

inContact, Inc.  
Form PREM14A  
June 23, 2016  
Table of Contents

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

**SCHEDULE 14A**  
**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**  
**(Amendment No.    )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**INCONTACT, INC.**

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

N/A

**(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:  
Common stock, par value \$0.0001 per share, of inContact, Inc.

(2) Aggregate number of securities to which transaction applies:  
As of June 15, 2016, (A) 62,426,958 shares of common stock outstanding (including 251,339 shares of restricted stock subject time-based vesting); (B) 1,154,032 shares of common stock issuable upon the exercise of in-the-money stock options; (C) 2,293,148 shares of common stock issuable upon vesting and settlement of restricted stock units; and (D) 55,823 shares of common stock issuable through the end of the current offering period under inContact's 2005 Employee Stock Purchase Plan.

(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):  
Solely for purposes of calculating the filing fee, the maximum aggregate value was determined based upon the sum of (A) (i) 62,426,958 shares of common stock outstanding as of June 15, 2016 (including 251,339 shares of restricted stock subject time-based vesting), (ii) 2,293,148 shares of common stock issuable upon vesting and settlement of restricted stock units, (iii) 55,823 shares of common stock issuable through the end of the current offering period under inContact's 2005 Employee Stock Purchase Plan, each multiplied by \$14.00 per share, and (B) 2,546,634 shares of common stock issuable upon the exercise of in-the-money stock options multiplied by \$5.61 (the difference between \$14.00 and the weighted average per share exercise price of \$8.39). In accordance with Section 14(g) of the Securities Exchange Act of 1934, as amended, the filed fee was determined by multiplying the sum calculated in the preceding sentence by 0.0001007.

(4) Proposed maximum aggregate value of transaction:

\$928,229,265.26

(5) Total fee paid:  
\$93,472.69

.. Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:



Table of Contents

**PRELIMINARY PROXY SUBJECT TO COMPLETION**

**inContact, Inc.**

**75 West Towne Ridge Parkway, Tower 1**

**Salt Lake City, UT 84070**

Dear Stockholder:

The Board of Directors of inContact, Inc. ( inContact ) has unanimously approved a merger agreement providing for inContact to be acquired by NICE-Systems Ltd. ( Parent ).

We cordially invite you to attend a special meeting of stockholders of inContact, which will be held at our corporate headquarters located at 75 West Towne Ridge Parkway, Tower 1, Salt Lake City, UT 84070, on [ ], 2016 at [ ] a.m. local time. At the special meeting, you will be asked to consider and vote upon:

a proposal to adopt and approve the merger agreement dated as of May 17, 2016, by and among inContact, Parent and Victory Merger Sub Inc., a wholly owned indirect subsidiary of Parent, pursuant to which inContact would be acquired by Parent.

a proposal to postpone or adjourn the inContact special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to adopt and approve the merger agreement if there are insufficient votes at the time of such adjournment to approve such proposal; and

a proposal, on an advisory (non-binding) basis, to approve the compensation that may be paid or become payable to inContact's named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable.

If inContact's stockholders approve the merger agreement and the merger is completed, inContact will become a wholly owned indirect subsidiary of Parent, and you will be entitled to receive \$14.00 in cash, without interest, for each share of our common stock that you own (excluding common stock subject to forfeiture restrictions), unless you have properly exercised your appraisal rights with respect to such shares.

On May 17, 2016, our Board of Directors unanimously (i) determined that the merger and merger agreement, and the transaction contemplated by the merger agreement, are fair to and in the best interests of inContact and its

stockholders, (ii) approved and declared advisable the merger agreement and the transactions contemplated thereby and (iii) recommended approval and adoption of the merger agreement and the merger by our stockholders. **Our Board of Directors recommends that you vote (i) FOR the proposal to adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger, (ii) FOR the proposal to approve one or more postponements or adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting and (iii) FOR the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable by inContact to its named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable.**

The enclosed proxy statement provides detailed information about the special meeting, the merger agreement and the merger. A copy of the merger agreement is attached as Appendix A to the proxy statement. The proxy statement also describes the actions and determinations of our Board of Directors in connection with its evaluation of the merger agreement and the merger. We encourage you to read the proxy statement and its annexes, including the merger agreement, carefully and in their entirety. You may also obtain more information about inContact from documents we file with the Securities and Exchange Commission from time to time.

**YOUR VOTE IS VERY IMPORTANT. The merger cannot be completed unless the merger agreement is approved by the affirmative vote of the holders of a majority of the outstanding shares of our**

**Table of Contents**

common stock. Whether or not you expect to attend the special meeting in person, please sign and return the enclosed proxy card, or grant a proxy electronically over the Internet or by telephone as instructed in these materials. If you attend the special meeting and desire to vote in person, you may do so even though you have previously sent a proxy. The failure to vote will have exactly the same effect as voting against the approval of the merger agreement.

If your shares are held in street name by your broker, your broker will be unable to vote your shares without instructions from you. You should instruct your broker to vote your shares, following the procedures provided by your broker. Failure to instruct your broker to vote your shares will have exactly the same effect as voting against the approval of the merger agreement.

If you have any questions or need assistance voting your shares, please contact our proxy solicitor:

The Proxy Advisory Group, LLC

18 East 41st Street, Suite 2000, New York, NY 10017-6219

888.557.7699 (toll free)

On behalf of the Board of Directors,

Paul Jarman

*President and Chief Executive Officer*

**The merger and the transactions contemplated by the merger agreement have not been approved or disapproved by the U.S. Securities and Exchange Commission or any state securities commission. Neither the U.S. Securities and Exchange Commission nor any state securities commission has passed upon the merits or fairness of the merger or the transactions contemplated by the merger agreement or upon the adequacy or accuracy of the information contained in this document or the accompanying proxy statement. Any representation to the contrary is a criminal offense.**

The accompanying proxy statement is dated [ ], 2016 and is first being mailed to stockholders on or about [ ], 2016.

**Table of Contents**

**PRELIMINARY PROXY SUBJECT TO COMPLETION**

**inContact, Inc.**

**75 West Towne Ridge Parkway, Tower 1**

**Salt Lake City, UT 84070**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**To be held [ ], 2016**

A special meeting of stockholders of inContact, Inc., a Delaware corporation ( inContact or the Company ), will be held at our corporate headquarters located at 75 West Towne Ridge Parkway, Tower 1, Salt Lake City, UT 84070, on [ ], **2016** at [ ] **a.m.** local time, to consider and act upon the following matters:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of May 17, 2016 entered into by and among inContact, NICE-Systems Ltd., a company organized under the laws of the State of Israel ( Parent ) and Victory Merger Sub Inc., a Delaware corporation and wholly owned indirect subsidiary of Parent ( Merger Subsidiary ), as it may be amended from time to time. Pursuant to the merger agreement, Merger Subsidiary will be merged with and into inContact, with inContact surviving the merger and becoming a wholly owned indirect subsidiary of Parent. Upon completion of the merger, each share of our common stock issued and outstanding immediately prior to the completion of the merger, other than shares subject to forfeiture restrictions and other than shares held by a stockholder who perfects appraisal rights in accordance with Delaware law, will automatically be cancelled and converted into the right to receive \$14.00 in cash, without interest. A copy of the merger agreement is attached as Appendix A to the accompanying proxy statement;
2. To approve the postponement or adjournment of the special meeting, if necessary or appropriate, for, among other reasons, to solicit additional proxies in favor of the proposal to adopt and approve the merger agreement if there are insufficient votes at the time of the special meeting to approve such proposal; and
3. To consider and vote on the proposal to approve on an advisory (non-binding) basis, compensation that will or may become payable to inContact's named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable



contemplated by the merger agreement.

The affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to vote thereon is required to approve the proposal to adopt the merger agreement. The affirmative vote of a majority of our shares of common stock represented at the special meeting, either in person or by proxy, and entitled to vote thereon, is required to approve the proposal to approve one or more postponements or adjournments of the special meeting. The affirmative vote of a majority of the shares of our common stock represented at the special meeting, either in person or by proxy, and entitled to vote thereon is required to approve the proposal to approve on an advisory (non-binding) basis, compensation that will or may become payable by inContact to its named executive officers in connection with the merger (as described in *The Merger Interests of the Directors and Executive Officers in the Merger May Differ From Your Interests Golden Parachute Compensation* ), and the agreements and understandings pursuant to which such compensation may be paid or become payable. The failure of any stockholder of record to submit a signed proxy card, grant a proxy electronically over the Internet or by telephone or to vote in person by ballot at the special meeting will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement. The failure of any stockholder of record to submit a signed proxy card, grant a proxy electronically over the Internet or by telephone or to attend the special meeting in person will not have any effect on the postponement or adjournment proposal or the proposal to approve on an advisory (non-binding) basis, compensation that will or may become

---

**Table of Contents**

payable by inContact to its named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable, however, if you attend the special meeting in person and fail to vote in person by ballot, that will be treated as an abstention. Abstentions will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement, the postponement or adjournment proposal and the proposal to approve on an advisory (non-binding) basis, compensation that will or may become payable by inContact to its named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable. If you hold your shares in street name, and fail to instruct your broker, bank or other nominee on how to vote, your shares will not be voted, which will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement, but will not have any effect on the postponement or adjournment proposal or the proposal to approve on an advisory (non-binding) basis, compensation that will or may become payable by inContact to its named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable.

Only stockholders of record as of the close of business on [ ], 2016 are entitled to notice of the special meeting and to vote at the special meeting or at any postponement or adjournment thereof. A list of stockholders entitled to vote at the special meeting will be available in our offices located at 75 West Towne Ridge Parkway, Tower 1, Salt Lake City, UT 84070, during regular business hours for a period of at least ten days before the special meeting and at the place of the special meeting during the meeting.

Stockholders who do not vote in favor of the proposal to adopt the merger agreement will have the right to seek appraisal of the fair value of their shares of inContact common stock if they deliver a demand for appraisal before the vote is taken on the merger agreement and comply with all the requirements of Delaware law, which are summarized herein and reproduced in their entirety in Appendix C to the accompanying proxy statement.

**The Board of Directors recommends that you vote (i) FOR the proposal to adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger, (ii) FOR the proposal to approve one or more postponements or adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting and (iii) FOR the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable to inContact's named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable.**

Salt Lake City, Utah  
Dated: [ ], 2016

By Order of the Board of Directors,  
  
Paul Jarman  
*President and Chief Executive Officer*

**Table of Contents**

**TABLE OF CONTENTS**

	Page
<u>SUMMARY</u>	1
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER</u>	8
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	14
<u>PARTIES TO THE MERGER</u>	15
<u>inContact, Inc.</u>	15
<u>NICE-Systems Ltd.</u>	15
<u>Victory Merger Sub Inc.</u>	15
<u>THE SPECIAL MEETING</u>	16
<u>Time, Place and Purpose of the Special Meeting</u>	16
<u>Record Date and Quorum</u>	16
<u>Who Can Vote at the Special Meeting</u>	17
<u>Vote Required</u>	17
<u>How You Can Vote</u>	18
<u>How You May Revoke or Change Your Vote</u>	18
<u>Proxy Solicitation</u>	19
<u>Adjournments</u>	19
<u>THE MERGER</u>	20
<u>Background of the Merger</u>	20
<u>Reasons for the Merger</u>	32
<u>Recommendation of the Board of Directors</u>	35
<u>Certain Prospective Financial Information</u>	35
<u>Opinion of inContact's Financial Advisor</u>	37
<u>Treatment of Equity Awards</u>	43
<u>Debt Financing</u>	44
<u>Interests of Directors and Executive Officers in the Merger May Differ From Your Interests</u>	44
<u>Past Contacts, Transactions or Negotiations</u>	49
<u>Material U.S. Federal Income Tax Consequences</u>	49
<u>Delisting and Deregistration of our Common Stock</u>	51
<u>Governmental and Regulatory Approvals</u>	51
<u>Legal Proceedings</u>	53
<u>Anticipated Closing of the Merger</u>	53
<u>THE MERGER AGREEMENT</u>	54
<u>Merger Consideration</u>	54
<u>Closing; Effective Time of the Merger</u>	54
<u>Conversion of Shares; Procedures for Exchange of Certificates</u>	55
<u>Effect on inContact Stock Options, RSUs and Restricted Shares</u>	55
<u>Representations and Warranties</u>	56
<u>Conduct of Business Pending Closing</u>	58
<u>No Solicitation of an Acquisition Proposal</u>	59
<u>Debt Financing</u>	61
<u>Other Covenants</u>	61
<u>Conditions to the Merger</u>	62
<u>Termination of the Merger Agreement</u>	63

<u>Termination Fees</u>	65
<u>Amendment and Waiver</u>	65
<u>APPRAISAL RIGHTS</u>	66
<u>Filing Written Demand</u>	67
<u>Notice by the Surviving Corporation</u>	68
<u>Filing a Petition for Appraisal</u>	68

