

FORRESTER[®]

2017 Annual Report
Notice Of 2018 Annual Meeting
& Proxy Statement

To shareholders and members of the Forrester community:

Forrester's business continued to improve in 2017. Client retention increased by 1 point in 2017 as compared with 2016, dollar retention (the value of contracts retained) increased by 1 point, and enrichment (the additional value that clients added to their contracts at renewal) was up 3.5 points. We are retaining more clients, we are retaining more dollars, and clients are buying more.

Three factors account for these results: First, our strategy of helping companies be customer-obsessed continued to resonate. Second, the rollout of our new selling model neared completion. Finally, efforts to expand our user business began to have an impact.

Customer Obsession

As buyers continue to gain power in the economy, companies must finely tune themselves to the demands and behavior of customers. Firms must transform their cultures, operational models, and financial models if they expect to grow in what Forrester calls the age of the customer.

And as buyers' expectations rise, companies cannot stand still — if they do, they risk losing trust and engagement. Over 15% of the nearly 700 brands we measure in our Customer Experience Index (CX Index™) saw their ratings drop in 2017. We predict that 30% of companies will see a decline in their results in 2018. Firms are struggling to adapt to a market in which customers make the rules and disruption is normal.

This challenging new economy is where Forrester's strategy is centered — on helping companies stay ahead of their customers, revolutionize marketing, and build business technology (BT) that will attract and retain buyers. Forrester's performance is improving because the market we have chosen to specialize in is expanding. For example, spending on BT has increased 55% since 2013, while spending on back-office technology (where we do not play) has remained flat.

New Selling Model

In 2015, we recognized that our selling model was not matched to the company's (then new) age of the customer strategy, and we began designing a new structure. In 2016, we piloted the model, and in 2017, we moved the US sales force into the new plan — what we call the Customer Engagement Model, or CEM. Under this structure, we service smaller "Core" clients via an inside sales force, most of whom work in our new office in Nashville, Tenn. Nashville has proven to be an excellent site for our Core sales force because it has a strong candidate base, a supportive and thriving community (great music!), and an affordable cost structure. We expect to continue to grow sales headcount in Tennessee and expand some back-office functions to this location.

Premier clients, our largest 700 accounts, are served by three sales executives: a Client Executive (CE) who oversees the relationship, a Solution Partner who matches Forrester's products to client challenges and packages them as solutions, and a Customer Success Manager (CSM) who works with accounts to ensure that they are getting the highest value from the Forrester relationship. The CE and Solution Partner focus on enriching accounts, while the CSM services the account, ensuring that the client is getting the highest possible value from the relationship and thus increasing the probability of renewal.

The goal of the new selling model is to lower the cost of sales and increase sales productivity, renewal rates, enrichment rates, and new business wins. In accounts that have been in the model the longest, we have seen positive renewal and enrichment rate results. As we move through 2018, we will complete the CEM rollout in our European and Asian sales teams.

Expanding Our User Business

One of the priorities of 2017 was to grow our user business.

We focus on users for three reasons: First, there are many more user companies than tech vendors. Approximately 4,700 user corporations in the world earn more than \$1 billion in revenue, while only 250 technology companies have attained that size. Second, user companies, on average, have longer tenure as Forrester clients. Finally, user companies have a wider array of challenges than vendors — they are apt to purchase a more diverse portfolio of products from us.

We focus on 10 user market segments: financial services, consumer, government, healthcare, transport and logistics, travel and leisure, utilities, automotive, media, and business services. We target these markets because they are the most affected by the changes inherent in the age of the customer.

Beyond targeting the right industries, we are deploying two additional strategies to expand our user business: 1) launching new products targeted specifically at users and 2) assiduously managing and expanding the activities that promote the engagement of user companies — readership of research, usage of inquiry services, attendance at our Forums, and attendance at our Forrester Webinars. Our data shows that user clients that participate in these activities renew and enrich at significantly elevated rates.

On the product front, we launched several new offerings in 2017 that increased our value with users. Our updated vendor research portfolio gives users guidance on tech vendors — our “New Tech” research highlights emerging vendors that users can deploy with the lowest risk and the highest return, and our “Tech Tide” research clearly guides companies on what technologies they should experiment with, invest in, maintain, and divest. Finally, in 2017, we continued to roll out our Team Access research package, which enables companies to deploy Forrester’s insight to ad hoc teams engaged in transformation and customer experience projects.

These efforts had a positive impact on our business in 2017. Client retention rates for user accounts increased 3 points, dollar retention increased 3 points, and enrichment was up 4.3 points. In Q4, user research bookings increased 9.8% year-over-year. The company will continue to focus on expanding its user business in 2018.

Becoming Digital

Through our measurement and tracking tools, we have recognized that our clients’ behavior is shifting. They are finding, consuming, and sharing our reports, analytics, graphics, and data in new ways. As examples, we have found through experimentation that clients would prefer to get breaking analysis of events through 60-second audio clips

delivered to mobile devices, rather than through one- or two-page written briefs. Forrester's podcast *What It Means* (you can find it on iTunes, Stitcher, TuneIn, Google Play, and SoundCloud) has become a popular way for clients to quickly access Forrester's big ideas — it has been downloaded over 90,000 times since it was launched.

Subsequently, we are exploring ways to make it faster and easier for our clients to find and consume our content. Our 2017 digital business transformation efforts began with extensive experimentation, and we are widening this effort in 2018. The goal is to strengthen client engagement with Forrester and increase the value that we deliver to our customers — keys to expanding our revenue growth.

We are also experimenting with new tools and platforms that could help our clients measure and improve their customer experiences in real time. In 2017, we launched a test app for iOS and Android called “Tap” — you can find it at www.downloadtap.com. Tap is the vanguard of other efforts we will have underway in 2018 in the real-time customer experience space.

The People Of Forrester

Forresterites continue to amaze me with their passion and dedication to our clients. This was acknowledged in 2017 when Glassdoor, for the second year in a row, ranked Forrester as one of the Best Places to Work. I want to thank all of the people of Forrester for everything they do for our clients and for the company — bravo!

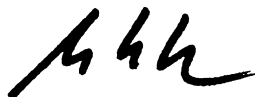
Augmenting the Forrester team are five new members of the board of directors who joined us in 2017 and early 2018: Jean Birch, David Boyce, Neil Bradford, Tony Friscia, and Yvonne Wassenaar. Their addition to what is already a strong board gives us the firepower to innovate at faster rates — setting the stage for higher revenue and profit growth.

Looking Ahead

As I think of our business, I return to a basic truth: Our clients are facing unprecedented risk and opportunity. This is not an easy market. Some companies will thrive, some will fail, and many will retreat to a shadowy existence of low or no growth. Forrester will be diligently working with our clients to ensure that they emerge in the first group, not the second or third. This is a compelling calling for all Forresterites, and it is an unprecedented opportunity for the company.

I want to thank our clients, who are the real heroes of our story. They use our analysis and findings to do the hard work — transforming their companies so they can grow and prosper in the tumultuous age of the customer.

And finally, I want to thank our shareholders for your interest in Forrester and your investment in our opportunity and our future.



George F. Colony
Chairman and CEO

Form 10-K
2017

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

Form 10-K

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2017
- or
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____
Commission File Number 000-21433

Forrester Research, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)
60 Acorn Park Drive
Cambridge, Massachusetts
(Address of principal executive offices)

04-2797789
(I.R.S. Employer
Identification Number)
02140
(Zip Code)

Registrant's telephone number, including area code:
(617) 613-6000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, \$.01 Par Value	Nasdaq Global Select Market

Securities to be registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant as of June 30, 2017 (based on the closing price as quoted by the Nasdaq National Market as of such date) was approximately \$377,000,000.

As of March 5, 2018, 18,040,000 shares of the registrant's common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement related to its 2018 Annual Stockholders' Meeting to be filed subsequently — Part III of this Form 10-K.

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “expects,” “believes,” “anticipates,” “intends,” “plans,” “estimates,” or similar expressions are intended to identify these forward-looking statements. Reference is made in particular to our statements about possible acquisitions, future dividends, future share repurchases, future growth rates and operating income, anticipated increases in, and productivity of, our sales force and headcount, changes to our customer engagement model, and the adequacy of our cash, marketable investments and cash flows to satisfy our working capital and capital expenditures. These statements are based on our current plans and expectations and involve risks and uncertainties. Important factors that could cause actual future activities and results of operations to be materially different from those set forth in the forward-looking statements are discussed below under “Risk Factors.” We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

PART I

General

Forrester Research, Inc. is a global independent research, data, and advisory services firm. We work with business and technology leaders to help them develop customer-obsessed strategies that drive growth. Forrester’s unique insights are grounded in annual surveys of more than 675,000 consumers and business leaders worldwide, rigorous and objective research methodologies, and the shared wisdom of our clients. Through proprietary research and data, custom consulting, exclusive executive peer groups and events, Forrester challenges the thinking of its clients and positions them to lead change in their organizations in an era of powerful customers.

We were incorporated in Massachusetts on July 7, 1983 and reincorporated in Delaware on February 16, 1996.

