corporate Secretary, Asure Software Inc., 110 Wild Basin Road, Suite 100, Austin, TX 78746, specifying the nominee's name and qualifications for Board membership. All recommendations are submitted to the Nominating Committee. Each submission must include (i) a brief description of the candidate, (ii) the candidate's name, age, business address and residence address, (iii) the candidate's principal occupation, (iv) the number of shares of Common Stock beneficially owned, and (v) any other information required by the rules of FINRA and the SEC to list the candidate as a nominee for director in a proxy statement. Recommended candidates may be required to provide additional information. While our board of directors has not adopted a formal diversity policy or specific standards with regard to the selection of director nominees, the board of directors believes it is important to consider diversity of race, ethnicity, gender, age, education, cultural background, and professional experiences in evaluating board candidates.

If any director is unable to stand for re-election after distribution of this Proxy Statement, the Board may reduce its size or designate a substitute. If the Board designates a substitute, proxies voting on the original director candidate will be cast for the substituted candidate. Proxies cannot be voted for a greater number of persons than the number of nominees named on the enclosed form of proxy. A plurality of the votes cast in person or by proxy by the holders of Common Stock represented at the Annual Meeting is required to elect a director. If more than five nominees are properly presented to the stockholders at the Annual Meeting, the five nominees receiving the highest number of affirmative votes of the shares which are present or represented by proxy at the Annual Meeting and entitled to vote for the election of director will be elected to our Board.

The Board of Directors recommends voting "FOR" each of our five nominees.

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BIOGRAPHICAL INFORMATION REGARDING NOMINEES

Nominee	Age	Present Office(s) Held In Our Company	Director Since
David Sandberg (1)(2)(3)(4)	39	Chairman of the Board	2009
Patrick Goepel (4)	50	President and Chief Executive Officer	2009
Adrian Pertierra (1)(2)(3)(4)	40	None	2009
Matt Behrent (1)(2)(3)(4)	41	None	2010
J. Randall Waterfield(1)(2)(3)(4)	36	None	2011

-
- (1) Independent board member as determined by the Board of Directors of the Company
- (2) Audit Committee Member
- (3) Compensation Committee Member
- (4) Governance and Nominating Committee Member

The following information regarding the principal occupations and other employment of the nominees during the past five years and their directorships in certain companies is as reported by the respective nominees.

David Sandberg has served as a director and Chairman of the Board since August 2009. Mr. Sandberg is the managing member, founder, and portfolio manager of Red Oak Partners, LLC, a NY-based hedge fund, since its March 2003 inception and is the portfolio manager of Pinnacle Fund, LLLP, since its September, 2008 inception. Previously, Mr. Sandberg co-managed JH Whitney & Co.'s Green River Fund from 1998–2002. Mr. Sandberg received a BA in Economics and a BS in Industrial Management from Carnegie Mellon University. He presently serves on the Boards of SMTC Corporation and EDCI Holdings, Inc.

Patrick Goepel was elected to the Company's Board of Directors at its August 28, 2009 Annual Meeting of Shareholders. Mr. Goepel was subsequently appointed as Interim Chief Executive Officer on September 15, 2009 and became Chief Executive Officer of the Company as of January 1, 2010. Prior to his appointment, Mr. Goepel served as Chief Operating Officer of Patersons Global Payroll. Previously, he was the President and Chief Executive Officer of Fidelity Investment's Human Resource Services Division from 2006 to 2008, President and Chief Executive Officer of Advantec from 2005 - 2006 and Executive Vice President of Business Development and US Operations at Ceridian from 1994 - 2005. A former board member of iEmployee, Mr. Goepel currently serves on the board of directors of Allover Media, APPD Investments, and Safeguardworld International.

Adrian Pertierra has served as a director of the Company since August 2009. Mr. Pertierra is the Chief Financial Officer and Head Trader at Red Oak Partners, LLC, a NY-based hedge fund. Prior to joining Red Oak in 2007, Mr. Pertierra served as Vice President of Global Markets at Deutsche Bank Alternative Trading in 2007 and worked at Tradition Asiel Securities, Inc. from 2006–2007. Previously, Mr. Pertierra served as the Vice President of Institutional Equity Sales and Trading at BGC Partners, LP, from 2002–2006. Mr. Pertierra received a BA in Economics from the College of Holy Cross.

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Matthew K. Behrent was appointed to the board of directors of the Company on November 11, 2010. He currently is the Executive Vice President, Corporate Development of EDCI Holdings, Inc. (OTC Pink Sheets: EDCI), a company that is currently engaged in carrying out a plan of dissolution. Before joining EDCI in June 2005, Mr. Behrent was an investment banker, working as a Vice-President at Revolution Partners, a technology focused investment bank in Boston, from March 2004 until June 2005 and as an associate in Credit Suisse First Boston Corporation's technology mergers and acquisitions group from June 2000 until January 2003. From June 1997 to May 2000, Mr. Behrent practiced law, most recently with Cleary, Gottlieb, Steen & Hamilton in New York, advising financial sponsors and corporate clients in connection with financings and mergers and acquisitions transactions. Mr. Behrent received his J.D. from Stanford Law School in 1997, and his B.A. in Political Science and Political Theory from Hampshire College in 1992. He is also a Director and Chairman of the Audit Committee of Tengasco, Inc. (ASE: TGC).