**Table of Contents**

	Page
<u>MARKET PRICE AND DIVIDEND DATA</u>	71
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS</u>	72
<u>SECURITY OWNERSHIP OF MANAGEMENT</u>	73
<u>ADVISORY VOTE ON NAMED EXECUTIVE OFFICER MERGER-RELATED COMPENSATION ARRANGEMENTS</u>	74
<u>STOCKHOLDER PROPOSALS</u>	75
<u>HOUSEHOLDING OF PROXY MATERIALS</u>	76
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	77
<u>Internet Availability</u>	77
<u>OTHER MATTERS</u>	78
<u>Appendix A Agreement and Plan of Merger</u>	A-1
<u>Appendix B Opinion of Jefferies LLC</u>	B-1
<u>Appendix C Section 262 of the Delaware General Corporation Law (Appraisal Rights)</u>	C-1

---

**Table of Contents**

**SUMMARY**

*This summary highlights selected information from this proxy statement with respect to the special meeting and the merger, and it may not contain all of the information that is important to you. Accordingly, we encourage you to read carefully this entire proxy statement, its appendices and the documents referred to or incorporated by reference in this proxy statement. You may obtain the information incorporated by reference into this proxy statement without charge by following the instructions in the section entitled *Where You Can Find More Information*.*

*In this proxy statement, the terms *we*, *us*, *our*, *inContact* and *the Company* refer to *inContact, Inc.* and *our subsidiaries*. We refer to *NICE-Systems Ltd.* as *Parent* and *Victory Merger Sub Inc.* as *Merger Subsidiary*. We refer to *Jefferies LLC* as *Jefferies*. We refer to the *Agreement and Plan of Merger*, dated as of *May 17, 2016*, by and among *inContact*, *Parent* and *Merger Subsidiary* as the *merger agreement*.*

**Parties to the Merger**

***inContact.*** inContact is a Delaware corporation headquartered in Salt Lake City, Utah. We provide cloud contact center software solutions through our inContact® Customer Interaction Cloud, an advanced contact handling and performance management software application. Our services also provide a variety of connectivity options for carrying inbound calls and linking agents to our inContact applications. We provide customers the ability to monitor agent effectiveness through our user survey tools and the ability to efficiently monitor their agent needs. We are also an aggregator and provider of network connectivity services. We contract with a number of third party providers for the right to resell the various telecommunication services and products they provide, and then offer all of these services to the customers. These services and products allow customers to buy only the network connectivity services they need, combine those services in a customized enhanced contact center package, receive one bill for those services, and call a single point of contact if a service problem or billing issue arises.

***Parent and Merger Subsidiary.*** Parent is a company organized under the laws of the State of Israel. Parent provides enterprise software solutions that empower organizations to make smarter decisions based on advanced analytics of structured and unstructured data. Parent's solutions help the world's largest organizations deliver better customer service, ensure compliance, combat fraud and safeguard citizens. Over 25,000 organizations in more than 150 countries, including over 80 of the Fortune 100 companies, are using Parent's solutions. Merger Subsidiary is a Delaware corporation and a wholly owned indirect subsidiary of Parent formed for purposes of the merger.

**The Special Meeting**

A special meeting of our stockholders will be held on [ ], 2016, at [ ]: 00 a.m. local time, at our corporate headquarters located at 75 West Towne Ridge Parkway, Tower 1, Salt Lake City, UT 84070. The purpose of the special meeting is for our stockholders to consider and vote upon (i) a proposal to adopt and approve the merger agreement among inContact, Parent and Merger Subsidiary, (ii) a proposal to postpone or adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of such adjournment to approve such proposal; and (iii) a proposal, on an advisory (non-binding) basis, to approve the compensation that may be paid or become payable to inContact's named executive officers in connection with the merger, and related agreements (as described in *The Merger - Interests of the Directors and Executive Officers in the Merger May Differ From Your Interests - Golden Parachute Compensation* ). You are entitled to notice of and to vote at the special meeting if you owned shares of our outstanding common stock at the close of business on [ ], 2016, the record date for the special meeting. A quorum is required for stockholders to conduct business at the special meeting. The presence, in person or

by proxy, of the holders of a majority of the outstanding shares of our common stock is necessary to establish a quorum at the meeting. The affirmative vote of holders of a majority of our outstanding shares of common

**Table of Contents**

stock as of the close of business on the record date for stockholders entitled to vote at the special meeting is required to approve the merger agreement. The affirmative vote of a majority of our shares of common stock represented at the special meeting, either in person or by proxy, and entitled to vote thereon is required to approve the proposal to approve one or more postponements or adjournments of the special meeting and the proposal to on an advisory (non-binding) basis, compensation that will or may become payable by inContact to its named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable. You will have one vote for each share of common stock you owned at the close of business on the record date. As of the record date, there were [ ] shares of our common stock outstanding and entitled to be voted at the special meeting. You can vote shares you hold of record by attending the special meeting and voting in person, by mailing the enclosed proxy card, or by voting over the telephone or over the Internet. If your shares of common stock are held in street name by your broker, bank or other nominee, you should instruct your broker, bank, or other nominee on how to vote your shares using the instructions provided by your broker, bank, or other nominee. If you do not instruct your broker, bank, or other nominee to vote your shares, your shares will not be voted at the special meeting and will count as a vote AGAINST the adoption of the merger agreement. You may revoke your proxy at any time before the vote is taken at the special meeting. To revoke your proxy, you must either advise inContact's Secretary in writing, deliver a proxy dated after the date of the proxy you wish to revoke, or attend the special meeting and vote your shares in person. Merely attending the special meeting will not constitute revocation of your proxy. If you have instructed your broker, bank, or other nominee to vote your shares, you must follow the directions provided by your broker, bank, or other nominee to change those instructions

**The Merger**

We are asking our stockholders to consider and vote upon a proposal to approve the merger agreement which provides for the acquisition of inContact by Parent. The Board of Directors is providing this proxy statement and the accompanying form of proxy to holders of inContact common stock in connection with the solicitation of proxies for use at the special meeting of stockholders to approve the merger.

The full text of the merger agreement is attached as Appendix A to this proxy statement. **We urge you to read the merger agreement carefully and in its entirety.** If the merger is approved by our stockholders and the transaction closes as contemplated, inContact will become a wholly owned indirect subsidiary of Parent, and you will be entitled to receive \$14.00 cash, without interest and less any required tax withholding, for each share of our common stock that you own, and:

you will no longer have any interest in our future earnings or growth;

we will no longer be a public company;

our common stock will no longer be traded on the NASDAQ Capital Market; and

we may no longer be required to file periodic and other reports with the SEC.



**Reasons for the Merger**

Our Board of Directors considered a number of factors in making its determination that the merger and the other transactions contemplated by the merger agreement are advisable and in the best interests of inContact and its stockholders, including the following:

the merger consideration will be paid in cash providing certainty, immediate value and liquidity to inContact's stockholders and that a price of \$14.00 per share in cash represents a premium of approximately 49% to the closing price of inContact's common stock on the last full trading day prior to our Board of Director's decision to approve the merger agreement;

**Table of Contents**

inContact's prospects as an independent company, and our Board of Directors' determination that Parent's all-cash proposal represented near-term, substantially higher value and certainty to inContact's stockholders relative to inContact's prospects as a stand-alone company;

the sale process conducted prior to the signing of the merger agreement, the fact that \$14.00 per share was the highest value that was available to inContact at the time, and that there was no assurance that a more favorable opportunity would arise later;

the terms of the merger agreement, including inContact's ability to respond to and accept a superior proposal under certain circumstances and the agreement's termination provisions; and

the closing conditions included in the merger agreement, including the absence of any financing-related closing condition, and the likelihood that the merger would be completed.;

the oral opinion of Jefferies, subsequently confirmed in writing, to our Board of Directors (in its capacity as such) that, as of May 17, 2016, and based upon and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Jefferies as set forth in the written opinion, the consideration to be received by the holders of shares of inContact's common stock (other than inContact, Parent and their respective affiliates) pursuant to the merger agreement was fair, from a financial point of view, to such holders. The full text of the written opinion is attached to this proxy statement as [Appendix B](#) and is incorporated by reference in this proxy statement in its entirety. The opinion of Jefferies is more fully described below in the subsection entitled *The Merger - Opinion of Board's Financial Advisor*.

Our Board of Directors also identified and considered a number of countervailing factors and risks to inContact and its stockholders relating to the merger and the merger agreement, including the following:

the possibility that the merger may not be completed and the potential adverse consequences to inContact as a result;

the fact that inContact's stockholders will not participate in any future earnings or growth of inContact as an independent company and will not benefit from any future appreciation in the value of inContact;

limitations on the conduct of inContact's business prior to closing imposed by the interim operating covenants of the merger agreement;

the potential negative impact of the announcement and pendency of the merger on inContact's operations, employee retention, and relationships with distributors, customers, and suppliers;

the risk that the merger may not receive required government approvals, that a governmental authority may prohibit the transactions contemplated by the merger agreement, or that other conditions to the parties' obligations to complete the merger will not be satisfied;

the fact that the merger will be a taxable transaction to inContact's stockholders; and

interests of inContact's directors and executive officers that are different from, or are in addition to, the interests of inContact's stockholders generally. For more information see *The Merger Agreement Interests of Directors and Executive Officers in the Merger May Differ From Your Interests* .

#### **Recommendation of the Board of Directors**

Our Board of Directors believes that the terms of the merger are fair to and in the best interests of the Company and our stockholders, has approved and declared advisable the merger agreement and the

**Table of Contents**

transactions contemplated thereby and has recommended approval and adoption of the merger agreement and the merger by our stockholders. **Our Board recommends that you vote FOR the proposal to adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger, FOR the proposal to approve one or more postponements or adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting and FOR the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable to inContact's named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable.**

**Opinion of inContact's Financial Advisor**

On November 23, 2015, we retained Jefferies to act as our financial advisor in connection with a possible business transaction involving inContact. In connection with this engagement, our Board of Directors requested that Jefferies evaluate the fairness, from a financial point of view, to the holders of inContact common stock (other than inContact, Parent and their respective affiliates) of the merger consideration of \$14.00 in cash per share of inContact common stock. At a meeting of our Board of Directors held May 17, 2016, Jefferies rendered an oral opinion, confirmed by delivery of a written opinion dated May 17, 2016, to the effect that, as of that date and based upon and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken as set forth therein, the merger consideration of \$14.00 in cash per share of inContact common stock to be received by holders of shares of inContact common stock (other than inContact, Parent and their respective affiliates) pursuant to the merger agreement was fair, from a financial point of view, to such holders, as more fully described below under the caption, *Opinion of inContact's Financial Advisor*.

**The full text of the written opinion of Jefferies, dated May 17, 2016, is attached hereto as Appendix B. Jefferies opinion sets forth, among other things, the various assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of the review undertaken by Jefferies in rendering its opinion. We encourage you to read Jefferies' opinion carefully and in its entirety. Jefferies' opinion was directed to our Board of Directors (in its capacity as such) and addresses only the fairness, from a financial point of view, of the merger consideration of \$14.00 in cash per share of inContact common stock to be received by holders of inContact common stock (other than inContact, Parent and their respective affiliates) pursuant to the merger agreement as of the date of the opinion. It does not address any other aspects of the merger and does not constitute a recommendation as to how any holder of inContact common stock should vote or act with respect to the merger or any matter related thereto. The summary of the opinion of Jefferies set forth in the section of this Proxy Statement entitled *The Merger - Opinion of inContact's Financial Advisor* is qualified in its entirety by reference to the full text of the opinion.**

**Treatment of Equity Awards**

**Stock Options**. In the merger, all outstanding vested stock options will be cancelled and converted into the right to receive, in cash, the excess, if any, of \$14.00 over the applicable per share exercise price for each share of stock underlying a vested stock option, less any required tax withholding. All outstanding unvested stock options will be cancelled and converted into an option to purchase a number of American Depositary Shares which represent ordinary shares of Parent (Parent ADSs), calculated by multiplying the number of shares underlying the unvested stock option by an equity award exchange ratio based on the average closing price of Parent ADSs for the ten trading days immediately preceding the closing date for the merger (the Equity Award Exchange Ratio).



## **Table of Contents**

**RSUs.** In the merger, all outstanding vested restricted stock units ( RSUs ) will be cancelled and converted into the right to receive, in cash, \$14.00, less any required tax withholding, for each share of our common stock subject to such vested RSU. All outstanding unvested RSUs will be cancelled and converted into an RSU with respect to a number of Parent ADSs, calculated by multiplying the number of shares underlying the unvested RSU by the Equity Award Exchange Ratio.

**Restricted Shares.** In the merger, all unvested shares of restricted stock will be cancelled and converted into a number of restricted Parent ADSs, calculated by multiplying the number of unvested restricted shares by the Equity Award Exchange Ratio.