Our Internet address is www.forrester.com. We make available free of charge, on or through the investor information section of our website, annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

Industry Background

Enterprises and their employees struggle to remain both competitive and cost-efficient in an increasingly customer-centric, complex global business environment. Technology changes and innovations occur at an increasingly rapid pace. Developing comprehensive and coordinated business strategies is increasingly difficult as consumers and businesses adopt new methods of buying and selling, and markets grow increasingly dynamic.

Consequently, companies and the professionals in the roles we serve must rely on external sources of independent business advice spanning a variety of areas including but not limited to customer behavior, technology investments, and business strategy. We believe there is a need for objective research, data, advisory and related services that allow our clients to see, interpret, and act to respond to complex market dynamics and the extraordinary pace of technology change.

Forrester’s® Strategy

Empowered customers are ushering in a new “Age of the Customer” that we believe will reshape the way organizations succeed and grow. Our differentiated strategy, products, and services are designed to help those enterprises satisfy their increasingly dynamic customer bases.

Driven by our strategy, we: 1) help our clients stay current with and understand their dynamic customers, 2) advise marketing and strategy executives such as Chief Marketing Officers as they seek to win those customers, and 3) work with technology management executives such as Chief Information Officers as they build systems to satisfy customers. Technology is moving from being a tool for managing and lowering operating costs to a means of generating market opportunities and revenue. Given this shift, today’s technology management professionals have two agendas – a traditional back-office agenda of running internal systems, and a business technology (BT) agenda that provides the technology, systems, and processes to win, serve and retain customers. In today’s market, we believe few companies will succeed that are unable to capitalize on the full value of business technologies and harness data to deliver differentiated experiences.

Importantly, the three areas where we work with our clients (understanding their customers, winning their customers, and building technology to serve their customers) are highly interrelated in the large organizations that we serve. This creates opportunities to sell add-on products and services to our existing clients. In addition, we believe our go to market strategy is unique, increasing our competitive differentiation.

Our core capabilities combine to deliver a comprehensive set of products and solutions to help our clients compete and win in the Age of the Customer. Our ability to customize our solutions to specific industries provides a powerful method to drive the success of our clients and creates significant opportunities to consistently enrich our relationships with our clients.

Forrester's Solution

We offer a broad set of products and services designed to help our clients win in the Age of the Customer. Our solutions help our clients to:

- Understand trends in consumer behavior and how to capitalize on those trends.
- Benchmark their customer experience.
- Plan strategies to improve their customer experience.
- Develop customer-obsessed cultures that drive growth.
- Assess potential new markets, competitors, products and services, and go-to-market strategies.
- Anticipate technology-driven business model shifts.
- Educate, inform, and align strategic decision-makers in their organizations.
- Navigate technology purchases and implementation challenges and optimize technology investments, particularly in the BT space.
- Capitalize on emerging technologies, especially in BT.

Our products and services focus on six market imperatives important to our clients and prospects in the Age of the Customer:

- Drive revenue with continuously improving customer experience – so that customer experience becomes a growth engine for our clients.
- Differentiate with digital – taking the critical step to enable our clients to become digital first companies.
- Accelerate growth with marketing innovation – enabling our clients to expand and excel at engaging and retaining customers.
- Use customer insights to gain a competitive advantage – enabling our clients to anticipate changing customer expectations.
- Transform IT to win, serve and retain customers – so that IT becomes a strategic point of differentiation for our clients.
- Secure customers and protect the brand – so that trust becomes an asset of our clients.

Products and Services

We offer our clients a selection of products, services, and engagement opportunities, which we have branded into five categories: Forrester Research (our core research), Forrester Connect (our peer offerings), Forrester Analytics (rebranded from Forrester Data in the first quarter of 2018), Forrester Consulting, and Forrester Events.

Forrester Research

Forrester's published research and decision tools enable clients to better anticipate and capitalize on the disruptive forces affecting their businesses and organizations. We believe Forrester Research provides insights and frameworks to drive growth in a complex and dynamic market. Our primary syndicated research product, renamed Research in 2017 (formerly known as RoleView), provides clients with access to our core syndicated research designed to inform their strategic decision-making. Research includes our Playbooks, a set of integrated reports, tools, and guidance for critical business initiatives, and our Reports, designed to deepen clients' understanding of market, customer, and technology trends through data-driven reports, case studies, predictions, and strategic road maps. Our syndicated research also includes The Forrester Wave,TM our primary mechanism for evaluating enterprise technologies.

The Forrester Wave provides a detailed analysis of vendors' technologies and services based on transparent, fully accessible criteria, and measurement of characteristics weighted by us. The Forrester Wave allows clients to compare products and develop a custom shortlist based on the client's unique requirements. In 2017, we also introduced our first Forrester Industry Waves, which evaluate the digital experiences of firms that serve end customers.

Our Age of the Customer Research offering, which combines our Business Technology (BT) and Marketing and Strategy (M&S) Research offerings, is closely aligned with our strategy of addressing our clients' and prospects' opportunities and challenges in the Age of the Customer. In addition to the Age of the Customer Research offering, our various Research offerings include standalone BT Research and M&S Research, as well as our TI (Technology Industry) Research offering designed specifically for technology vendors. Each of our Research offerings consists of a library of cross-linked documents that interconnect our playbooks, reports, data, product rankings, best practices, evaluation tools, and research archives. Research access is provided through role-based websites that facilitate client access to research and tools that are most relevant to their professional roles, including community tools that allow interaction between and among clients and our analysts.

We also offer clients the opportunity to license electronic "reprints" of designated Research for posting to a client's website(s) for a designated period of time to support a client's marketing or business objectives. Electronic reprints are hosted on an on-line platform that enables interactive content and provides us with improved tracking of distribution of our intellectual property.

Research Methodology

We employ a structured methodology in our research that enables us to identify and analyze business technology trends, markets, and audiences and ensures consistent research quality and recommendations across all coverage areas. We ascertain the issues important to our clients and prospects through thousands of interactions and surveys with technology vendors and business, marketing, and technology professionals, and accordingly, the majority of our research is focused on helping our clients increase their customer focus and grow their business. We use the following primary research inputs:

- Our own proprietary data from our CX Index™, Consumer Technographics®, Business Technographics, and ForecastView products.
- Confidential interviews with early adopters and mainstream users of new technologies across technology, marketing, and strategy roles at end-user companies.
- In-depth interviews with business technology vendors and suppliers of related services.
- Ongoing briefings with vendors to review current positions and future directions.
- Continuous dialogue with our clients to identify business and technology opportunities in the marketplace.

Collaboration among research, product, data and consulting professionals is an integral part of our process, leading to higher-quality research and a unified perspective. Our global research and product organization supports our client base by facilitating research and product collaboration and quality, promoting a uniform client experience and improved customer satisfaction, and encouraging innovation.

Clients subscribing to our Research offerings may choose between two membership levels:

- *Member Licenses.* Member Licenses include access to the written research, as well as Inquiry with analysts, and access to Forrester Webinars. Inquiry enables clients to contact our analysts for quick feedback on projects they may have underway, to discuss ideas and models in the research, or for answers to questions about unfolding industry events. Typically, Inquiry sessions are 30-minute phone calls, scheduled upon client request, or e-mail responses coordinated through our research specialists. Forrester Webinars are Web-based conferences on selected topics of interest to particular professional roles that typically are held several times a week.
- *Reader Licenses.* Reader Licenses provide access to our written research.

Both Member and Reader clients receive access to our Customer Success Specialists, who provide additional information about our research, methodologies, coverage areas, and sources. The Customer Success Specialists are available to help clients navigate our website, find relevant information, and put clients in contact with the appropriate analyst for inquiries. Clients that subscribe for one or more Member licenses receive one ticket per order to attend a Forrester Event.

We also offer Research Share licenses that allow clients to share a designated number of published pieces of research with a designated number of persons within their organizations.

Forrester Connect

The Forrester Connect offerings are designed to help clients connect with peers and Forrester's professionals, optimize use of our products and services, and to coach executives to lead far-reaching change within their organizations.

Leadership Boards

Our Leadership Boards are exclusive peer groups for executives and other senior leaders at large organizations worldwide. Clients may participate in one or more Leadership Boards. Memberships are available to the Chief Information Officer (CIO) Group, the Chief Marketing Officer (CMO) Group and several Councils for the technology and marketing roles we cover. In addition to a Member license to access the appropriate Research offering, members of our Leadership Boards receive access to the following:

- A private forum for members to test their thinking with peers through local and national meetings, one-to-one and group peer exchanges, and virtual community activities.
- Advisors to challenge members' thinking with insights drawn from peers, our Research, and our analyst community, all designed to help members drive business growth and lead change.
- Member-generated content that includes next and best practices as well as role-specific maturity benchmark data.
- An event ticket to attend one Forrester Event.

Executive Programs

Our Executive Programs provide CMOs and CIOs with personal coaches who help the executives and their teams establish and tackle their most important initiatives. In addition to a Member license for our research offering and one ticket to attend a Forrester Event, our Executive Programs provide on-site strategy workshops, personalized research and analysis, access to Forrester experts, and custom data analytics to help executives understand and anticipate customer behavior.