Mr. J. Randall Waterfield was appointed to the board of directors on June 10, 2011. Mr. Waterfield has been the Chairman of Waterfield Technologies, Inc., a software development firm focused on hosted and on-premise custom applications for the financial services, telecommunications and energy sectors since 2000. Mr. Waterfield is also the Chairman of Waterfield Group, a diversified financial services holding company since 1999. Mr. Waterfield is a Chartered Financial Analyst, member of the Board of Directors, Executive Committee and former Chairman of the YPO New York City Chapter, a member of Mensa, and a graduate of Harvard University in 1996. Mr. Waterfield currently also serves on the Board of Directors of Waterfield Enterprises, LLC, TheRateReport.com, and the Culver Military Summer School. Previously, Mr. Waterfield was at Goldman Sachs & Co., where he worked as an institutional asset manager from May 1996 through March of 1999, responsible for the small capitalization growth portfolios whose assets totaled \$1.0 billion. Additionally, through his efforts at the Waterfield Foundation, Mr. Waterfield supports a variety of charitable organizations with a focus on the environment and midwestern based causes.

During the past ten years, none of our nominees has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors). No family relationships exist between any of the Company's nominees or executive officers.

COMMITTEES AND MEETINGS OF THE BOARD OF DIRECTORS

Director Independence -The Board of Directors consists of a majority of independent directors as such term is defined under the rules of the NASDAQ Stock Market. The Board of Directors has determined that Messrs. Sandberg, Pertierra, Waterfield and Behrent are independent. The Board of Directors has also determined that all of the members of the board's working committees are independent as defined under the rules of the NASDAQ Stock Market, including, in the case of all members of the Audit Committee, the independence requirements contemplated by Rule 10A-3 under the Securities Exchange Act of 1934.

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Board Meetings and Attendance - The Board of Directors met 15 times during the calendar year ended December 31, 2011. No director attended fewer than 75% of the aggregate of (i) the total number of meetings of the Board of Directors and (ii) the total number of meetings held by all committees of the Board of Directors on which such director served. The Board of Directors requires that directors make a reasonable effort to attend the Company's annual stockholder meeting. All four of the board members at that time attended the last annual meeting of stockholders held on June 10, 2011.

Committees - The Board of Directors uses working committees with functional responsibility in the more complex recurring areas where disinterested oversight is required. Working committees of the Board of Directors include the Compensation Committee, the Governance and Nominating Committee and the Audit Committee. Each Committee operates under a charter that has been approved by the Board of Directors and current copies of these charters are posted on our website, <http://www.asuresoftware.com/company/governance.asp>.

Compensation Committee - The Compensation Committee is responsible for approving the compensation arrangements of senior management and recommending approval by the Board of Directors of amendments to our benefit plans. The Compensation Committee currently is composed of the Company's four independent directors. Mr. Waterfield currently serves as the Compensation Committee's Chairperson. Under its charter, the Compensation Committee may delegate any or all of its responsibilities to a subcommittee of the Compensation Committee. The Compensation Committee held 2 meetings during the calendar year ended December 31, 2011.

Governance and Nominating Committee - The Governance and Nominating Committee, established on June 17, 2009, is currently composed of all five of the Company's directors. Mr. Pertierra currently serves as the Governance and Nominating Committee's Chairperson. Under its charter, the Governance and Nominating Committee monitors significant developments in the law and practice of corporate governance and of the duties and responsibilities of directors of public companies. The Governance and Nominating Committee also is responsible for identifying and recommending independent nominees for election to the Board. The Governance and Nominating Committee held 1 meeting during the calendar year ended December 31, 2011.

Independent Sub-Committee - In connection with the consideration and ultimate approval of a financing transaction in which certain of the Company's board members and affiliates participated in September 19, 2011, the Board of Directors of the Company established a temporary independent sub committee of the Board consisting of Messrs. Behrent, Waterfield and Vogel for the purpose of: (i) negotiating the terms of any financing amount that might be obtained from related party investors, (ii) managing the process by which any such financing amounts from related party investors is obtained and (iii) making a recommendation to the full Board as to whether or not any such financing amounts be obtained from related party investors based upon an analysis of the fairness of the negotiated transaction to the Company and its shareholders as a whole. The Sub Committee met 6 times during the calendar year ended December 31, 2011.

Audit Committee - The Audit Committee is composed of the Company's four independent directors and operates under a charter adopted by the Board of Directors in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"), Section 3(a)(58)(A) of the Exchange Act and the NASDAQ Stock Market. The current members of our Audit Committee are Messrs. Sandberg, Pertierra, Behrent, and Waterfield. The Board of Directors believes that all of these directors are independent as defined under the rules of the NASDAQ Stock Market. Mr. Behrent currently serves as the Audit Committee's Chairperson. The Board of Directors has determined that Mr. Sandberg has the qualifications and experience necessary to serve as an "audit committee financial expert," as defined by the SEC. The Audit Committee met 5 times during the calendar year ended December 31, 2011. The Audit Committee is the communication link between the Board of Directors and our independent auditors. In addition to recommending the appointment of the independent auditors to the Board of Directors, the Audit Committee reviews the scope of the audit, the accounting policies and reporting practices, internal auditing and internal control,

compliance with our policies regarding business conduct and other matters as deemed appropriate.