**Employee Stock Purchase Plan.** Under our 2005 Employee Stock Purchase Plan, no new offering periods will commence following completion of the offering period in progress as of the date of the merger agreement. The current offering period will terminate in accordance with the terms of our 2005 Employee Stock Purchase Plan, except that we will terminate the current offering period seven business days prior to the effective time of the merger if it has not already terminated. On termination of the current offering period, each then outstanding option under our 2005 Employee Stock Purchase Plan will be exercised automatically, and we will terminate our 2005 Employee Stock Purchase Plan as of immediately prior to the effective time of the merger.

## **Debt Financing**

Prior to entering into the merger agreement, Parent entered into debt commitment letters with certain financial institutions pursuant to which Parent would be provided debt financing on the terms and conditions set forth in the debt commitment letters, the proceeds of which, among other uses, will be used by Parent to fund all or a portion of the merger consideration. The merger agreement provides, however, that obtaining such debt financing is not a condition to close.

## **Interests of Directors and Executive Officers in the Merger**

In considering the recommendation of our Board of Directors that you vote in favor of the proposal to approve the merger agreement, you should be aware that certain of our directors and executive officers may have interests in the merger that are different from, or are in addition to, the interests of inContact and our stockholders generally. These interests may create a potential conflict of interest and may be perceived to have affected their decision to support or approve the merger. Our Board of Directors was aware of these potential conflicts of interest during its deliberations on the merits of the merger and in making its decision to approve the merger agreement, the merger and the related transactions. These interests include, but are not limited to, the receipt of Parent equity compensation awards and potential severance benefits in the event of employment termination on or following the consummation of the merger pursuant to retention agreements entered into in connection with the merger agreement, and continuation of indemnification rights and coverage under our directors and officers liability insurance policies. inContact stockholders should be aware of these interests when considering the Board of Directors recommendation to approve the merger agreement.

## **Material U.S. Federal Income Tax Consequences**

In general, your receipt of the merger consideration will be a taxable transaction for U.S. federal income tax purposes if you are a U.S. Holder (as defined under *The Merger - Material U.S. Federal Income Tax Consequences* ). If you

are a U.S. Holder, for U.S. federal income tax purposes, you will generally recognize capital gain or loss equal to the difference, if any, between the amount of cash received pursuant to the merger and your adjusted basis in the shares surrendered. If you are a Non-U.S. Holder (as defined under *The Merger - Material U.S. Federal Income Tax Consequences* ), you will generally not be subject to U.S. federal income tax with respect to the exchange of our common stock for cash in the merger unless you have certain connection with the United States. The tax consequences of the merger to you will depend upon your own particular circumstances. You should consult your tax advisor in order to fully understand how the merger will affect you.

## **Table of Contents**

### **Delisting and Deregistration of our Common Stock**

If the merger is completed, inContact common stock will be delisted from the NASDAQ Stock Market and deregistered under the Securities Exchange Act of 1934, as amended (the Exchange Act ), and we will no longer file periodic reports with the SEC on account of our common stock.

### **Governmental and Regulatory Approvals**

Under the merger agreement, the merger cannot be completed until (i) the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the HSR Act ), has expired or been terminated, (ii) approval has been obtained from the Committee on Foreign Investment in the United States ( CFIUS ) and (iii) approvals have been obtained from the Federal Communications Commission ( FCC ) and certain state authorities in connection with the transfer of entities holding certain telecommunications licenses in the merger. inContact and Parent filed their joint domestic and international 214 transfer of control applications with the FCC on May 31, 2016, and their respective HSR Act notifications on June 2, 2016. On June 22, 2016, the Premerger Notification Office of the U.S. Federal Trade Commission advised inContact that early termination had been granted of the mandatory waiting period under the HSR Act with respect to the merger. The Company and Parent anticipate filing a joint voluntary notice with CFIUS and filing transfer of control applications with various state communications regulatory authorities.

### **Legal Proceedings**

On June 10, 2016, a complaint captioned *Natalie Gordon v. inContact, Inc., et al.*, Civil Action No. 160903695 was filed in the Third Judicial District Court of Salt Lake County, State of Utah naming as defendants inContact and the Board of Directors. This action purports to be a class action brought by a stockholder alleging that the Board of Directors breached their fiduciary duties by approving the merger agreement and failing to take steps to maximize inContact's value to its stockholders. In addition, the complaint alleges, among other things, that certain provisions of the merger agreement unduly restrict inContact's ability to negotiate with other potential bidders. The complaint generally seeks, among other things, either to enjoin the proposed transaction or to rescind the transaction in the event it is consummated, other forms of equitable relief and monetary damages of \$300,000 or greater. The defendants believe the litigation is entirely without merit and intend to defend it vigorously.

### **Anticipated Closing of the Merger**

We intend to complete the closing of the merger promptly after all of the conditions to completion of the merger are satisfied or waived, including the approval of the merger agreement by our stockholders. We currently expect the merger to be completed in the second half of 2016, although we cannot assure completion by any particular date, if at all. We will issue a press release and letters of transmittal for your use once the merger has been completed.

### **No Solicitation of an Acquisition Proposal**

We have agreed in the merger agreement, between the date of the merger agreement and the effective time, to certain limitations on our ability to take action with respect to alternative acquisition transactions. Notwithstanding these limitations, the merger agreement provides that, at any time prior to obtaining the requisite stockholder vote for approval of the merger with Parent, we may consider and discuss a superior acquisition proposal with a third party or an acquisition proposal that our Board determines in good faith would reasonably likely lead to a superior proposal,



subject to the limitations and conditions set forth in the merger agreement and as further detailed in *The Merger Agreement - No Solicitation of an Acquisition Proposal* below. If we do so, we must notify Parent and provide the details of the superior acquisition proposal.

**Table of Contents**

**Termination Fees**

If the merger agreement is terminated in certain instances, we are obligated to pay to Parent a termination fee of \$34,140,000. More information can be found in *The Merger Agreement Termination Fees* below.

**Appraisal Rights**

If the merger is consummated, inContact stockholders who do not vote in favor of the adoption and approval of the merger agreement and who properly demand appraisal of their shares of inContact's common stock will be entitled to appraisal rights in connection with the merger under Section 262 of the Delaware General Corporation Law (Section 262). See also Appendix C Section 262 of the Delaware General Corporation Law (Appraisal Rights).

**Additional Information**

You can find more information about inContact in the periodic reports and other information we file with the U.S. Securities and Exchange Commission (the SEC). The information is available at the SEC's public reference facilities and at the website maintained by the SEC at <http://www.sec.gov>. For a more detailed description of the additional information available, please see the section entitled *Where You Can Find More Information*.

Table of Contents

**INCONTACT, INC.**

**PROXY STATEMENT FOR THE  
SPECIAL MEETING OF STOCKHOLDERS**

**QUESTIONS AND ANSWERS ABOUT THE MERGER**

**Q: Who is soliciting my proxy?**

A: The Board of Directors of inContact.

**Q: Where and when is the special meeting of stockholders?**

A: The special meeting of stockholders of inContact will be held at our corporate offices located at 75 West Towne Ridge Parkway, Tower 1, Salt Lake City, UT 84070, on [ ], 2016 at [ ] a.m. local time.

**Q: What am I voting on?**

A: You are voting on the following three proposals:

1. To approve the merger agreement, pursuant to which Merger Subsidiary will be merged with and into inContact, with inContact surviving as a wholly owned indirect subsidiary of Parent.
2. To approve the postponement or adjournment of the special meeting, if necessary or appropriate, for, among other reasons, the solicitation of additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement;
3. To consider and vote on the proposal to approve on an advisory (non-binding) basis, compensation that will or may become payable to inContact's named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable contemplated by the merger agreement (as described in *The Merger Interests of the Directors and Executive Officers in the Merger May Differ From Your Interests - Golden Parachute Compensation* ).

**Q: How does inContact's Board of Directors recommend that I vote?**

A: On May 17, 2016, our Board of Directors unanimously (i) determined that the merger and merger agreement, and the transaction contemplated by the merger agreement, are fair to and in the best interests of the Company and our stockholders, (ii) approved and declared advisable the merger agreement and the transactions contemplated thereby and (iii) recommended approval and adoption of the merger agreement and the merger by our stockholders. Our Board of Directors recommends that you vote **FOR** the proposal to adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger, **FOR** the proposal to approve one or more postponements or adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting and **FOR** the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable to inContact's named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable.

**Q: What will I receive in the merger?**

A: Upon completion of the merger, you will receive \$14.00 in cash, without interest and less any required tax withholding, for each share of our common stock that you own. For example, if you own 1,000 shares of our

**Table of Contents**

common stock, you will receive \$14,000.00 in cash in exchange for your shares of common stock, less any required tax withholding. You will not own any shares in the surviving corporation.

**Q: Who can vote at the special meeting?**

A: All stockholders of record at the close of business on [ ], the record date for the special meeting, will be entitled to notice of and to vote at the special meeting. If on that date, your shares were registered directly in your name with our transfer agent, Interwest Transfer Company, Inc., then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. If on that date, your shares were held in an account at a brokerage firm, bank, dealer or similar organization, then you are the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the special meeting. As a beneficial owner, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the special meeting. However, if your shares are held in street name, you are not the stockholder of record, and you may not vote your shares in person at the meeting unless you request and obtain a valid legal proxy from your broker or other agent. As of the close of business on the record date, [ ] shares of our common stock were outstanding.

**Q: What constitutes a quorum for the meeting?**

A: A quorum is required for stockholders to conduct business at the special meeting. The presence, in person or by proxy, of the holders of a majority of the outstanding shares of our common stock is necessary to establish a quorum at the meeting. On the record date, there were [ ] shares of our common stock outstanding. Shares present, in person or by proxy, including shares as to which authority to vote on any proposal is withheld, shares abstaining as to any proposal, and broker non-votes (where a broker submits a properly executed proxy but does not have authority to vote a customer's shares on non-routine matters such as the merger proposal) on any proposal will be considered present at the meeting and entitled to vote for purposes of establishing a quorum for the transaction of business at the meeting. Each of these categories will be tabulated separately. In the event that a quorum is not present at the special meeting, we expect that the meeting will be postponed or adjourned to solicit additional proxies, and the persons named as proxies may propose and vote for one or more postponements or adjournments of the special meeting; however, no proxy voted against approval of the merger agreement will be voted in favor of any postponement or adjournment of the special meeting to solicit proxies relating to the merger.

**Q: How many votes do I have and how are votes counted?**

A: Each share of our common stock is entitled to one vote on matters brought before the special meeting. If you vote your shares of our common stock by submitting a proxy, your shares will be voted at the special meeting as you indicated on your proxy card. If no instructions are indicated on your signed proxy card, all of your shares of common stock will be voted **FOR** the approval of the merger agreement, the postponement or adjournment of the special meeting, if necessary, to solicit additional proxies, and the advisory vote on named executive officer compensation.

**Q: My shares are held in the street name. Will my broker vote my shares?**

A: If you hold your shares in street name, you should have received a vote instruction form with these proxy materials from your broker, bank or other agent rather than from inContact. Simply complete and return the vote instruction form to your broker or other agent to ensure your vote is counted. Alternatively, you may vote by telephone or over the internet as instructed by your broker or other agent. To vote in person at the special meeting, you must obtain a valid legal proxy from your broker, bank or other agent. Follow the instructions from your broker or agent included with these proxy materials, or contact your broker or agent to request a legal proxy form.

**Table of Contents**

Your broker or nominee will not be permitted to exercise voting discretion with respect to the proposal to approve the merger agreement. If you do not give your broker or nominee specific instructions on such matter, your shares will not be voted. Shares of common stock represented by broker non-votes will, however, be counted in determining whether there is a quorum.

**Q: What is a broker non-vote ?**

A: Under NASDAQ rules, banks, brokers and other nominees may use their discretion to vote uninstructed shares (i.e., shares held of record by banks, brokerage firms or other nominees but with respect to which the beneficial owner of such shares has not provided instructions on how to vote on a particular proposal) with respect to matters that are considered to be routine, but not with respect to non-routine matters. Non-routine matters are matters that may substantially affect the rights or privileges of stockholders, such as mergers, stockholder proposals, elections of directors (even if not contested), executive compensation (including any advisory stockholder votes on executive compensation) and certain corporate governance proposals, even if management-supported. A broker non-vote occurs on an item when (i) a broker, nominee or intermediary has discretionary authority to vote on one or more proposals to be voted on at a meeting of stockholders, but is not permitted to vote on other proposals without instructions from the beneficial owner of the shares and (ii) the beneficial owner fails to provide the broker, nominee or intermediary with such instructions. Because none of the proposals to be voted on at the special meeting are routine matters for which brokers may have discretionary authority to vote, we do not expect there to be any broker non-votes.