Forrester Analytics

Our Analytics products and services are designed to provide fact-based customer insights to our clients. Clients can leverage our Analytics products and services or choose to have us conduct custom data analysis on their behalf. Our Analytics products and services include:

- *Forrester's Customer Experience (CX) Index.* The CX Index, which uses Forrester's rigorous customer experience methodology, is a framework for assessing and measuring the quality of customer experience for nearly 700 brands worldwide. This unique framework provides useful and actionable analysis including a customer experience score, quantitative information about the score, and the most important drivers to improve the customer experience, along with a Business Impact Simulator tool that models out potential revenue uplift to help guide clients' investments in customer experience. We offer two Forrester CX Index packages, consisting of an industry package that provides a benchmark of a particular brand's CX Index scores against its competitors and an add-on best-in-class package that offers deep insights on what distinguishes leading brands. For brands not included in our standard offering, we offer a custom survey approach to build out a CX Index score and deliver our insight recommendations. We deliver the CX Index through an easy-to-use interactive platform that allows clients to customize their CX data based on business needs.
- *Consumer Technographics.* Consumer Technographics is an ongoing quantitative research program, based on surveys of over 400,000 individuals in North America, Europe, Asia Pacific, and Latin America. Marketing and strategy professionals rely on our Consumer Technographics data and analysis for unique insights into how technology impacts their customers' purchase journey, including the way consumers select, purchase, use, and communicate about products and services. We combine respondent data sets from our Consumer Technographics surveys into multiple regional and industry offerings. In 2017, we began delivering Consumer Technographics through an interactive platform that provides access to the data, insights and analytic tools. Additionally, clients may have access to a Technographics data insights manager to help them use the data effectively to meet their specific business needs.
- *Business Technographics.* Business Technographics is an ongoing quantitative research program that provides comprehensive, in-depth assessments of what motivates businesses to choose certain technologies and vendors over others. The offering also measures and reports on the current information consumption patterns of key influencers for large technology purchases. We annually survey more than 70,000 business and technology executives as well as information workers at small, medium and large enterprises in North American, European, and other global markets. Our surveys reveal these firms' technology adoption, trends, budgets, business organization, decision processes, purchase plans, brand preferences, and primary influences in the purchasing process. In 2017, we began delivering Business

Technographics through an interactive platform that provides access to the data, insights and analytic tools. Business Technographics' clients may also have access to a dedicated data insights manager to assist in utilizing appropriate data to achieve desired outcomes.

- *ForecastView.* ForecastView is an ongoing data program that provides a detailed evaluation of market size, based on expert analysis and quantitative insights from our consumer and business surveys. We leverage Technographics demand-side data and supply-side metrics to help clients uncover new business opportunities. Each forecast consists of at least ten years of data: five historic, the current year and four years in the future. We offer global forecasts for e-commerce, digital marketing, mobile applications and platforms markets. ForecastView clients may also have access to ForecastView analysts to assist in utilizing appropriate data to support client business decisions.

Forrester Consulting

Our advisory and project consulting services leverage our Research, Technographics and CX Index data, as well as our proprietary consulting frameworks, to deliver focused insights and recommendations that assist clients with their challenges in developing and executing technology and business strategy, including customer experience and digital strategy, informing critical decisions and reducing business risk. Our consulting services help clients with challenges addressed in our published research, such as leading customer experience transformations, digital business transformation, and business technology transformations and modernization. We help business and technology professionals conduct maturity assessments, prioritize best practices, develop strategies, build business cases, select technology vendors, and structure organizations. We help marketing professionals at technology vendors develop content marketing strategies, create content marketing collateral, and develop sales tools. We have a dedicated consulting organization to provide professional project consulting services to our clients, utilizing our Forrester Solutions framework and best in class consulting techniques and content development tools, allowing our analysts to spend additional time on writing research and providing shorter-term advisory services.

Forrester Events

We host multiple events in various locations in North America, Europe and Asia throughout the year. Events bring together executives and other participants serving or interested in the particular subject matter or professional role(s) on which an event focuses. Event participants come together to network with their peers, meet with Forrester analysts, and hear business leaders discuss business and technology issues of interest or significance to the professionals in attendance. Forrester Events focus on business imperatives of significant interest to our clients, including succeeding in the Age of the Customer, customer experience, digital transformation, privacy and security, new technology and innovation, and marketing leadership, and provide immersive experiences to challenge clients' thinking and help clients to lead change.

Sales and Marketing

We sell our products and services through our direct sales force in various locations in North America, Europe, Asia, and Australia. Our sales organization is organized into five groups based on client size, geography and market potential. Our Premier Group focuses on our largest vendor and end user clients across the globe and our Core Group focuses on small to mid-sized vendor and end user clients. Our European and Asia Pacific Groups focus on both end user and vendor clients in their respective geographies. Our International Business Development Group sells our products and services through independent sales representatives in select international locations.

We intend to continue the work commenced in 2016 to evolve our Customer Engagement Model to better serve and engage our clients and prospects and drive profitable growth. Our sales process is moving towards a model where we provide different sales engagement and support levels for clients and prospects in our Premier and Core groups. In support of this initiative, in the first quarter of 2017, we opened an office in Nashville, Tennessee. We anticipate that Nashville will be a lower-cost location than our other principal U.S. locations and will be a center for our Core sales group. In 2017, we also substantially completed the roll-out of the new model in North America, and we plan to extend it to our European and Asia Pacific Groups in 2018. We believe that when fully implemented, our customer engagement model changes will improve client and dollar retention and enrichment, and accelerate growth.

We employed 539 sales personnel as of December 31, 2017 compared to 523 sales personnel employed as of December 31, 2016. We also sell select Research products directly online through our website.

For information on our operating segments and our international operations, see Note 10 of the Notes to Consolidated Financial Statements included herein.

Our marketing activities are designed to enhance the Forrester brand, differentiate and promote Forrester products and solutions, improve the client experience, and drive growth. We achieve these outcomes by combining the value of analytics, content, social media, public relations, and creative and field marketing, delivering multi-channel campaigns, Forrester Events, and high-quality digital journeys.

As of December 31, 2017, our products and services were delivered to more than 2,400 client companies. No single client company accounted for more than 2% of our 2017 revenues.

Pricing and Contracts

We report our revenue from client contracts in two categories of revenue: (1) research services and (2) advisory services and events. We classify revenue from subscriptions to our Research, Leadership Boards and Executive Programs, and Analytics products and services as research services revenue. We classify revenue from Forrester Consulting, custom Forrester Analytics projects, and Forrester Events as advisory services and events revenue.

Contract pricing for annual memberships for research and/or other subscription-based products is principally a function of the number of licensed users at the client. Pricing of contracts for advisory services generally is a fixed fee for the consulting project or shorter-term advisory service. We periodically review and increase the list prices for our products and services.

We track the agreement value of contracts to purchase research and advisory services as a significant business indicator. We calculate agreement value as the total revenues recognizable from all research and advisory service contracts in force at a given time (but not including advisory-only contracts), without regard to how much revenue has already been recognized. Agreement value increased 2% to \$242.9 million at December 31, 2017 from \$238.4 million at December 31, 2016.

Competition

We compete principally in the market for research, data, and advisory services, with an emphasis on customer behavior, customer experience, and the deployment of business technology to win, serve and retain customers. We believe that the principal competitive factors in the markets we participate in include:

- the ability to offer products and services that meet the changing needs of organizations and their executives for research, data, and advisory services;
- comprehensive global data and insights on customer behavior;
- independent analysis and opinions;
- the ability to render our services in digital forms;
- the pricing and packaging of our products and services; and
- customer service, including the quality of professional interactions with our clients.

We believe we compete favorably on these factors due to:

- our differentiated Age of the Customer strategy and portfolio of complementary Age of the Customer products and services;
- our research methodology and formats;
- our experience with and focus on emerging technologies;
- our history of providing research and executable advice on the impact of technology on business; and
- our growing ability to deploy digital products.

Our principal direct competitors include other independent providers of research and advisory services, such as Gartner, as well as marketing agencies, general business consulting firms, survey-based general market research firms, providers of peer networking services, and digital media measurement services. In addition, our indirect competitors include the internal planning and marketing staffs of our current and prospective clients, as well as other information providers such as electronic and print publishing companies. We also face competition from free sources of information available on the Internet, such as Google. Our indirect competitors could choose to compete directly against us in the future. In addition, there are relatively few barriers to entry into certain segments of our market, and new competitors could readily seek to compete against us in one or more of these market segments. Increased competition could adversely affect our operating results through pricing pressure and loss of market share. There can be no assurance that we will be able to continue to compete successfully against existing or new competitors.

Employees

As of December 31, 2017, we employed a total of 1,392 persons, including 515 Research, Connect, Analytics, Consulting and Events staff and 539 sales personnel.

Our culture emphasizes certain key values — including client service, courage, collaboration, integrity and quality — that we believe are critical to our future growth. We promote these values through training and frequent recognition for achievement. We encourage teamwork and promote and recognize individuals who foster these values. New employees participate in a three-day training process that focuses on our Age of the Customer strategy, our products and services, corporate culture, values and goals.