**Q: Will my shares held in street name or another form of ownership be combined for voting purposes with shares I hold of record?**

A: No. Because any shares you may hold in street name will be deemed to be held by a different stockholder than any shares you hold of record, any shares so held will not be combined for voting purposes with shares you hold of record. Similarly, if you own shares in various registered forms, such as jointly with your spouse, as trustee of a trust or as custodian for a minor, you will receive, and will need to sign and return, a separate proxy card for those shares because they are held in a different form of record ownership. Shares held by a corporation or business entity must be voted by an authorized officer of the entity. Shares held in an IRA must be voted under the rules governing the account.

**Q: How are ABSTAIN votes counted?**

A: If you abstain from voting, that abstention will have the same effect as if you voted **AGAINST** the proposal to adopt the merger agreement. If you attend the meeting or are represented by proxy and abstain from voting, the abstention will have the same effect as if you voted **AGAINST** any proposal to postpone or adjourn the special meeting to a later date to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting and **AGAINST** the proposal to approve on an advisory (non-binding) basis, the compensation that will or may become payable to inContact's named executive officers in connection with the merger.

**Q: What vote is required to approve the merger, postponement or adjournment of the special meeting and the proposal to approve on an advisory (non-binding) basis compensation that will or may become payable to inContact's named executive officers in connection with the merger?**

A. The affirmative vote of holders of a majority of our outstanding shares of common stock as of the close of business on the record date for stockholders entitled to vote at the special meeting is required to approve the merger agreement. As of the close of business on the record date, there were [ ] shares of our common stock outstanding. This means that under Delaware law, [ ] shares or more must vote in the affirmative to approve the merger agreement. The affirmative vote of a majority of our shares of common stock



**Table of Contents**

represented at the special meeting, either in person or by proxy, and entitled to vote thereon, is required to approve the postponement or adjournment of the special meeting, if necessary, to solicit additional proxies. The affirmative vote of a majority of our shares of common stock represented at the special meeting, either in person or by proxy, and entitled to vote thereon, is required to approve the proposal to approve on an advisory (non-binding) basis, by compensation that will or may become payable to inContact's named executive officers in connection with the merger.

**Q: What happens if I do not vote on the merger?**

**A: BECAUSE THE VOTE REQUIRED TO APPROVE THE MERGER AGREEMENT IS BASED ON THE TOTAL NUMBER OF SHARES OF OUR COMMON STOCK OUTSTANDING ON THE RECORD DATE, AND NOT JUST THE SHARES THAT ARE ENTITLED TO VOTE OR ACTUALLY VOTED AT THE SPECIAL MEETING, IF YOU DO NOT VOTE (INCLUDING IF YOU HOLD YOUR SHARES THROUGH A BROKER OR OTHER NOMINEE AND DO NOT RETURN YOUR VOTE INSTRUCTIONS TO THE BROKER OR OTHER NOMINEE), IT WILL HAVE EXACTLY THE SAME EFFECT AS A VOTE AGAINST THE APPROVAL OF THE MERGER AGREEMENT.** If the merger is completed, whether or not you vote for the merger proposal, you will be paid the merger consideration for your shares of our common stock upon completion of the merger, unless you properly exercise your appraisal rights. Please see also the section entitled Appraisal Rights and Appendix C Section 262 of the Delaware General Corporation Law (Appraisal Rights).

**Q: Why am I being asked to consider and vote on a proposal to approve on an advisory (non-binding) basis, compensation that will or may become payable to inContact's named executive officers in connection with the merger?**

**A:** Under SEC rules, we are required to seek a non-binding, advisory vote with respect to the compensation that may be paid or become payable to our named executive officers that is based on or otherwise relates to the merger, or "golden parachute" compensation.

**Q: What will happen if inContact's stockholders do not approve the golden parachute compensation?**

**A:** Approval of the compensation that may be paid or become payable to inContact's named executive officers that is based on or otherwise relates to the merger is not a condition to completion of the merger. The vote is an advisory vote and will not be binding on inContact or the surviving corporation in the merger. Because the merger-related compensation to be paid to the named executive officers in connection with the merger is based on contractual arrangements with the named executive officers, such compensation may be payable, regardless of the outcome of this advisory vote, if the merger agreement is adopted (subject only to the contractual obligations applicable thereto).

**Q: When should I send in my stock certificates?**

A: After the special meeting, if the merger is completed and you are a stockholder of record, you will receive a letter of transmittal and other documents to complete and return to the disbursing agent. In order to receive the merger consideration as soon as reasonably practicable following the completion of the merger, you must send the exchange agent your validly completed letter of transmittal together with your stock certificates as instructed in the separate mailing. **You should NOT send your stock certificates until requested to do so.**

**Q: When can I expect to receive the merger consideration for my shares?**

A: Once the merger is completed, you will be sent in a separate mailing a letter of transmittal and other documents to be delivered to the exchange agent in order to receive the merger consideration. Once you

**Table of Contents**

have submitted your properly completed letter of transmittal, stock certificates and other required documents to the disbursing agent, the disbursing agent will send you a check for the merger consideration.

**Q: I do not know where my stock certificate is how will I get my cash?**

A: The materials the exchange agent will send you after completion of the merger will include the procedures that you must follow if you cannot locate your stock certificate. This will include an affidavit that you will need to sign attesting to the loss of your certificate. You may also be required to provide a bond to the surviving corporation in order to cover any potential loss.

**Q: Will stockholders have appraisal rights?**

A: Yes. Under Delaware law, which is our state of incorporation, any stockholder who does not vote in favor of the merger and remains a holder of inContact common stock at the effective time of the merger may, by complying with the procedures set forth in Section 262 of the Delaware General Corporation Law and sending us a written demand for appraisal before the vote is taken on the merger agreement, be entitled to seek appraisal of the fair value of their shares. Appraisal rights are contingent upon consummation of the merger. See Appendix C for more information.

**Q: What should I do now how do I vote?**

A: Carefully read this document and indicate on the proxy card how you want to vote. Sign, date and mail your proxy card in the enclosed return envelope as soon as possible. If your shares are held in street name, you may also vote electronically on the internet or by telephone as instructed in the materials. You should indicate your vote now even if you expect to attend the special meeting and vote in person. Indicating your vote now will not prevent you from later canceling or revoking your proxy, right up to the day of the special meeting, and will ensure that your shares are voted if you later find you cannot attend the special meeting. **IF YOU DO NOT VOTE, THIS WILL HAVE THE SAME EFFECT AS A VOTE AGAINST THE MERGER PROPOSAL.**

**Q: What happens if I sell my shares of common stock before the special meeting?**

A: The record date for stockholders entitled to vote at the special meeting is earlier than the expected date of the merger. If you transfer your shares of our common stock after the record date but before the special meeting, you will, unless special arrangements are made, retain your right to vote at the special meeting but will transfer the right to receive the merger consideration to the person to whom you transfer your shares.

**Q: Can I change my vote after I have mailed my signed proxy card?**

A: Yes. You can change your vote in one of three ways at any time before your proxy is voted at the special meeting, by (i) revoking your proxy by written notice to our Corporate Secretary stating that you would like to revoke your proxy, (ii) completing and submitting a new proxy card bearing a later date, or (iii) attending the special meeting and voting in person. Simply attending the meeting will not, by itself, revoke your proxy. If your shares are held in the name of a broker, bank, dealer or other nominee, you must follow instructions received from such broker, bank or nominee with this proxy statement in order to revoke your vote or to vote in person at the special meeting.

**Q: What are the consequences of the merger to members of our management and Board of Directors?**

A: Each of our executive officers executed a retention agreement with Parent (see *Interests of Directors and Executive Officers in the Merger May Differ From Your Interests* *Retention Agreements* below for additional information about these agreements). Our current Board of Directors, however, will be replaced

**Table of Contents**

by a new board of directors to be nominated by Parent following the merger. Like all other holders of shares of our common stock, our directors and executive officers will be entitled to receive \$14.00 per share in cash for each of their shares of our common stock. All stock options, RSUs and unvested restricted stock held by our executive officers and directors (like all other options, RSUs and unvested restricted stock held by our employees) will be cancelled at the effective time of the merger and holders will be entitled to receive either \$14.00 per share less tax withholding, in cash, or options, RSUs or restricted shares, in each case with respect to Parent ADSs, depending on whether or not the original awards are vested or unvested.

**Q: Whom should I contact with questions?**

A: If you have any questions regarding the merger proposal, you may contact Daniel Lloyd, our General Counsel, at inContact, Inc., 75 West Towne Ridge Parkway, Tower 1, Salt Lake City, UT 84070, or call (801) 320-3200. If you need additional copies of this proxy statement or the enclosed proxy card, or if you have other questions about the proposals or how to vote your shares, you may contact our proxy solicitor, The Proxy Advisory Group, LLC by telephone (toll free) at 888.557.7699.

---

**Table of Contents**

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This proxy statement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. These statements include statements regarding our plans, goals, strategies, intent, beliefs or current expectations. Sentences in this document containing verbs such as believe, plan, intend, anticipate, target, estimate, expect, and the like, and/or future-tense or conditional constructions ( will, may, should, etc.) constitute forward-looking statements that involve risks and uncertainties. Items contemplating or making assumptions about actual or potential future business plans, sales, market size, collaborations, trends or operating results, or benefits of the business combination transaction also constitute such forward-looking statements. These statements are expressed in good faith and are based upon reasonable assumptions when made, but there can be no assurance that these expectations will be achieved or accomplished. Stockholders and other readers are cautioned not to place undue reliance on these forward-looking statements. Any forward-looking statement speaks only as of the date we made the statement. We do not undertake to update the disclosures contained in this document or reflect events or circumstances that occur subsequently or the occurrence of unanticipated events, except as required by law. There are a number of risks and uncertainties that could cause actual results to differ materially from historical results or from any results expressed or implied by such forward-looking statements. For example, the merger may involve unexpected costs, our business may suffer as a result of uncertainty surrounding the merger, and the acquisition may not be completed in the time frame expected by the parties or at all. Certain other risks associated with our business are discussed from time to time in the reports we file with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and our Quarterly Reports on Form 10-Q. In addition to the other factors and matters contained or incorporated in this document, we believe the following factors could cause actual results to differ materially from those discussed in the forward-looking statements:

our financial performance through the completion of the merger;

satisfaction of the closing conditions set forth in the merger agreement, including among others, (i) receipt of the required stockholder approval, (ii) the absence of any change, circumstance, condition, state of facts, events or effect that constitutes a material adverse effect (as further described in the merger agreement), or (iii) receipt of the necessary regulatory approvals required to permit the merger;

the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement;

the failure of the merger to close for any other reason;

diversion of management's attention from ongoing business concerns during the pendency of the merger;

the amount of the costs, fees, expenses and charges related to the merger, including the risk that the merger agreement may be terminated in circumstances (which include in the event the merger agreement is not approved by our stockholders) that would require us to pay Parent a termination fee of \$34,140,000, the payment of which could cause significant liquidity and long-term financial viability issues for inContact;

the effect of the announcement of the merger on our customer and employee relationships, operating plans and results and our business generally, including the risk that we may experience a decline in sales and employee retention;

business uncertainty and contractual restrictions during the pendency of the merger;

competitive pressures and the general economic conditions; and

the volatility of the stock market, our stock price and interest rates.

**Table of Contents**

**PARTIES TO THE MERGER**

**inContact, Inc.**

inContact is a Delaware corporation headquartered in Salt Lake City, Utah. We provide cloud contact center software solutions through our inContact® Customer Interaction Cloud, an advanced contact handling and performance management software application. Our services also provide a variety of connectivity options for carrying inbound calls and linking agents to our inContact applications. We provide customers the ability to monitor agent effectiveness through our user survey tools and the ability to efficiently monitor their agent needs. We are also an aggregator and provider of network connectivity services. We contract with a number of third party providers for the right to resell the various telecommunication services and products they provide, and then offer all of these services to the customers. These services and products allow customers to buy only the network connectivity services they need, combine those services in a customized enhanced contact center package, receive one bill for those services, and call a single point of contact if a service problem or billing issue arises. We were incorporated in Utah in 1995 and later redomiciled in Delaware in 1999, we employ approximately 1,111 people worldwide, and our internet address is [www.inContact.com](http://www.inContact.com). Information included on our website is not incorporated by reference into this proxy statement.

inContact's principal executive offices are located at 75 West Towne Ridge Parkway, Tower 1, Salt Lake City, UT 84070. inContact's telephone number is (801) 320-3200.

**NICE-Systems Ltd.**

Parent is a company organized under the laws of the State of Israel. Parent provides enterprise software solutions that empower organizations to make smarter decisions based on advanced analytics of structured and unstructured data. Parent's solutions help the world's largest organizations deliver better customer service, ensure compliance, combat fraud and safeguard citizens. Over 25,000 organizations in more than 150 countries, including over 80 of the Fortune 100 companies, are using Parent's solutions. Parent employs approximately 3,316 people worldwide, and its internet address is [www.nice.com](http://www.nice.com). Information included on Parent's website is not incorporated by reference into this proxy statement.

Parent's principal executive offices are located at 13 Zarchin Street, P.O. Box 690, 4310602 Ra'anana, Israel. Parent's telephone number is +972-9-7753151.

**Victory Merger Sub Inc.**

Merger Subsidiary is a Delaware corporation and a wholly-owned indirect subsidiary of Parent. Merger Subsidiary was formed solely for purpose of facilitating Parent's acquisition of inContact and has not engaged in any operations other than in connection with its formation and the negotiation and execution of the merger agreement. Merger Subsidiary's principal executive offices and telephone number are the same as those of Parent.



---

**Table of Contents**

**THE SPECIAL MEETING**

**Time, Place and Purpose of the Special Meeting**

This proxy statement is being furnished to our stockholders as part of the solicitation of proxies by our Board of Directors for use at a special meeting of stockholders to be held on [ ], 2016, at [ ]: 00 a.m. local time, at our corporate headquarters located at 75 West Towne Ridge Parkway, Tower 1, Salt Lake City, UT 84070.

The purpose of the special meeting is for our stockholders to consider and vote upon:

- (i) a proposal to adopt and approve the merger agreement dated as of May 17, 2016, by and among inContact, Parent and Merger Subsidiary,
- (ii) a proposal to postpone or adjourn the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to adopt and approve the merger agreement if there are insufficient votes at the time of such adjournment to approve such proposal; and
- (iii) a proposal, on an advisory (non-binding) basis, to approve the compensation that may be paid or become payable to inContact's named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable.

A copy of the merger agreement is attached to this proxy statement as Appendix A. In the event that there are not sufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement, stockholders are also being asked to vote upon a proposal to postpone or adjourn the special meeting, if necessary, to solicit additional proxies. Stockholders are also being asked to approve on an advisory (non-binding) basis, compensation that will or may become payable to inContact's named executive officers in connection with the merger, and the related agreements (as described in *The Merger - Interests of the Directors and Executive Officers in the Merger May Differ From Your Interests - Golden Parachute Compensation* ). **Our Board recommends that you vote FOR the proposal to adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger, FOR the proposal to approve one or more postponements or adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting and FOR the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable to inContact's named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable.**

**Record Date and Quorum**

You are entitled to notice of and to vote at the special meeting if you owned shares of our outstanding common stock at the close of business on [ ], 2016, the record date for the special meeting. As of the record date, there were [ ] shares of our common stock outstanding and entitled to be voted at the special meeting.

A quorum is required for stockholders to conduct business at the special meeting. The presence, in person or by proxy, of the holders of a majority of the outstanding shares of our common stock is necessary to establish a quorum at the meeting. Shares present, in person or by proxy, including shares abstaining and broker non-votes (where a broker

submits a properly executed proxy but does not have authority to vote a customer's shares on non-routine matters such as proposals included herein) on any proposal will be considered present at the meeting for purposes of establishing a quorum for the transaction of business at the meeting. Each of these categories will be tabulated separately. In the event that a quorum is not present at the special meeting, we expect that the meeting will be postponed or adjourned to solicit additional proxies, and the persons named as proxies may propose and vote for one or more postponements or adjournments of the special meeting; however, no proxy voted against approval of the merger agreement will be voted in favor of any postponement or adjournment of the special meeting to solicit proxies relating to the merger.

---

**Table of Contents**

**Who Can Vote at the Special Meeting**

If on the record date, your shares were registered directly in your name with our transfer agent, Interwest Transfer Company, Inc., then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. If on that date, your shares were held in an account at a brokerage firm, bank, dealer or similar organization, then you are the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the special meeting. As a beneficial owner of shares held in street name, you have the right to direct your broker or other agent on how to vote the shares in your account. You are also invited to attend the special meeting. However, if you hold your shares in street name, you are not the stockholder of record, and you may not vote your shares in person at the meeting unless you request and obtain a valid legal proxy from your broker or other agent.

**Vote Required**

The affirmative vote of holders of a majority of our outstanding shares of common stock as of the close of business on the record date for stockholders entitled to vote at the special meeting is required to approve the merger agreement. As of the close of business on the record date, there were [ ] shares of our common stock outstanding. This means that under Delaware law, [ ] shares or more must vote in the affirmative to approve the merger agreement. The affirmative vote of a majority of our shares of common stock represented at the special meeting, either in person or by proxy, and entitled to vote thereon, is required to approve the postponement or adjournment of the special meeting, if necessary, to solicit additional proxies. The affirmative vote of a majority of our shares of common stock represented at the special meeting, either in person or by proxy, and entitled to vote thereon, is required to approve the proposal to approve on an advisory (non-binding) basis, by compensation that will or may become payable to inContact's named executive officers in connection with the merger.

**BECAUSE THE VOTE REQUIRED TO APPROVE THE MERGER AGREEMENT IS BASED ON THE TOTAL NUMBER OF SHARES OF OUR COMMON STOCK OUTSTANDING ON THE RECORD DATE, AND NOT JUST THE SHARES THAT ARE ENTITLED TO VOTE OR ACTUALLY VOTED AT THE SPECIAL MEETING, IF YOU DO NOT VOTE (INCLUDING IF YOU HOLD YOUR SHARES THROUGH A BROKER OR OTHER NOMINEE), IT WILL HAVE EXACTLY THE SAME EFFECT AS A VOTE AGAINST THE APPROVAL OF THE MERGER AGREEMENT.**

If you abstain from voting, that abstention will have the same effect as if you voted **AGAINST** the proposal to adopt the merger agreement. If you attend the meeting or are represented by proxy and abstain from voting, the abstention will have the same effect as if you voted **AGAINST** any proposal to postpone or adjourn the special meeting to a later date to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting and **AGAINST** the proposal to approve on an advisory (non-binding) basis, the compensation that will or may become payable to inContact's named executive officers in connection with the merger.

If you hold your shares in street name, and fail to instruct your broker, bank or other nominee on how to vote your shares, your shares will not be voted, which will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement, but will not have any effect on the postponement or adjournment proposal or the proposal to approve on an advisory (non-binding) basis, compensation that will or may become payable by inContact to its named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable.

Any stockholder who does not vote in favor of the merger and remains a holder of inContact common stock at the effective time of the merger may, by complying with the procedures set forth in Section 262 of the Delaware General Corporation Law and sending us a written demand for appraisal, be entitled to seek appraisal of the fair value of their shares. Appraisal rights are contingent upon consummation of the merger. Please see the section entitled Appraisal Rights in this proxy statement, and Appendix C Section 262 of the Delaware General Corporation Law (Appraisal Rights).

---

**Table of Contents**

**How You Can Vote**

If you hold your shares in record name, you may sign, date and mail your proxy card in the enclosed return envelope. **IF YOU DO NOT VOTE, THIS WILL HAVE THE SAME EFFECT AS A VOTE AGAINST THE MERGER PROPOSAL.**

If your shares are held in street name, you should have received a vote instruction form with these proxy materials from your broker, bank or other agent rather than from inContact. Simply complete and return the vote instruction form to your broker or other agent to ensure that your vote is counted. You may also vote electronically on the internet or by telephone as instructed by your broker or other agent. **YOUR BROKER OR NOMINEE WILL NOT BE PERMITTED TO EXERCISE VOTING DISCRETION WITH RESPECT TO THE PROPOSALS. IF YOU DO NOT GIVE YOUR BROKER OR NOMINEE SPECIFIC INSTRUCTIONS TO VOTE, YOUR SHARES WILL NOT BE VOTED.**

Your shares will be voted at the special meeting as you indicated on your proxy card. If no instructions are indicated on your signed proxy card, all of your shares of our common stock will be voted **FOR** the adoption of the merger agreement, the approval of the proposal to adjourn the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the proposal to adopt the merger agreement, and the approval on an advisory (non-binding) basis, of the compensation that will or may become payable to inContact's named executive officers in connection with the merger.

You should indicate your vote now even if you expect to attend the special meeting and vote in person. Indicating your vote now will not prevent you from later canceling or revoking your proxy, right up to the day of the special meeting, and will ensure that your shares are voted if you later find you cannot attend the special meeting. If your shares are held in street name and you wish to vote in person at the special meeting, you must obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker or agent included with these proxy materials, or contact your broker or agent to request a proxy form.

**Stock Ownership and Interests of Certain Persons**

As of June 15, 2016, our directors and executive officers beneficially owned and were entitled to vote, in the aggregate, 3,700,536 shares of our common stock, representing approximately 5.9% of the shares of our common stock outstanding on June 15, 2016. Our directors and executive officers have informed us that they currently intend to vote (1) **FOR** the proposal to adopt the merger agreement and thereby approve the transactions contemplated by the merger agreement, including the merger, (2) **FOR** the proposal to approve one or more postponements or adjournments of the special meeting to a later date or dates if necessary or appropriate to solicit additional proxies if there are insufficient votes to adopt the merger agreement at the time of the special meeting and (3) **FOR** the proposal to approve, by non-binding, advisory vote, compensation that will or may become payable to inContact's named executive officers in connection with the merger, and the agreements and understandings pursuant to which such compensation may be paid or become payable.

Certain members of our management and Board of Directors have interests that are different from or in addition to those of stockholders generally. Please see the section entitled *The Merger - Interests of Directors and Executive Officers in the Merger May Differ From Your Interests*.

**How You May Revoke or Change Your Vote**

You can change your vote in one of three ways at any time before your proxy is voted at the special meeting, by (i) revoking your proxy by written notice to our Corporate Secretary stating that you would like to revoke your proxy, (ii) completing and submitting a new proxy card bearing a later date, or (iii) attending the special meeting and voting in person. Simply attending the meeting will not, by itself, revoke your proxy. If your shares are held in the name of a broker, bank, dealer or other nominee, you must follow instructions received from such broker, bank or nominee with this proxy statement in order to revoke your vote or to vote in person at the special meeting.

**Table of Contents**

**Proxy Solicitation**

We will pay for the cost of soliciting proxies and may reimburse brokerage firms and others for their expenses in forwarding solicitation material to beneficial owners. Solicitation will be made primarily through the use of the mail but our officers, directors and employees may, without additional compensation, solicit proxies personally by telephone, mail or the internet, by fax or in person. We have retained The Proxy Advisory Group, LLC to assist us in soliciting proxies using the means referred to above. We will pay the fees of The Proxy Advisory Group, LLC, which we expect to be approximately \$15,000, plus reimbursement of out-of-pocket expenses.

**Adjournments**

We are asking our stockholders to consider and vote upon a proposal to approve the postponement or adjournment of the special meeting, if necessary, for the purpose, among others, of soliciting additional proxies in the event that a quorum is not present or there are not sufficient votes at the time of the special meeting to approve the merger agreement. You should note that the meeting could be successively postponed or adjourned to a specified date, if necessary. If the special meeting is postponed or adjourned for any reason, including for the purpose of soliciting additional proxies, stockholders who have already sent in their proxies will be able to revoke them at any time prior to their use. The persons named as proxies may propose and vote for one or more postponements or adjournments of the special meeting, including for the purpose to permit further solicitations of proxies. No proxy voted against the proposal to approve the merger agreement will be voted in favor of any postponement or adjournments of the special meeting to solicit additional proxies relating to the merger.

**Table of Contents**

**THE MERGER**

**Background of the Merger**

inContact's Board of Directors, or the Board, together with management of inContact, periodically reviews and assesses inContact's business plan and potential strategic opportunities available to inContact with the goal of maximizing stockholder value. As part of this ongoing process, the Board and management of inContact have periodically evaluated whether the continued execution of inContact's strategy as a standalone company or the sale of inContact to, or a combination of inContact with, a third party offers the best avenue to maximize stockholder value.

In July 2014, inContact's Chief Executive Officer and Parent's Chief Executive Officer arranged and held an introductory lunch meeting and discussed generally various aspects of their respective company's business and operations. In early November 2014, inContact's Chief Executive Officer and Parent's Chief Executive Officer had a follow-up phone conversation to arrange an in-person meeting with additional members of their respective management teams.

On November 25, 2014, Parent and inContact signed a confidentiality agreement.

On December 8, 2014, at Parent's request, inContact's management and Blake Fisher, a member of the Board, met with representatives of Parent in Salt Lake City, Utah to discuss inContact's business and Parent's interest in a potential transaction. At the meeting, Parent expressed their interest in a potential combination of the two companies, but discussions were general and no specific proposal was made. At the conclusion of the meeting, Parent was informed that inContact was not actively pursuing a potential sale transaction at that time, but that Parent's interest would be discussed further with the Board. Parent informed the representatives of inContact that they would discuss internally and would contact inContact.