Item 1A. Risk Factors

We operate in a rapidly changing and competitive environment that involves risks and uncertainties, certain of which are beyond our control. These risks and uncertainties could have a material adverse effect on our business and our results of operations and financial condition. These risks and uncertainties include, but are not limited to:

A Decline in Renewals or Demand for Our Membership-Based Research, Connect and Analytics Services. Our success depends in large part upon retaining (on both a client company and dollar basis) and enriching existing memberships for our Research, Connect, and Analytics products and services. Future declines in client retention, dollar retention, and enrichment, or failure to generate demand for and new sales of our membership-based products and services due to competition or otherwise, could have an adverse effect on our results of operations and financial condition.

Demand for Our Advisory and Consulting Services. Advisory and consulting services revenues comprised 32% of our total revenues in 2017 and 31% in 2016. Consulting engagements generally are project-based and non-recurring. A decline in our ability to fulfill existing or generate new project consulting engagements could have an adverse effect on our results of operations and financial condition.

We Have Undergone Substantial Internal Reorganization. As part of our “Age of the Customer” strategy, we have implemented significant sales and other organizational change. Our customer engagement model is moving towards a model where we provide different sales engagement and support levels for clients and prospects in our Premier and Core Groups. These changes are designed to improve our retention and enrichment rates and accelerate growth. In 2017, we substantially completed the roll-out of the new model in North America, and we plan to extend it to our European and Asia Pacific Groups in 2018. We have incurred material expenses in connection with these actions. If the changes we are implementing do not have the desired outcomes, this could have an adverse effect on our results of operations and financial condition.

Our Business May be Adversely Affected by the Economic Environment. Our business is in part dependent on technology spending and is impacted by economic conditions. The economic environment may materially and adversely affect demand for our products and services. If conditions in the United States and the global economy were to lead to a decrease in technology spending, or in demand for our products and services, this could have an adverse effect on our results of operations and financial condition.

Our International Operations Expose Us to a Variety of Operational Risks which Could Negatively Impact Our Results of Operations. We have clients in approximately 60 countries and approximately 23% of our revenue comes from international sales. Our operating results are subject to the risks inherent in international business activities, including challenges in staffing and managing foreign operations, changes in regulatory requirements, compliance with numerous foreign laws and regulations, differences between U.S. and foreign tax rates and laws, fluctuations in currency exchange rates, difficulty of enforcing client agreements, collecting accounts receivable, and protecting intellectual property rights in international jurisdictions. Furthermore, we rely on local independent sales representatives in some international locations. If any of these arrangements are terminated by our representatives or us, we may not be able to replace the arrangement on beneficial terms or on a timely basis, or clients sourced by the local sales representative may not want to continue to do business with us or our new representative.

Ability to Develop and Offer New Products and Services. Our future success will depend in part on our ability to offer new products and services. These new products and services must successfully gain market acceptance by anticipating and identifying changes in client requirements and changes in the technology industry and by addressing specific industry and business organization sectors. The process of internally researching, developing, launching and gaining client acceptance of a new product or service, or assimilating and marketing an acquired product or service, is risky and costly. We may not be able to introduce new, or assimilate acquired, products or services successfully. Our failure to do so would adversely affect our ability to maintain a competitive position in our market and continue to grow our business.

Loss of Key Management. Our future success will depend in large part upon the continued services of a number of our key management employees. The loss of any one of them, in particular George F. Colony, our founder, Chairman of the Board and Chief Executive Officer, could adversely affect our business.

The Ability to Attract and Retain Qualified Professional Staff. Our future success will depend in large measure upon the continued contributions of our senior management team, research and data professionals, consultants, and experienced sales and marketing personnel. Thus, our future operating results will be largely dependent upon our ability to retain the services of these individuals and to attract additional professionals from a limited pool of qualified candidates. Our future success will also depend in part upon the effectiveness of our sales leadership in hiring and retaining sales personnel and in improving sales productivity. We experience competition in hiring and retaining professionals from developers of Internet and emerging-technology products, other research firms, management consulting firms, print and electronic publishing companies and financial services companies, many of which have substantially greater ability, either through cash or equity, to attract and compensate professionals. If we lose professionals or are unable to attract new talent, we will not be able to maintain our position in the market or grow our business.

Failure to Anticipate and Respond to Market Trends. Our success depends in part upon our ability to anticipate rapidly changing technologies and market trends and to adapt our research, data, advisory services, and other related products and services to meet the changing needs of our clients. The technology and commerce sectors that we analyze undergo frequent and often dramatic changes. The environment of rapid and continuous change presents significant challenges to our ability to provide our clients with current and timely analysis, strategies and advice on issues of importance to them. Meeting these challenges requires the commitment of substantial resources. Any failure to continue to provide insightful and timely analysis of developments, technologies, and trends in a manner that meets market needs could have an adverse effect on our market position and results of operations.

We May be Subject to Network Disruptions or Security Breaches that Could Damage Our Reputation and Harm Our Business and Operating Results. We may be subject to network disruptions or security breaches caused by computer viruses, illegal break-ins or hacking, sabotage, acts of vandalism by third parties or terrorism. Our security measures or those of our third party service providers may not detect or prevent such security breaches. Any such compromise of our information security could result in the unauthorized publication of our confidential business or proprietary information, cause an interruption in our operations, result in the unauthorized release of customer or employee data, result in a violation of privacy or other laws, expose us to a risk of litigation or damage our reputation, which could harm our business and operating results.

Competition. We compete principally in the market for research, data and advisory services, with an emphasis on customer behavior and customer experience, and the impact of business technology on our clients' business and service models. Our principal direct competitors include other independent providers of research and advisory services, such as Gartner, as well as marketing agencies, general business consulting firms, survey-based general market research firms, providers of peer networking services, and digital media measurement services. Some of our competitors have substantially greater financial and marketing resources than we do. In addition, our indirect competitors include the internal planning and marketing staffs of our current and prospective clients, as well as other information providers such as electronic and print publishing companies. We also face competition from free sources of information available on the Internet, such as Google. Our indirect competitors could choose to compete directly against us in the future. In addition, there are relatively few barriers to entry into certain segments of our market, and new competitors could readily seek to compete against us in one or more of these market segments. Increased competition could adversely affect our operating results through pricing pressure and loss of market share. There can be no assurance that we will be able to continue to compete successfully against existing or new competitors.

Failure to Enforce and Protect our Intellectual Property Rights. We rely on a combination of copyright, trademark, trade secret, confidentiality and other contractual provisions to protect our intellectual property. Unauthorized third parties may obtain or use our proprietary information despite our efforts to protect it. The laws of certain countries do not protect our intellectual property to the same extent as the laws of the United States and accordingly we may not be able to protect our intellectual property against unauthorized use or distribution, which could adversely affect our business.

Privacy Laws. Privacy laws and regulations, and the interpretation and application of these laws and regulations, in the U.S., Europe and other countries around the world where we conduct business are sometimes inconsistent and frequently changing. For example, the European Union General Data Protection Regulation (GDPR) has an enforcement commencement date of May 25, 2018. Compliance with these laws, or changing interpretations and application of these laws, could cause us to incur substantial costs or require us to take action in a manner that would be adverse to our business.

Fluctuations in Our Operating Results. Our revenues and earnings may fluctuate from quarter to quarter based on a variety of factors, many of which are beyond our control, and which may affect our stock price. These factors include, but are not limited to:

- Trends in technology and research, data and advisory services spending in the marketplace and general economic conditions.
- The timing and size of new and renewal memberships for our products and services from clients.
- The utilization of our advisory services by our clients.
- The timing of revenue-generating events sponsored by us.
- The introduction and marketing of new products and services by us and our competitors.
- The hiring and training of new research and data professionals, consultants, and sales personnel.
- Changes in demand for our research, data and advisory services.
- Fluctuations in currency exchange rates.

As a result, our operating results in future quarters may be below the expectations of securities analysts and investors, which could have an adverse effect on the market price for our common stock. Factors such as announcements of new products, services, offices, acquisitions or strategic alliances by us, our competitors, or in the research, data and professional services industries generally, may have a significant impact on the market price of our common stock. The market price for our common stock may also be affected by movements in prices of stocks in general.

Taxation Risks. We operate in numerous jurisdictions around the world. A portion of our income is generated outside of the United States and is taxed at lower rates than rates applicable to income generated in the U.S. or in other jurisdictions in which we do business. Our effective tax rate in the future, and accordingly our results of operations and financial position, could be adversely affected by changes in applicable tax law or if more of our income becomes taxable in jurisdictions with higher tax rates.

On December 22, 2017, the Tax Cuts and Jobs Act (the “Act”) was enacted in the United States. The changes included in the Act are broad and complex. The final transition impacts of the Act may differ from the estimates provided elsewhere in this report, possibly materially, due to, among other things, changes in interpretations of the Act, any legislative action to address questions that arise because of the Act, any changes in accounting standards for income taxes or related interpretations in response to the Act, or any updates or changes to estimates we have utilized to calculate the transition impacts, including impacts from changes to current year earnings estimates and foreign exchange rates of foreign subsidiaries. Our estimated impacts of the new law are based on our current knowledge and assumptions, and recognized impacts could be materially different from current estimates based on our actual results in future periods and our further analysis of the Act.

Concentration of Ownership. Our largest stockholder is our Chairman and CEO, George F. Colony, who owns approximately 43% of our outstanding stock. This concentration of ownership enables Mr. Colony to strongly influence or effectively control matters requiring stockholder approval, including the election of directors, amendment of our certificate of incorporation, adoption or amendment of equity plans and approval of significant transactions such as mergers, acquisitions, consolidations and sales or purchases of assets. This concentration of ownership may also limit the liquidity of our stock. As a result, efforts by stockholders to change the direction, management or ownership of Forrester may be unsuccessful, and stockholders may not be able to freely purchase and sell shares of our stock.

Any Weakness Identified in Our System of Internal Controls by Us and Our Independent Registered Public Accounting Firm Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 Could Have an Adverse Effect on Our Business. Section 404 of the Sarbanes-Oxley Act of 2002 requires that companies evaluate and report on their systems of internal control over financial reporting. In addition, our independent registered public accounting firm must report on its evaluation of those controls. There can be no assurance that no weakness in our internal control over financial reporting will occur in future periods, or that any such weakness will not have a material adverse effect on our business or financial results, including our ability to report our financial results in a timely manner.

Item 1B. *Unresolved Staff Comments*

We have not received written comments from the Securities and Exchange Commission that remain unresolved.

Item 2. *Properties*

Our corporate headquarters building is comprised of approximately 190,000 square feet of office space in Cambridge, Massachusetts, substantially all of which is currently occupied by the Company. This facility accommodates research, data, marketing, sales, consulting, technology, and operations personnel. The lease term of this facility expires February 28, 2027.

We also rent office space in San Francisco, New York City, Dallas, McLean, Virginia, Nashville, Amsterdam, Frankfurt, London, Paris, New Delhi, and Singapore. Our San Francisco lease is for approximately 19,000 square feet, with a term that expires June 30, 2022. Our New York lease is for approximately 15,200 square feet, with an initial term until January 31, 2021. The London lease is for approximately 17,800 square feet, with a term that expires September 24, 2021. We also lease office space on a relatively short-term basis in various other locations in North America, Europe, Asia, and Australia.

We believe that our existing facilities are adequate for our current needs and that additional facilities are available for lease to meet future needs.

Item 3. *Legal Proceedings*

We are not currently a party to any material legal proceedings.

Item 4. *Mine Safety Disclosures*

Not applicable.

PART II

Item 5. *Market For Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities*

Our common stock is listed on the Nasdaq Global Select Market under the symbol "FORR". During 2016, quarterly dividends of \$0.18 per common share were declared and paid in each of the four quarters during the year. During 2017, quarterly dividends of \$0.19 per common share were declared and paid in each of the four quarters during the year. In February 2018, our Board of Directors declared an increase in our regular quarterly dividend to \$0.20 per share that is payable on March 21, 2018. We intend to continue paying regular quarterly cash dividends; however, the actual declaration of any such future dividends, and the establishment of the per share amount and payment dates for any such future dividends are subject to the discretion of the Board of Directors.

As of March 5, 2018 there were approximately 31 stockholders of record of our common stock. On March 5, 2018 the closing price of our common stock was \$41.25 per share.

The following table represents the ranges of high and low sale prices of our common stock for the years ended December 31, 2017 and 2016:

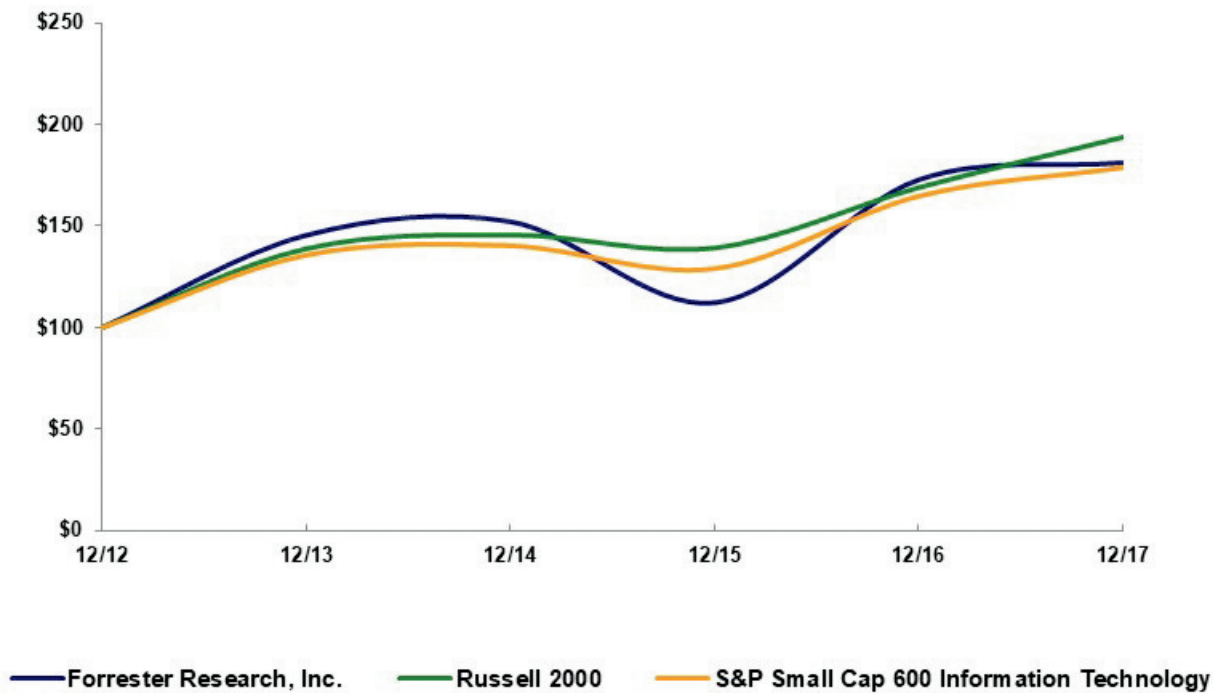
	2017		2016	
	High	Low	High	Low
First Quarter	\$ 44.35	\$ 34.95	\$ 34.00	\$ 27.05
Second Quarter	\$ 41.55	\$ 36.95	\$ 38.36	\$ 31.92
Third Quarter	\$ 43.18	\$ 38.00	\$ 42.01	\$ 36.02
Fourth Quarter	\$ 47.75	\$ 41.80	\$ 44.40	\$ 35.25

Through 2017, our Board of Directors authorized an aggregate \$485.0 million to purchase common stock under our stock repurchase program including \$25.0 million authorized in October 2016. As of December 31, 2017, we had repurchased approximately 16.1 million shares of common stock at an aggregate cost of \$464.9 million. In February 2018, our Board of Directors authorized an additional \$50.0 million to our stock repurchase program.

The following graph contains the cumulative stockholder return on our common stock during the period from December 31, 2012 through December 31, 2017 with the cumulative return during the same period for the Russell 2000 and the S&P 600 Small Cap Information Technology Index, and assumes that the dividends, if any, were reinvested.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Forrester Research, Inc., the Russell 2000 Index, and S&P Small Cap 600 Information Technology



*\$100 invested on 12/31/12 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

Item 6. Selected Consolidated Financial Data

The selected financial data presented below is derived from our consolidated financial statements and should be read in connection with those statements.

	Years Ended December 31,				
	2017	2016	2015	2014	2013
(In thousands, except per share amounts)					
Consolidated Statement of Income Data					
Research services	\$ 216,471	\$ 215,216	\$ 210,268	\$ 207,517	\$ 202,843
Advisory services and events	121,202	110,879	103,458	104,545	94,807
Total revenues	337,673	326,095	313,726	312,062	297,650
Income from operations	27,549	30,774	18,827	18,213	21,833
Other income and gains (losses) on investments, net	(178)	(65)	493	176	(1,841)
Net income	\$ 15,140	\$ 17,651	\$ 11,996	\$ 10,865	\$ 13,024
Basic income per common share	\$ 0.84	\$ 0.98	\$ 0.67	\$ 0.58	\$ 0.62
Diluted income per common share	\$ 0.83	\$ 0.97	\$ 0.66	\$ 0.57	\$ 0.61
Basic weighted average shares outstanding	17,919	17,984	17,927	18,713	20,861
Diluted weighted average shares outstanding	18,240	18,269	18,143	19,007	21,353

	As of December 31,				
	2017	2016	2015	2014	2013
(In thousands)					
Consolidated Balance Sheet Data					
Cash, cash equivalents and marketable investments	\$ 134,123	\$ 138,105	\$ 101,106	\$ 104,535	\$ 155,145
Working capital	41,766	45,962	15,274	26,298	78,991
Total assets	345,200	335,785	318,991	332,707	402,202
Deferred revenue	145,207	134,265	140,676	144,568	152,903
Total liabilities	204,011	185,749	191,689	191,105	197,540
Cash dividends declared	13,631	12,987	12,179	11,962	12,394

Cash dividends in 2017, 2016, 2015, 2014 and 2013 represent quarterly dividends of \$0.19, \$0.18, \$0.17, \$0.16 and \$0.15 per common share declared and paid during 2017, 2016, 2015, 2014 and 2013, respectively.