On January 27, 2015, the Board held a telephonic meeting, during which the December meeting with Parent was discussed. The Board determined that, in light of Parent's indication of interest, inContact should be prepared to engage an investment banking firm if Parent or another party made an offer that would create substantial value for inContact's stockholders. Over the course of the next few months, Mr. Fisher and members of inContact's management contacted various investment banking firms and considered their proposals and fit for a company in inContact's industry.

On October 20, 2015, the Chief Executive Officer of Parent held a telephonic meeting with the management of inContact to reinitiate discussions of a potential acquisition transaction. Management of inContact informed Parent that inContact was not actively pursuing a potential sale transaction at that time, but that Parent's interest would be discussed with the Board.

On October 23, 2015, in light of the recent interest from Parent, inContact's management contacted Jefferies about a possible engagement as inContact's financial advisor in connection with a review of strategic alternatives to maximize stockholder value.

October 27, 2015 the Board held a telephonic meeting to discuss Parent's recent interest in a potential acquisition of inContact.

On November 2, 2015, inContact's Chief Executive Officer and Chief Financial Officer had a telephonic discussion with Parent's Chief Executive Officer regarding Parent's interest in a potential acquisition transaction. Parent's Chief Executive Officer expressed Parent's strong interest in an acquisition of inContact and confirmed that the proposed



transaction had the support of Parent's board of directors and that Parent could pay the ultimately agreed upon merger consideration in cash.

On November 18, 2015, inContact retained Pillsbury Winthrop Shaw Pittman LLP, or Pillsbury, to act as legal counsel in connection with the indication of interest received from Parent.

**Table of Contents**

On November 20, 2015, the Board held a telephonic meeting to discuss the oral indication of interest received from Parent. The Board requested that representatives from Jefferies participate in the discussion because of Jefferies qualifications, expertise, reputation and knowledge of inContact's business and affairs and because Jefferies was experienced and knowledgeable about inContact's industry, strategic positioning, future prospects, and potential strategic and financial partners. The Board also noted the performance of Jefferies in connection with inContact's offering of convertible notes earlier that year and that it had from time-to-time previously discussed with Jefferies, on an informal basis, the strategic landscape of inContact's business. The representatives from Jefferies then reviewed with the Board current market conditions, trends and drivers of growth in the SaaS and telecommunications industries. The Board then reviewed the discussions held with other investment banking firms earlier that year, as well as the proposals received from some of those same firms. The Board discussed the status of inContact's business and operations, its prospects and whether it was in the best interests of inContact and its stockholders to explore a potential sale of inContact at this time or to continue to pursue inContact's long-term strategic plan. The Board determined that the current share price, which was \$9.51 at the close of market on November 19, 2015, did not reflect inContact's potential long-term value and that inContact was not actively pursuing a potential sale transaction at that time, and instructed management to convey this to Parent. After Jefferies left the meeting, the Board instructed management to formally engage Jefferies and to continue discussions with Parent in the event that Parent would make an offer that would provide substantial value to inContact's stockholders.

On November 23, 2015, inContact entered into an engagement letter with Jefferies to act as its exclusive financial advisor in connection with a review of strategic alternatives to maximize stockholder value, including potential discussions with Parent.

On November 24, 2015, inContact's Chief Executive Officer held a telephonic discussion with the Chief Executive Officer of Parent to convey that the Board believed the current share price was not reflective of inContact's potential value and that they were not actively pursuing a sale transaction at this time. inContact's management informed Parent that if it would like to proceed with further discussions, it should coordinate with Jefferies.

On November 25, 2015, representatives of Jefferies held a telephonic discussion with a representative of Parent, during which Parent indicated it would be interested in receiving additional diligence information and informed Jefferies that Parent had retained RBC as its financial advisor.

On December 4, 2015, RBC submitted preliminary legal and financial due diligence requests to Jefferies.

On December 6, 2015, Parent and inContact signed an amendment to the confidentiality agreement which included a mutual standstill for a period of 12 months.

On December 21, 2015, Parent contacted inContact's management with follow up questions concerning the preliminary diligence materials that had been provided earlier that week.

On December 23, 2015, inContact provided preliminary diligence materials to Parent in response to its requests in advance of a meeting to be held in January 2016.

On December 29, 2015, RBC submitted a written request for additional preliminary diligence materials to Jefferies.

On January 7, 2016, inContact's management provided responses to Parent's preliminary due diligence questions and later that same day management of inContact and Parent had a telephone discussion regarding preliminary due diligence matters.

Edgar Filing: inContact, Inc. - Form PREM14A

On January 8, 2016, RBC submitted a list of additional preliminary diligence questions to Jefferies.

On January 12, 2016, inContact's management held a dinner with representatives of Parent to discuss a potential transaction.

**Table of Contents**

On January 13, 2016, inContact's management and Mr. Fisher attended an in-person meeting with Parent's management and the Chairman of its board of directors, with Jefferies and RBC in attendance, at Jefferies' offices in New York City. During the course of the meeting, inContact's management answered Parent's preliminary due diligence questions. At the conclusion of the meeting, Parent indicated that it would contact inContact in the near term about any further steps.

On January 25, 2016, Parent submitted a list of follow-up due diligence requests and questions to inContact's management and Jefferies.

On February 6, 2016, inContact provided certain requested diligence materials to Parent and subsequently provided additional clarification telephonically.

On March 2, 2016, the Chief Executive Officer of Parent held a telephonic discussion with Mr. Fisher and proposed a transaction in which Parent would acquire inContact for \$12.80 per share in cash, but stated that Parent was willing to have a portion of the offer be comprised of Parent's common stock. The closing price per share of inContact's stock on March 2, 2016 was \$9.50. The Chief Executive Officer of Parent also emphasized the importance of the management team remaining with inContact after the acquisition. At that time, Mr. Fisher reiterated that inContact was not actively pursuing a potential sale transaction and that the offer price proposed did not reflect the true value of inContact, but that he would communicate Parent's proposal to the Board.

On March 3, 2016, at the direction of inContact, Jefferies contacted RBC to discuss Parent's verbal offer of \$12.80 per share in cash and to discuss Parent's potential sources of financing for the proposed offer.

On March 11, 2016, the Board held a telephonic meeting to review the offer received from Parent. A representative of Pillsbury and representatives of Jefferies also attended the meeting. Mr. Fisher provided a summary of recent discussions with Parent. A representative of Pillsbury then reviewed the fiduciary duties of the Board in connection with a potential sale transaction and answered questions. A representative from Jefferies reviewed with the Board, among other items, a general market update (including a discussion specific to inContact's industry and to inContact) and the background of the discussions between Parent and inContact. Representatives from Jefferies also reviewed with the Board a preliminary financial analysis of inContact using various valuation analyses. inContact's management discussed inContact's current operations, near-term financial performance expectations, long term forecasts, general market trends and the competitive landscape. The Board discussed inContact's valuation, its historical trading levels and the relative risks and benefits of continuing to execute its operating plan on a standalone basis and the potential impact near-term and longer term on inContact's stock price. After discussion, the Board determined that it was not in the best interest of inContact's stockholders to accept Parent's current offer, but that it would continue to engage in discussions with Parent to explore whether the offer price could be increased. The Board also discussed the commencement of a strategic process to explore whether there was interest in acquiring inContact from other potential acquirers. Representatives from Jefferies reviewed a list of potential strategic partners who may be interested in acquiring inContact. The Board discussed the scope and timing of a potential market check and the group of companies that should be contacted if such a market check was commenced. After discussion, the Board determined not to proceed with a market check to explore potential interest from other parties at this time, because discussions with Parent were still preliminary. In making a determination not to initiate the market check at this time and which parties to contact if a market check were to be initiated, the Board considered, among other factors, which parties were reasonably likely to be interested in a potential acquisition of inContact, which parties had the financial ability to consummate a transaction at or exceeding the value currently being discussed with Parent, the anticipated timing of any such parties' ability to consummate a transaction, competitive risks and other risks to the business, particularly if it became known that inContact was considering a sale of the company. However, the Board determined that such a market check should be undertaken if discussions with Parent continued to progress. The Board then discussed

whether, in light of Parent's interest in inContact and their desire to retain management, the Board should appoint a special committee of independent directors to engage in negotiations

---

**Table of Contents**

with Parent and any other potential acquirers. After discussion, the Board approved a proposal to formally constitute a special committee, or the Special Committee, comprised of independent directors to provide oversight of inContact's review of strategic alternatives, to direct management, financial advisors and legal counsel on the day-to-day processes related to such strategic review and to take such actions on behalf of inContact that the Special Committee deemed to be in the best interest of inContact and its stockholders; provided that approval of the Board would be required: (i) for inContact to enter into a letter of intent, nonbinding summary of terms or exclusivity arrangement with a potential strategic partner, with any final and definitive documentation also remaining subject to approval of the Board; and (ii) for inContact to terminate discussions with any potential strategic partner who had previously expressed an interest in a strategic transaction with inContact. The Board then appointed Mr. Fisher to serve as the Chairman of the Special Committee.

On March 12, 2016, the Chairman of the Special Committee held a telephonic discussion with Parent's Chief Executive Officer to convey that the Board had rejected Parent's offer and that based on information the Board had received, it believed the offer should be substantially higher, but that inContact was not willing to offer a specific counterproposal at that time. During this conversation, the Chief Executive Officer of Parent indicated that it was still interested in a potential transaction and would communicate inContact's response to its board of directors. As a result of this conversation, the Chairman of the Special Committee contacted the members of the Board to inform them that negotiations with Parent appeared to be progressing and received their approval to initiate the market check previously discussed by the Board.

On March 21, 2016, the Chief Executive Officer of inContact spoke with the Chief Executive Officer of Parent about Parent's proposed acquisition of inContact and suggested that inContact's business outlook was strengthening and its near term results were positive, but did not provide specific details at that point.

On March 23, 2016, the Special Committee, after consultation with the members of the Board, directed Jefferies to initiate the previously discussed market check.

From March 23, 2016 to March 29, 2016, at the direction of inContact, representatives of Jefferies contacted four companies, previously discussed with the Board, to inquire about their potential interest in an acquisition of inContact. The Board decided to contact those four companies because the Board determined, after discussion with representatives of Jefferies, that those four companies were the most likely to be interested in, and have the financial capacity to enter into, a transaction with the Company at a value that was at least equivalent to the value being discussed with Parent at that time. Of the four companies contacted, only Company A and Company B indicated that they may be interested in preliminary discussions regarding a potential transaction with inContact. On March 23, 2016, Company B informed Jefferies that they might be interested in engaging in preliminary discussions with inContact regarding a potential transaction and on April 6, 2016, Company B and inContact executed a confidentiality agreement to proceed with further discussions. This confidentiality agreement did not include a standstill provision. On March 24, 2016, Company A informed a representative of Jefferies that it would check with relevant business personnel and revert. On March 29, 2016, the other two companies contacted by Jefferies each separately informed Jefferies that they were not interested in pursuing a potential acquisition of inContact.

On March 25, 2016, the Chief Executive Officer of Parent held a telephonic meeting with the Chairman of the Special Committee to discuss the response from Parent's board of directors, including the fact that time was becoming critical to reach agreement on price as Parent had other alternatives it wanted to pursue if an agreement could not be reached with inContact. He then conveyed Parent's increased offer of \$13.50 per share, which was comprised of \$12.80 in cash and \$0.70 in Parent's common stock. The closing price of inContact's common stock on March 24, 2016, was \$9.16 per share. The Chairman of the Special Committee then asked Parent's Chief Executive Officer if this was Parent's best and final offer, to which Parent's Chief Executive Officer responded that an increase in price would be difficult for Parent.

On that same day, RBC and Jefferies held a telephonic meeting to discuss Parent's latest offer, during which RBC explained that there were concerns from Parent's board of directors about any increases to the latest offer of \$13.50 per share.

## **Table of Contents**

On March 31, 2016, the Special Committee held a telephonic meeting to discuss inContact's response to Parent's latest offer, including the proposed structure of the transaction, the potential effect on Parent's stock price and the status of the market check conducted by Jefferies. inContact's Chief Executive Officer, Chief Financial Officer, all other members of the Board, a representative of Pillsbury and representatives of Jefferies also attended the meeting. The Chairman of the Special Committee provided an update on recent discussions with Parent regarding its current offer. Representatives from Jefferies then discussed with the Board their conversations with RBC. The Chairman of the Special Committee then discussed the initiation of the market check in response to the current momentum in discussions with Parent. Representatives from Jefferies then described the market check, including a discussion of the parties that were contacted, initial feedback and the current status of those discussions, including the fact that Company A and Company B continued to evaluate their interest in acquiring inContact. The Special Committee discussed inContact's standalone strategy and its prospects in the near-term and long-term, the relative risks and benefits of executing this strategy and continuing to operate as a standalone company. The Special Committee, with input from all other Board members present, discussed what price per share would be an acceptable price for the stockholders and how to maximize the potential price per share if it pursued discussions with Parent, Company A and Company B. The Special Committee also discussed whether to contact additional parties that may be interested in acquiring inContact. After discussion with the other members of the Board who were present and Jefferies, the Special Committee determined that other than those parties already contacted, there were not likely to be additional parties who may reasonably be interested in acquiring inContact at a valuation equal to or greater than that being offered by Parent. The Special Committee, with input from the representative of Pillsbury, discussed regulatory approvals applicable to a potential transaction with Parent and the other potentially interested parties. After the discussion, the Special Committee determined that it should continue negotiations with Parent in an effort to increase the offer price. In connection with these discussions, the Special Committee decided to update Parent on inContact's first quarter financial performance. The Special Committee also determined that it should continue discussions with Company A and Company B.

On April 1, 2016, Company A informed Jefferies that it would not be interested in a potential transaction with inContact.

On that same day, the Chairman of the Special Committee held a telephonic meeting with the Chief Executive Officer of Parent, during which the Chairman of the Special Committee informed the Chief Executive Officer that Parent's revised offer was still below what the Board would consider to be a sufficient price for inContact. The Chairman of the Special Committee then communicated the Board's counterproposal of \$14.50 per share in cash, which the Chief Executive Officer of Parent said he would discuss with Parent's board of directors.

On April 6, 2016, representatives of inContact and Jefferies held a meeting with representatives of Parent and RBC, during which inContact and representatives of Jefferies discussed inContact's business, its competitive landscape and the potential synergies of the two companies.

On April 7, 2016, members of inContact's management held a meeting with Company B, during which a potential acquisition of inContact and preliminary due diligence matters were discussed.

On April 9, 2016, the Chief Executive Officer of Parent held a telephonic meeting with the Chairman of the Special Committee to discuss the difference in price proposed by both parties and Parent's need for assurance that inContact's management would remain with inContact after the proposed acquisition. The Chief Executive Officer of Parent also proposed an in-person meeting between the parties to discuss the pricing of a potential transaction and retention of inContact's management's after the consummation of the proposed acquisition. The Chairman of the Special Committee agreed to schedule a meeting to negotiate the offer price and offered to schedule a separate call to discuss retention of inContact's management.





**Table of Contents**

On April 11, 2016, Company B informed Jefferies that they would not be interested in pursuing a potential transaction with inContact.

On April 13, 2016, Mr. Fisher and another member of the Special Committee held a teleconference with Parent's Chief Executive Officer to discuss the retention of inContact's management, which had been identified by Parent as a key issue.

On April 14, 2016, the Board held a telephonic meeting with a representative of Pillsbury in attendance. The Chairman of the Special Committee provided an update on discussions with Parent and with the other parties who had been contacted as part of the market check. He noted that Parent had requested an in-person meeting in an effort to reach agreement on a price per share and for Parent to confirm the role of inContact's Chief Executive Officer in the combined entity following the acquisition. The Chairman of the Special Committee noted that certain information regarding current compensation of its Chief Executive Officer had been exchanged with Parent, but that Parent had agreed not to discuss any post-acquisition compensation or retention issues with inContact's Chief Executive Officer unless and only after Parent and inContact could agree on a price per share for which inContact would be acquired by Parent. The Special Committee believed it was important to prioritize the sale price above all other issues, including management retention, and to avoid negotiations on management incentives at the same time the offer price was being negotiated by the parties. The Board then discussed the risks and benefits of inContact continuing to execute a standalone strategy by looking at current performance, the outlook for the remainder of the fiscal year and long-term trends in inContact's industry. The Special Committee provided an update on discussions with the other parties contacted by Jefferies, including a report on the management meeting held with Company B and the fact that no other party contacted as part of the market check expressed a willingness to proceed with a strategic transaction. The Board discussed the potential to negotiate a higher price per share with Parent, the risks to closing a transaction with Parent, including the risks associated with obtaining the necessary regulatory approvals, and whether any stock of Parent should be included as partial consideration. After discussion, the Board authorized the Special Committee to negotiate a potential sale of inContact with Parent at a price of not less than \$14.00 per share and to terminate further discussions if Parent refused to pay at least this amount. The Board also delegated to the Special Committee the discretion to accept a minor portion of the consideration in Parent stock, but expressed a preference for all-cash consideration.

On April 15, 2016, inContact's Chief Executive Officer, Mr. Fisher and another member of the Special Committee and representatives of Jefferies held an in-person meeting with members of Parent's management, the Chairman of Parent's board of directors and RBC at Jefferies' offices in New York, New York. During the meeting, the members of the Special Committee informed Parent that there would need to be an agreement on price before Parent had specific discussions with inContact's Chief Executive Officer regarding post-closing employment arrangements. Parent then suggested a revised offer of \$13.75 per share, consisting of \$12.80 in cash and \$0.95 in Parent's common stock. inContact countered with \$13.30 per share in cash and \$1.00 per share in Parent's common stock. Parent responded by offering either \$12.80 per share in cash plus \$1.20 per share in Parent's common stock or \$13.95 per share in cash. inContact then countered with either \$12.80 per share in cash and \$1.25 per share in Parent's common stock or \$14.00 per share in cash. After discussion, the parties agreed to continue discussions on the basis of a \$14.00 per share price in an all-cash transaction, subject to, among other items, the negotiation of mutually acceptable transaction documentation and final approval of their respective board of directors. On April 15, 2016, the closing price of inContact's common stock was \$8.97 per share. inContact and Parent agreed to proceed on a non-exclusive basis and commence formal due diligence in the coming weeks. Parent then met with inContact's Chief Executive Officer to discuss his willingness to remain with inContact following the consummation of the proposed acquisition by Parent.

From April 18, 2016 to April 22, 2016, Parent sent in-depth due diligence requests to inContact's management.

Edgar Filing: inContact, Inc. - Form PREM14A

On April 21, 2016, inContact's management and Parent held a telephonic meeting to discuss transaction timing and the due diligence process. inContact informed Parent that it would grant access to an electronic data

**Table of Contents**

room. In addition, Parent and inContact scheduled calls to discuss due diligence matters and made arrangements for in-person meetings in Palisades, New York for May 6, 2016 through May 9, 2016. Representatives of Parent also indicated that they would like to complete the transaction in time for an announcement on May 18, 2016.

On April 24, 2016, at the direction of inContact, Jefferies granted Parent and its advisors access to an electronic data room so that Parent could commence a more in-depth due diligence process.

From April 24, 2016 to May 5, 2016, inContact and Jefferies engaged in discussions with Parent and its advisors regarding due diligence matters.

On April 28, 2016, at the direction of inContact, Jefferies sent to Parent and RBC an updated set of financial projections for the remainder of fiscal 2016 through fiscal 2018.

On May 1, 2016, Parent's legal counsel, Davis Polk & Wardwell LLP, or Davis Polk, sent an initial draft of the merger agreement to inContact.

On May 2, 2016, representatives from inContact, Parent, Pillsbury, Skadden, Arps, Slate, Meagher & Flom LLP, regulatory counsel to Parent, and Marashlian & Donahue, PLLC, regulatory counsel to inContact, held a telephonic meeting to discuss diligence matters related to regulatory approvals and the regulatory approval process.

On May 5, 2016, Pillsbury sent a revised draft of the merger agreement to Davis Polk.

From May 5, 2016 to May 8, 2016, members of Parent's management and representatives from inContact held diligence meetings in New York.

On May 9, 2016, an employee of inContact was told by a representative of Company C, who had not been contacted as part of the market check, that Company C may be interested in a potential acquisition of inContact.

On May 9, 2016, representatives of Pillsbury and Davis Polk held a telephonic meeting to discuss the revised merger agreement.

On May 10, 2016, the Chief Executive Officer of inContact had a conversation with a representative of Company C, during which he advised Company C to contact Jefferies, which he indicated to Company C reviews inbound interest received by inContact from time to time.

On May 10, 2016, at the direction of inContact, a representative of Jefferies had a telephonic meeting with a representative of Company C, during which Company C's internal process and anticipated timing was discussed.

On May 10, 2016, the Special Committee held a telephonic meeting to discuss the ongoing negotiations with Parent, with representatives of Jefferies and a representative of Pillsbury in attendance. The Chairman of the Special Committee provided an update on the current status of discussions with Parent. A representative of Jefferies then discussed with the Special Committee inContact's discussions to date with other potential acquirers, including the other companies contacted, the reasons for contacting those companies and why certain other companies were not contacted, including but not limited to the judgment of the Board, after discussions with Jefferies, as to the level of potential interest of these other companies, perception of the ability to complete a transaction at the valuation currently offered by Parent, competitive concerns, risks of leaks in the marketplace, potential risk of disrupting discussions with Parent and other reasons. The Special Committee then, following discussions with representatives of Jefferies, discussed an unsolicited, inbound inquiry of interest to acquire inContact made by Company C and the status

of Company C's review of a potential acquisition of inContact and the proposed target timeline indicated by Company C to close a transaction by mid-2017. The Special Committee observed that Company C was very early in its process of determining whether it had strategic interest in

**Table of Contents**

acquiring inContact and that very little-to-no work had been done by Company C to date in this regard. After discussion, the Special Committee directed Jefferies to: (i) inform Company C that inContact is currently in strategic discussions, which could lead to an announced transaction within a couple of weeks, but that there was no certainty that these ongoing discussions would result in execution of an acquisition agreement; (ii) request that Company C send a confidentiality agreement to inContact so that confidential information could be shared with them; and (iii) indicate that Company C would need to accelerate its previously stated timeline if it were interested in acquiring inContact. The Special Committee then discussed the previous market check conducted by the Board and other parties that could be contacted to ensure there were no other parties that may have interest in acquiring inContact at a value equal to or greater than that offered by Parent. After discussion, the Board members present determined that in their judgment, inContact had contacted all potentially interested parties that could consummate a transaction at the value currently being discussed with Parent, further noting competitive concerns if certain parties were contacted and the unlikelihood that any such parties would be able to consummate a transaction at the current all-cash price being offered by Parent.

On May 10, 2016, Davis Polk sent a revised draft of the merger agreement to Pillsbury.

On May 12, 2016, the Board held a telephonic meeting to discuss the proposed transaction with Parent. Representatives of Jefferies and Pillsbury provided updates on the current status of the transaction and the negotiation of the merger agreement. A representative of Pillsbury reviewed the key provisions of the current draft of the merger agreement, including structure and timing considerations, required regulatory approvals, non-solicitation provisions that would prohibit inContact from soliciting alternative acquisition proposals but permit inContact to negotiate certain unsolicited acquisitions proposals and accept an unsolicited superior proposal, Parent's matching rights, termination provisions, and the circumstances under which a termination fee would be payable. The Chairman of the Special Committee then asked a representative of Jefferies to update the Board on discussions with Company C and the ongoing negotiations with Parent. The representative of Jefferies informed the Board that Company C had informed Jefferies that Company C had to conduct an internal review and stated that it would get back to inContact or Jefferies by May 12, 2016. The representative of Jefferies informed the Board that Company C had not contacted Jefferies further. Jefferies then reviewed with the Board the current and historical trading prices of inContact's common stock, and its preliminary financial analysis of Parent's proposed offer of \$14.00 per share using various financial analyses, including a preliminary discounted cash flow analysis and a review of selected precedent transactions. The Board directed the Special Committee and Pillsbury to continue negotiating the merger agreement.

On May 13, 2016, Pillsbury sent a revised draft of the merger agreement to Davis Polk.

On May 13, 2016, Company C contacted Jefferies and informed them that its interest was preliminary and that Company C was unlikely to pursue the opportunity further in an accelerated timeline.

On May 14, 2016, representatives of Pillsbury and Davis Polk held a conference call to negotiate the merger agreement.

On May 15, 2016, Davis Polk sent a revised draft of the merger agreement and drafts of the debt financing materials, including a draft of the Debt Commitment Letter, to Pillsbury. On that same day representatives of Pillsbury and Davis Polk held a telephonic meeting to discuss the merger agreement and the debt financing documents.

On May 16, 2016, Davis Polk and Pillsbury exchanged drafts of, and held telephonic meetings to negotiate, the merger agreement.