The following items impact the comparability of our consolidated data:

- The 2013 other income and gains (losses) on investments, net amount includes a \$1.9 million loss for the sale of the Company's entire portfolio of auction rate securities.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We derive revenues from memberships to, and sales of, our Research, Connect and Analytics (rebranded from Data) products and services, performing advisory services and consulting projects, and hosting Events. We offer contracts for our Research, Connect and Analytics products that are typically renewable annually and payable in advance. Membership revenues are recognized as revenue ratably over the term of the contract. Accordingly, a substantial portion of our billings are initially recorded as deferred revenue. Clients purchase advisory services independently and/or to supplement their memberships to our subscription-based products. Billings attributable to advisory services and consulting projects are initially recorded as deferred revenue. Advisory service revenues, such as workshops, speeches and advisory days, are recognized when the customer receives the agreed upon deliverable. Consulting project revenues, which generally are short-term in nature and based upon fixed-fee agreements, are recognized as the services are provided. Event billings are also initially recorded as deferred revenue and are recognized as revenue upon completion of each Event.

Our primary operating expenses consist of cost of services and fulfillment, selling and marketing expenses and general and administrative expenses. Cost of services and fulfillment represents the costs associated with the production and delivery of our products and services, including salaries, bonuses, employee benefits and stock-based compensation expense for all personnel that produce and deliver our products and services, including all associated editorial, travel, and support services. Selling and marketing expenses include salaries, sales commissions, bonuses, employee benefits, stock-based compensation expense, travel expenses, promotional costs and other costs incurred in marketing and selling our products and services. General and administrative expenses include the costs of the technology, operations, finance, and human resources groups and our other administrative functions, including salaries, bonuses, employee benefits, and stock-based compensation expense. Overhead costs such as facilities and annual fees for cloud-based information technology systems are allocated to these categories according to the number of employees in each group.

Deferred revenue, agreement value, client retention, dollar retention, enrichment and number of clients are metrics that we believe are important to understanding our business. We believe that the amount of deferred revenue, along with the agreement value of contracts to purchase research and advisory services, provide a significant measure of our business activity. We define these metrics as follows:

- *Deferred revenue* — billings in advance of revenue recognition as of the measurement date.
- *Agreement value* — the total revenues recognizable from all contracts in force at a given time (but not including advisory-only and Events contracts), without regard to how much revenue has already been recognized. No single client accounted for more than 3% of agreement value at December 31, 2017.
- *Client retention* — the percentage of client companies with memberships expiring during the most recent twelve-month period that renewed one or more of those memberships during that same period.
- *Dollar retention* — the total dollar value of client membership contracts expiring during the most recent twelve-month period, which are renewed in whole or in part, as a percentage of the dollar value of all expiring client membership contracts during the same period.
- *Enrichment* — the percentage of the dollar value of client membership contracts renewed during the most recent twelve-month period to the dollar value of the corresponding expiring contracts.
- *Clients* — we aggregate the various divisions and subsidiaries of a corporate parent as a single client and we also aggregate separate instrumentalities of the federal, state, and provincial governments as single clients.

Client retention, dollar retention, and enrichment are not necessarily indicative of the rate of future retention of our revenue base. A summary of our key metrics is as follows (dollars in millions):

	As of December 31,		Absolute Increase (Decrease)	Percentage Increase (Decrease)
	2017	2016		
Deferred revenue	\$ 145.2	\$ 134.3	\$ 10.9	8%
Agreement value	\$ 242.9	\$ 238.4	\$ 4.5	2%
Client retention	76%	75%	1	1%
Dollar retention	88%	87%	1	1%
Enrichment	96%	93%	3	3%
Number of clients	2,409	2,432	(23)	(1%)

	As of December 31,		Absolute Increase (Decrease)	Percentage Increase (Decrease)
	2016	2015		
Deferred revenue	\$ 134.3	\$ 140.7	\$ (6.4)	(5%)
Agreement value	\$ 238.4	\$ 237.0	\$ 1.4	1%
Client retention	75%	77%	(2)	(3%)
Dollar retention	87%	89%	(2)	(2%)
Enrichment	93%	98%	(5)	(5%)
Number of clients	2,432	2,471	(39)	(2%)

Deferred revenue at December 31, 2017 increased 8% compared to the prior year and increased 6% after adjusting for the effect of foreign currency fluctuations, due to growth in contract bookings exceeding revenue recognized for the year. Agreement value at December 31, 2017 increased 2% compared to the prior year and increased 3% after adjusting for the effect of foreign currency fluctuations, representing an increase in the related contract bookings for the year. Deferred revenue at December 31, 2016 decreased 5% compared to the prior year and decreased 4% after adjusting for the effect of foreign currency fluctuations, due to our revenue growth for the year exceeding contract bookings. Agreement value at December 31, 2016 increased 1% compared to the prior year and increased 3% after adjusting for the effect of foreign currency fluctuations, representing an increase in the related contract bookings for the year. Client retention and dollar retention rates declined from the fourth quarter of 2015 to lows in the first quarter of 2017 for client retention and the fourth quarter of 2016 for dollar retention. These retention rates have since improved or remained flat each sequential quarter since their lows, with client retention up 2 percentage points, and dollar retention up 1 percentage point, at December 31, 2017 from their respective low points. Our enrichment metric was at a low of 93% in the fourth quarter of 2016 and has since improved or remained flat in each sequential quarter since its low, and has increased 3 percentage points from its low point.

Critical Accounting Policies and Estimates

Management's discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our policies and estimates, including but not limited to, those related to our revenue recognition, non-marketable investments, goodwill and intangible assets, and income taxes. Management bases its estimates on historical experience, data available at the time the estimates are made and various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We consider the following accounting policies to be those that require the most subjective judgment or that involve uncertainty that could have a material impact on our financial statements. If actual results differ significantly from management's estimates and projections, there could be a material effect on our financial statements. This is not a comprehensive list of all of our accounting policies. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP, with no need for management's judgment in its application. For a discussion of our other accounting policies, see Note 1 of the Notes to Consolidated Financial Statements beginning on page F-8.

- Revenue Recognition.** We generate revenues from licensing memberships to, and sales of, our Research, Connect and Analytics products and services, performing advisory services and consulting projects and hosting Events. We execute contracts that govern the terms and conditions of each arrangement. Revenues are recognized when persuasive evidence of an arrangement exists, the fee is fixed or determinable, services have been provided to the customer, and collectability is reasonably assured. Our contracts may include either a single product or service or a combination of multiple products and services. Revenues from contracts that contain multiple products or services are allocated among the separate units of accounting based on their relative selling prices; however, the amount recognized is limited to the amount that is not contingent on future performance conditions. For example, when a discount off of list price is provided in a multiple element contract, the amount of revenue that is allocated to our Research, Connect and Analytics products that commence delivery on the first day of the contract is limited based on the contract price that would be refundable to the customer if the yet undelivered products were never delivered. We obtain the relative selling prices of our products and services based upon an analysis of standalone sales of these products and services during the year or upon an analysis of the estimated selling price of products for which there are insufficient standalone sales. The majority of our research services revenues, including our Research, Leadership Boards and Analytics subscription products, are recognized ratably over the term of the contract. Certain research services revenues, including revenues from sales of reprints, are recognized as revenue when delivered. Advisory services revenues, such as workshops, speeches and advisory days, are recognized when the customer receives the agreed upon deliverable and consulting project revenues are recognized as the services are provided. Event revenues are recognized upon completion of the Event. Reimbursed out-of-pocket expenses are recorded as advisory services and events revenues.

Annual subscriptions to Research include access to all or a designated portion of our research, and depending on the type of license, unlimited phone or email analyst inquiry, and unlimited participation in Forrester Webinars, all of which are delivered throughout the contract period and are accounted for as one unit of accounting. Annual subscriptions for Leadership Boards include access to the Research offering, access to a private forum with other Leadership Board member peers, access to a Forrester advisor, member-generated content, and one Event ticket. Leadership Boards are accounted for as two units of accounting: (1) the Event ticket and (2) the remaining services that are delivered throughout the contract period. Arrangement consideration is allocated to each element based upon their relative selling prices, which are determined based on standalone sales of Event tickets and the estimated selling price of the remaining services. Annual subscriptions to our Analytics subscription products include access to designated survey data products and access to a data advisor, which are delivered throughout the contract period, and are accounted for as one unit of accounting and recognized ratably as research services revenue over the contract period. Certain of our Analytics subscription products also include advisory services and these contracts are accounted for as two units of accounting: (1) the subscription and data advisor and (2) the advisory services. Arrangement consideration is allocated to each element based upon its relative selling price, which is determined based on standalone sales of the advisory services and the estimated selling price of the remaining Analytics services.

Our revenue recognition also determines the timing of commission expenses, as commissions are earned during the month a contract is booked and are deferred and recognized as expense as the related revenue is recognized. We evaluate the recoverability of deferred commissions at each balance sheet date.

- *Non-Marketable Investments.* We hold minority interests in technology-related investment funds with a book value of \$1.9 million at December 31, 2017. These investment funds are not publicly traded, and, therefore, because no established market for these securities exists, the estimate of the fair value of our investments requires significant judgment. These investments are accounted for using the equity method, and as such we record our share of the investee's operating results each period. We review the fair value of our investments on a regular basis to evaluate whether an other-than-temporary impairment in the investment has occurred. We record impairment charges when we believe that an investment has experienced a decline in value that is other-than-temporary. Future adverse changes in market conditions or poor operating results of underlying investments could result in losses or an inability to recover the carrying value of the investments that may not be reflected in an investment's current carrying value, thereby possibly requiring an impairment charge in the future.
- *Goodwill, Intangible Assets and Other Long-Lived Assets.* As of December 31, 2017, we had \$76.9 million of goodwill and intangible assets with finite lives recorded on our Consolidated Balance Sheet. Goodwill is required to be measured for impairment at least annually or whenever events indicate that there may be an impairment. In order to determine if an impairment exists, we compare each of our reporting unit's carrying value to the reporting unit's fair value. Determining the reporting unit's fair value requires us to make estimates of market conditions and operational performance. Absent an event that indicates a specific impairment may exist, we have selected November 30th as the date to perform the annual goodwill impairment test. The annual assessment of goodwill can be based on either a quantitative or qualitative assessment, or a combination of both. We completed the annual goodwill impairment testing as of November 30, 2017 based on a qualitative assessment. Our qualitative assessment included Company specific (financial performance and long-range plans), industry, and macroeconomic factors, and the consideration of the fair value of each reporting unit, which significantly exceeded their respective carrying values, at the last valuation date of November 30, 2016. Based on our qualitative assessment, we believe it is more likely than not that the fair values of our reporting units exceed their carrying values and no further impairment testing is required. Future events could cause us to conclude that impairment indicators exist and that goodwill associated with our acquired businesses is impaired. Any resulting impairment loss could have a material adverse impact on our results of operations.

Intangible assets with finite lives as of December 31, 2017 consist of acquired customer relationships and were valued according to the future cash flows they are estimated to produce. These assigned values are amortized on a basis which best matches the periods in which the economic benefits are expected to be realized. Tangible assets with finite lives consist of property and equipment, which are depreciated over their estimated useful lives. We continually evaluate whether events or circumstances have occurred that indicate that the estimated remaining useful life of our intangible and long-lived tangible assets may warrant revision or that the carrying value of these assets may be impaired. No such events or circumstances occurred during 2017. To compute whether intangible assets have been impaired, the estimated undiscounted future cash flows for the estimated remaining useful life of the assets are compared to the carrying value. To the extent that the future cash flows are less than the carrying value, the assets are written down to their estimated fair value.

- *Income Taxes.* We recognize deferred tax assets and liabilities using enacted tax rates for the effect of temporary differences between book and tax bases of assets and liabilities as well as operating loss carryforwards (from acquisitions). Such amounts are adjusted as appropriate to reflect changes in the tax rates expected to be in effect when the

temporary differences reverse. We record a valuation allowance to reduce our deferred taxes to an amount we believe is more likely than not to be realized. We consider future taxable income and prudent and feasible tax planning strategies in assessing the need for a valuation allowance.

As a global company, we use significant judgment to calculate and provide for income taxes in each of the tax jurisdictions in which we operate. In the ordinary course of our business, there are transactions and calculations undertaken whose ultimate tax outcome cannot be certain. Some of these uncertainties arise as a consequence of transfer pricing for transactions with our subsidiaries and potential challenges to nexus and credit estimates. We estimate our exposure to unfavorable outcomes related to these uncertainties and record a liability based on the probability for such outcomes in accordance with current accounting guidelines.

Although we believe our estimates are reasonable, no assurance can be given that the final tax outcome will not be different from what is reflected in our historical income tax provisions, returns, and accruals. Such differences, or changes in estimates relating to potential differences, could have a material impact on our income tax provision and operating results in the period in which such a determination is made.

Results of Operations for the years ended December 31, 2017, 2016 and 2015

The following table sets forth our Consolidated Statements of Income as a percentage of total revenues for the years noted.

	Years Ended December 31,		
	2017	2016	2015
Revenues:			
Research services	64.1%	66.0%	67.0%
Advisory services and events	35.9	34.0	33.0
Total revenues	100.0	100.0	100.0
Operating expenses:			
Cost of services and fulfillment	40.5	39.3	40.2
Selling and marketing	36.7	35.9	37.0
General and administrative	12.4	12.4	12.5
Depreciation	2.0	2.4	2.6
Amortization of intangible assets	0.2	0.3	0.3
Reorganization costs	—	0.3	1.4
Income from operations	8.2	9.4	6.0
Other income, net	—	0.2	0.2
Losses on investments, net	(0.1)	(0.2)	—
Income before income taxes	8.1	9.4	6.2
Income tax provision	3.6	4.0	2.4
Net income	4.5%	5.4%	3.8%

2017 compared to 2016

Revenues

	(dollars in millions)		Absolute Increase (Decrease)	Percentage Increase (Decrease)
	2017	2016		
Revenues	\$ 337.7	\$ 326.1	\$ 11.6	4%
Revenues from research services	\$ 216.5	\$ 215.2	\$ 1.3	1%
Revenues from advisory services and events	\$ 121.2	\$ 110.9	\$ 10.3	9%
Revenues attributable to customers outside of the U.S.	\$ 77.6	\$ 73.9	\$ 3.7	5%
Percentage of revenue attributable to customers outside of the U.S.	23%	23%	—	—
Number of clients (at end of period)	2,409	2,432	(23)	(1%)
Number of events	14	14	—	—

Total revenues increased 4% during 2017 compared to 2016 and 3% after adjusting for the effect of foreign currency fluctuations. Revenues from customers outside of the U.S. increased 5% during 2017 compared to the prior year and remained at 5% after adjusting for the effect of foreign currency fluctuations, representing 23% of total revenues in 2017 and reflecting strong growth in the Asia Pacific region and low growth rates in Canada and Europe. We expect consolidated revenue growth to be in a range of growth at 4% to 7% in 2018, or growth of 3% to 6% after adjusting for the effect of estimated currency fluctuations. We expect the revenue growth rate for research services to accelerate slightly in 2018 compared to 2017 due to higher contract bookings in 2017 compared to the prior year, and we expect the revenue growth rate for advisory services and events to decrease slightly in 2018 compared to 2017 due in part to our delivery of an above-normal amount of advisory and consulting services in the fourth quarter of 2017.

Research services revenues are recognized as revenue primarily on a ratable basis over the term of the contracts, which are generally twelve-month periods. Research services revenues increased 1% during 2017 compared to the prior year and foreign currency fluctuations had an insignificant effect on revenue growth. The increase reflects growth in our Connect and Research products partially offset by a decline in revenue in our Analytics products.

Revenues from advisory services and events increased 9% during 2017 compared to the prior year and foreign currency fluctuations had an insignificant effect on revenue growth. The increase was due to 9% growth in our consulting and advisory products and our Events business.

Please refer to the “Segment Results” section below for a discussion of revenue and contribution margin results by segment.

Cost of Services and Fulfillment

	2017	2016	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Cost of services and fulfillment (dollars in millions)	\$ 136.9	\$ 128.2	\$ 8.7	7%
Cost of services and fulfillment as a percentage of total revenues	40.5%	39.3%	1.2	3%
Service and fulfillment employees (at end of period)	602	602	—	—

Cost of services and fulfillment expenses increased 7% in 2017 compared to 2016 and foreign currency fluctuations had an insignificant effect on the growth rate. The increase in dollars was primarily due to (1) a \$5.4 million increase in compensation and benefit costs, resulting from a 3% increase in the average number of employees, an increase in incentive bonus expense and annual merit increases compared to the prior year, (2) a \$1.5 million increase in professional services costs due to an increase in outsourced fees related to consulting projects delivered, an increase in fees related to the delivery of reprints on our digital reprint platform, and an increase in costs for the digitization of our Analytics products, and (3) a \$0.8 million increase in Event expenses.

Selling and Marketing

	2017	2016	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Selling and marketing expenses (dollars in millions)	\$ 123.9	\$ 116.9	\$ 7.0	6%
Selling and marketing expenses as a percentage of total revenues	36.7%	35.9%	0.8	2%
Selling and marketing employees (at end of period)	597	584	13	2%

Selling and marketing expenses increased 6% in 2017 compared to 2016 and foreign currency fluctuations had an insignificant effect on the growth rate. The increase in dollars was primarily due to a \$6.7 million increase in compensation and benefit costs resulting from a 3% increase in the average number of employees, annual merit increases, an increase in incentive bonuses and an increase in severance costs compared to the prior year. We intend to increase our sales employees by approximately 1% to 3% during 2018 as compared to 2017.