On May 17, 2016, the Board held a telephonic meeting to review the final terms of the merger agreement and to consider and approve the merger, with a representative from Pillsbury and representatives of Jefferies in attendance. The representative of Pillsbury reviewed with the Board its fiduciary duties in the context of a

---

**Table of Contents**

potential sale transaction. Representatives from Jefferies then joined the meeting and reviewed with the Board an updated financial analysis of Parent's proposed offer of \$14.00 per share, responded to questions from members of the Board regarding its financial analysis, and delivered Jefferies' oral opinion to the Board (in its capacity as such), to the effect that and subject to the various assumptions made, procedures followed, matters considered qualifications and limitations on the scope of the review undertaken by Jefferies as set forth in its opinion, as of that date, the consideration of \$14.00 per share of inContact common stock to be received by the stockholders of inContact (other than inContact, Parent and their respective affiliates) in the merger was fair, from a financial point of view, to such stockholders. Representatives from Pillsbury reviewed with the Board changes to the merger agreement from the version sent to the Board in advance of the prior meeting and responded to questions. The Board then discussed its reasons for the approval of the merger. The non-employee directors then held an executive session outside the presence of management, which included a discussion of proposed retention agreements between management and Parent, copies of which had been circulated previously to the Board. After this discussion, management rejoined the meeting. Pillsbury then reviewed and discussed with the Board the proposed resolutions approving the merger agreement and the transactions contemplated thereby, including the merger. After further discussion, for the reasons more fully described in *The Merger - Reasons for the Merger*, the Board unanimously determined that (i) the merger agreement and the transactions contemplated by the merger agreement, including the merger, on the terms and subject to the conditions set forth therein, are fair to and in the best interests of inContact and its stockholders (including the unaffiliated stockholders), (ii) approved and declared advisable the merger agreement and the transactions contemplated thereby and (iii) resolved to recommend the approval and adoption of the merger agreement and the merger by the stockholders of inContact.

Later that same day, the parties executed the merger agreement and all members of inContact's management, including its Chief Executive Officer, entered into retention agreements. For more information see *The Merger - Interests of Directors and Executive Officers in the Merger May Differ From Your Interests*.

On May 18, 2016, Parent and inContact each released separate press releases to announce the signing of the merger agreement.

Subsequent to the execution of the merger agreement, inContact received an unsolicited indication of interest from Company D, who had not been contacted as part of the pre-signing market check. On May 25, 2016, Company D sent a letter to the Board stating that it would be interested in acquiring inContact in an all-cash transaction at a per share price materially in excess of \$14.00, after giving effect to the termination fee (but not indicating a specific price or range of prices). The letter noted that Company D's proposal was based solely on a review of publicly available information and remained subject to confirmatory due diligence and negotiation of definitive agreements. The letter also requested that a confidentiality agreement be sent to Company D for review so that the parties could engage in discussions and Company D could commence its diligence process.

Later that same day, the Chairman of the Special Committee sent a notice to Parent regarding the receipt of the unsolicited letter from Company D pursuant to the terms of the merger agreement. Throughout the subsequent interactions with Company D, inContact and Pillsbury, at the request of inContact, provided Parent or Davis Polk with copies of all written materials exchanged between Company D and inContact and with written summaries of oral communications between Company D and inContact and their respective advisors.

On May 28, 2016, the Board held a telephonic meeting to discuss the written communication received from Company D, at which representatives of Jefferies and Pillsbury were in attendance. The Chairman of the Special Committee discussed the unsolicited communication from Company D as well as the Company's correspondence with Parent to date as required under the merger agreement. The representative of Pillsbury reviewed the provisions of the merger agreement applicable to Company D's communication. The Board then discussed the definitions of Acquisition



Proposal and Superior Proposal set forth in the merger agreement. A representative from Pillsbury then explained that in order to commence discussions with Company D, the Board would have to determine in good faith that Company D's proposal constituted, or would reasonably be expected

## Table of Contents

to lead to, a Superior Proposal as defined in the merger agreement. He also discussed in detail the notice provisions under the merger agreement, including inContact's required correspondence with Parent after receipt of the written communication from Company D. A representative of Jefferies then reviewed with the Board Company D's corporate profile that was compiled based on publicly available information, including a discussion of Company D's acquisition history, its capitalization, capital structure and possible acquisition motivations. Certain members of the Board then discussed their previous experiences with Company D. After discussion, the Board unanimously determined that the written communication from Company D was an Acquisition Proposal that would reasonably be expected to lead to a Superior Proposal as defined in the merger agreement.

Later that same day, at the direction of inContact, a representative of Jefferies contacted Company D to request the following information: (i) summary financial statements; (ii) a detailed capitalization table; (iii) detail of the due diligence meeting(s), including agendas and proposed attendees, that Company D would like to be held; and (iv) a detailed list of diligence items required for Company D to provide a proposed price per share and to ascertain its financing requirements.

On May 29, 2016, Parent sent a letter to inContact stating its belief that Company D's written communication on May 25, 2016, to inContact was not a *bona fide* offer to acquire inContact and would not reasonably be expected to lead to a Superior Proposal. Parent notified inContact that, in its view, the Board's decision to engage with Company D on the basis of Company D's May 25, 2016 letter, and the manner in which inContact had engaged Company D, were unwarranted under the circumstances and inconsistent with the merger agreement. Later that same day, inContact sent a letter to Parent disagreeing with the contents of Parent's letter received earlier that day.

On May 31, 2016, Company D sent Jefferies its summary financial data, a proposed meeting agenda and a diligence request list.

On June 1, 2016, at the direction of inContact, a representative of Jefferies contacted Company D regarding process and timing. Jefferies informed Company D that the Board required a better understanding of Company D's proposed sources of financing to fund a transaction materially in excess of \$14.00 per share after giving effect to the termination fee payable to Parent under the merger agreement. Jefferies also requested that Company D execute the form of confidentiality agreement required by the merger agreement, which would later be sent by Pillsbury, and informed Company D that once both of these requests had been fulfilled, inContact would be willing to provide certain information that would permit Company D to deliver a marked draft of the merger agreement executed by inContact and Parent with an indicative offer price and draft financing commitment letters sufficient to fully fund such proposed purchase price. In addition, the representative of Jefferies also outlined the proposed process, including due diligence, a proposed meeting timeline and the need for an evaluation of the regulatory approval risk associated with a potential transaction. The representative of Jefferies also sent Company D an information request form for Company D to complete regarding anticipated regulatory approvals.

On June 2, 2016, Parent and inContact filed anti-trust notifications with the U.S. Department of Justice and the U.S. Federal Trade Commission.

On that same day, Davis Polk informed Pillsbury that Parent believed that inContact should not hold any management meetings with, or provide any confidential information to, Company D without first having received a specific price offer, detailed information on Company D's ability to finance the transaction as well as information on the proposed transaction structure.

From June 3, 2016 to June 6, 2016, Pillsbury and Company D's counsel exchanged drafts of the confidentiality agreement and held telephonic discussions regarding the terms of the confidentiality agreement.

Edgar Filing: inContact, Inc. - Form PREM14A

On June 3, 2016, Pillsbury sent Davis Polk a response to their June 2, 2016 communication indicating inContact's disagreement with Parent's assessment that inContact should not hold a management meeting with, and provide diligence information to, Company D.

**Table of Contents**

Also on June 3, 2016, Company D sent additional information about Company D's financing plans for a proposed transaction with inContact and provided a list of proposed attendees on behalf of Company D at the proposed management meeting with inContact.

Later that same day, a representative from Jefferies, at the direction of inContact, requested additional information from Company D regarding its financing plans for a proposed transaction with inContact.

On June 6, 2016, at the direction of inContact, a representative of Jefferies held a telephonic meeting with a representative of Company D regarding Company D's ability to finance the proposed acquisition of inContact and the additional information the Board wanted before inContact would move forward with a management meeting with Company D.

On that same day, Company D sent the Board a letter reiterating their interest in acquiring inContact at a price materially in excess of \$14.00 per share, after giving effect to the payment of the termination fee (but not indicating a specific price or range of prices) and setting forth in general terms its potential sources of financing. The letter noted that Company D's proposal was based solely on a review of publicly available information and remained subject to confirmatory due diligence and negotiation of definitive agreements. After receipt of Company D's letter, inContact agreed to hold an in-person meeting with Company D on June 8, 2016 to provide diligence information.

Later that same day, at the direction of inContact, Jefferies sent Company D a number of requested diligence items in anticipation of the meeting to take place on June 8, 2016, in Salt Lake City, Utah.

Later that same day, Company D and inContact executed the confidentiality agreement.

On June 7, 2016, inContact provided written diligence materials to Company D.

On June 8, 2016, representatives of Company D and representatives of Company D's potential financing sources and inContact's Chief Executive Officer and Chief Financial Officer, the Chairman of the Special Committee and representatives of Jefferies met in Salt Lake City, Utah to discuss various diligence matters and Company D's potential proposal.

Later that same day, Parent sent a letter to the Chairman of the Special Committee again stating that inContact should not hold any meetings with, or provide any confidential information to, Company D given they had not provided a specific price and had only provided a preliminary analysis of what financing would be required to complete an acquisition of inContact.

On June 9, 2016, the Chairman of the Special Committee sent a letter to Parent stating that the Board had made a determination in good faith to proceed in discussions with Company D in compliance with the merger agreement.

On June 10, the Chairman of the Special Committee held a telephonic meeting with a representative of Company D regarding the timing of a response from Company D as to whether they would proceed with making a more detailed proposal to inContact and outlined the elements of such a proposal that inContact would like to evaluate, including a specific offer price, a draft merger agreement and draft financing commitments to fund the proposed purchase price. The representative from Company D confirmed that Company D had received sufficient information from inContact in order to provide a proposal to inContact, but that Company D had not yet determined whether to submit a proposal to inContact. The representative from Company D indicated that he would have more information either on June 13 or June 14, 2016 as to whether Company D would submit a bid proposal.

On June 13, 2016, representatives of Pillsbury held a telephonic meeting with representatives of Company D's counsel to discuss the status of Company D's review of a proposed acquisition of inContact, during which representatives of Company D's counsel confirmed that Company D was continuing to review the proposed

## **Table of Contents**

transaction. Representatives from Pillsbury described the requested contents of a bid package that inContact's Board requested from Company D, including a specific offer price, a draft merger agreement and draft financing commitments to fund the proposed purchase price. Representatives from Pillsbury also indicated that inContact intended to issue a press release upon receipt of a bid package from Company D that would, among other disclosures, disclose Company D's identity and its offer price.

On June 14, 2016, representatives of Company D's counsel informed representatives of Pillsbury that Company D intended to submit a bid package to inContact, and was targeting June 17, 2016 as the day it would submit its bid. Representatives from Pillsbury reviewed with the representatives from Company D's counsel the requested contents of a bid package that inContact's Board requested, including a specific offer price, a draft merger agreement and draft financing commitments to fund the proposed purchase price. Representatives of Company D's counsel indicated that Company D did not wish to be identified in any press release to be issued by inContact upon receipt of a bid proposal.

On June 15, 2016, the Board held a telephonic meeting to discuss Company D's proposed timing to deliver a bid package and the anticipated process for the Board's response.

On June 16, 2016, representatives of Pillsbury discussed with representatives of Davis Polk, the contents of a proposed inContact draft press release announcing receipt of a bid from Company D, if Company D actually submitted a bid proposal, including whether or not the press release would include Company D's identity.

On June 17, 2016, Parent sent a letter to inContact stating its concern that the ongoing discussions between inContact and Company D, including Company D's identity, are material information that is required by applicable law to be disclosed to Parent's stockholders since it may impact the likelihood that the announced transaction between Parent and inContact will be completed. Parent also stated that if additional diligence materials are to be delivered to Company D by inContact or if discussions are to continue, Parent reserved its right under applicable law to disclose publicly the information Parent deemed material should inContact not do so.

Later that same day, a representative from Pillsbury contacted a representative from Company D's counsel informing him of Parent's reservation of rights under applicable law to disclose publicly the existence of discussions, including Company D's name, should inContact not do so.

Later on June 17, 2016, the Chairman of the Special Committee met telephonically with a representative from Company D to discuss the status of Company D's bid proposal. The Chairman of the Special Committee asked whether Company D still intended to submit a bid proposal as Company D's legal counsel previously indicated on June 14, 2016. The representative from Company D responded that Company D was not currently authorized to submit a bid package if Company D's name would appear publicly in a press release. The representative from Company D requested additional diligence information so that Company D could continue to evaluate a potential acquisition of inContact without delivering a bid proposal at this time, and thereby, avoid public disclosure of its identity. The Chairman of the Special Committee declined to provide any additional information to Company D, based on his belief that Company D had sufficient information upon which to deliver a bid package and Company D's prior statement that it had received sufficient information from inContact in order to provide a proposal. The Chairman of the Special Committee further indicated that no additional information would be provided unless Company D provided a bid package with the materials previously requested by the Board. The representative from Company D indicated that Company D would consider this feedback further, but would not be submitting a bid package at that time.

On June 18, 2016, the Board held a telephonic meeting, with representatives from Jefferies and Pillsbury in attendance, to discuss the current status of discussions with Company D. At that meeting, the Board determined not to provide additional diligence information to Company D unless and until it submitted a satisfactory bid package, based

on the Board's belief that Company D had sufficient information upon which to deliver a bid

**Table of Contents**

package and Company D's prior statement that it had received sufficient information from inContact in order to provide a proposal. In addition, the Board determined that if Company D delivered a bid package, it would be inContact's position that the specific name of Company D need not be disclosed, provided that a sufficient description of Company D and its bid package was included in the