General and Administrative

	2017	2016	Absolute Increase (Decrease)	Percentage Increase (Decrease)
General and administrative expenses (dollars in millions)	\$ 41.9	\$ 40.6	\$ 1.3	3%
General and administrative expenses as a percentage of total revenues	12.4%	12.4%	—	—
General and administrative employees (at end of period)	193	192	1	1%

General and administrative expenses increased 3% in 2017 compared to 2016 and foreign currency fluctuations had an insignificant effect on the growth rate. The increase in dollars was primarily due to (1) a \$1.1 million increase in salaries and benefits resulting from a 4% increase in the average number of employees, annual merit increases, and an increase in incentive bonuses and (2) a \$0.7 million increase in stock compensation expense primarily due to the expansion of our Board of Directors in 2017. These increases were partially offset by a decrease in professional services primarily due to a decrease in legal and accounting expenses.

Depreciation

Depreciation expense decreased by \$1.2 million to \$6.6 million in 2017 as compared to \$7.8 million in 2016 due to certain equipment and software assets becoming fully depreciated. We expect depreciation expense to increase to a range of \$8.7 million to \$9.2 million in 2018 due to capital expenditures in 2017 having a full year of depreciation expense in 2018.

Amortization of Intangible Assets

Amortization expense remained essentially consistent in 2017 as compared to 2016.

Reorganization Costs

During 2016, we incurred \$1.0 million of severance and related benefits costs for a reduction in our workforce implemented and completed in the first quarter of 2016, of approximately 2% of employees across various geographies and functions. All costs under this plan were paid during 2016.

Income from Operations

Income from operations decreased \$3.2 million or 10% during 2017 as compared to the prior year and decreased to 8.2% of total revenues in 2017 from 9.4% in the prior year. The contraction in income from operations as a percentage of total revenues in 2017 was due operating expenses increasing by 5% compared to revenue growth of only 4%. The primary cause of the operating expense increase was a 6% increase in compensation and benefits during 2017 as compared to 2016. Although our year-end headcount increased by only 1% compared to 2016, our average headcount for the year increased by 3%. In addition to the headcount increase, we incurred an increase in incentive compensation during 2017. We expect income from operations as a percentage of total revenues to remain essentially flat in a range of 7.5% to 8.5% for the year ended December 31, 2018.

Other Income, Net

Other income, net primarily consists of interest income on our marketable investments as well as gains and losses on foreign currency. The decrease in other income, net during 2017 was due to foreign currency losses of approximately \$0.6 million during the current year compared to foreign currency gains of approximately \$0.1 million during the prior year. This decrease was slightly offset by an increase in interest income of \$0.3 million as compared to 2016.

Losses on Investments, Net

Losses on investments, net include our share of equity method investment gains or losses from our technology-related investment funds and gains or losses from the sale of marketable securities. The decrease in investment losses during 2017 was due to a decrease in investment losses incurred by the underlying funds as compared to the prior year.

Provision for Income Taxes

	2017	2016	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Provision for income taxes (dollars in millions)	\$ 12.2	\$ 13.1	\$ (0.9)	(7%)
Effective tax rate	44.7%	42.5%	2.2	5%

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the “Act”) was signed into law making significant changes to the Internal Revenue Code. Changes include, but are not limited to, a corporate tax rate decrease from 35% to 21% effective for tax years beginning after December 31, 2017, the transition of U.S international taxation from a worldwide tax system to a modified territorial system, and a one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings as of December 31, 2017. We have calculated our best estimate of the impact of the Act in our year end income tax provision in accordance with our understanding of the Act and guidance available as of the date of this filing and as a result have recorded \$1.6 million as additional income tax expense in the fourth quarter of 2017, the period in which the legislation was enacted. The provisional amount related to the remeasurement of federal deferred tax assets and liabilities was \$1.2 million. The provisional amount related to the one-time transition tax on the mandatory deemed repatriation of foreign earnings was \$0.4 million based on cumulative foreign earnings of \$22.6 million. As we complete our analysis of the Act, collect and prepare necessary data, and interpret any additional guidance issued by the U.S. Treasury Department, the IRS, and other standard-setting bodies, we may make adjustments to the provisional amounts.

The increase in the effective tax rate during 2017 as compared to the prior year was primarily due to \$1.6 million of tax expense in 2017 due to the Act (as described above) which was partially offset by a \$1.3 million tax benefit in 2017 from the settlement of a tax audit. We expect our effective tax rate for the full year of 2018 to be approximately 31%, which includes legislative changes from the Act. Our future effective tax rate may fluctuate based upon numerous factors including the impact of excess tax benefits and tax deficiencies from stock option exercises and the vesting of restricted stock units, which are affected by the value of our common stock at the time of exercise or vesting.

2016 compared to 2015

Revenues

	2016	2015	Absolute Increase (Decrease)	Percentage Increase (Decrease)
(dollars in millions)				
Revenues	\$ 326.1	\$ 313.7	\$ 12.4	4%
Revenues from research services	\$ 215.2	\$ 210.3	\$ 4.9	2%
Revenues from advisory services and events	\$ 110.9	\$ 103.5	\$ 7.4	7%
Revenues attributable to customers outside of the U.S.	\$ 73.9	\$ 72.7	\$ 1.2	2%
Percentage of revenue attributable to customers outside of the U.S.	23%	23%	—	—
Number of clients (at end of period)	2,432	2,471	(39)	(2%)
Number of events	14	15	(1)	(7%)

Total revenues increased 4% during 2016 compared to 2015 and 5% after adjusting for the effect of foreign currency fluctuations. Revenues from customers outside of the U.S. increased 2% during 2016 compared to the prior year and 6% after adjusting for the effect of foreign currency fluctuations, representing 23% of total revenues in 2016 and reflecting growth in the Asia Pacific region and in Europe while revenues in Canada declined slightly.

Research services revenues increased 2% during 2016 compared to the prior year and 3% after adjusting for the effect of foreign currency fluctuations, reflecting growth in our Research products partially offset by a decline in revenue in our Connect and Analytics products.

Revenues from advisory services and events increased 7% during 2016 compared to the prior year and 8% after adjusting for the effect of foreign currency fluctuations. The increase was led by growth in our consulting and advisory products of 7% while our Events business achieved growth of 4%.

Please refer to the “Segment Results” section below for a discussion of revenue and contribution margin results by segment.

Cost of Services and Fulfillment

	2016	2015	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Cost of services and fulfillment (dollars in millions)	\$ 128.2	\$ 126.3	\$ 1.9	2%
Cost of services and fulfillment as a percentage of total revenues	39.3%	40.2%	(0.9)	(2%)
Service and fulfillment employees (at end of period)	602	584	18	3%

Cost of services and fulfillment expenses increased 2% in 2016 compared to 2015 and 3% after adjusting for the effect of foreign currency fluctuations. The increase in dollars was primarily due to (1) a \$1.2 million increase in compensation and benefit costs, resulting from an increase in the average number of employees and annual merit increases compared to the prior year and (2) a \$2.3 million increase in professional services costs due to an increase in outsourced fees related to consulting projects delivered and an increase in fees related to the new digital reprint platform, which were partially offset by a decrease in survey costs. These increases were partially offset by a reduction in Event expenses of \$0.9 million and a reduction in travel expenses of \$0.7 million.

Selling and Marketing

	2016	2015	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Selling and marketing expenses (dollars in millions)	\$ 116.9	\$ 116.1	\$ 0.8	1%
Selling and marketing expenses as a percentage of total revenues	35.9%	37.0%	(1.1)	(3%)
Selling and marketing employees (at end of period)	584	576	8	1%

Selling and marketing expenses increased 1% in 2016 compared to 2015 and 2% after adjusting for the effect of foreign currency fluctuations. The increase in dollars was primarily due to a \$1.5 million increase in compensation and benefit costs resulting from an increase in sales employees and annual merit increases compared to the prior year, which were partially offset by a \$0.7 million decrease in professional services costs.

General and Administrative

	2016	2015	Absolute Increase (Decrease)	Percentage Increase (Decrease)
General and administrative expenses (dollars in millions)	\$ 40.6	\$ 39.0	\$ 1.6	4%
General and administrative expenses as a percentage of total revenues	12.4%	12.5%	(0.1)	(1%)
General and administrative employees (at end of period)	192	185	7	4%

General and administrative expenses increased 4% in 2016 compared to 2015 and 5% after adjusting for the effect of foreign currency fluctuations. The increase in dollars was primarily due to a \$1.6 million increase in professional services expense resulting primarily from an increase in consulting fees for technology projects and legal and accounting expenses.

Depreciation

Depreciation expense remained essentially consistent in 2016 as compared to 2015.

Amortization of Intangible Assets

Amortization expense remained essentially consistent in 2016 as compared to 2015

Reorganization Costs

During 2016, we incurred \$1.0 million of severance and related benefits costs for a reduction in our workforce implemented and completed in the first quarter of 2016, of approximately 2% of employees across various geographies and functions. All costs under this plan were paid during 2016.

During 2015, we incurred \$3.2 million of severance and related costs from our reorganization in the first quarter of 2015 that included the termination of 50 employees or approximately 4% of our workforce across various geographies and functions, in order to reallocate investment in 2015 to planned sales expansion and to delivery areas seeing the greatest client demand. We incurred an additional \$0.3 million charge in the second quarter of 2015 related to this action primarily for a non-cash charge for the liquidation of a small non-U.S. subsidiary.

In addition, during the third quarter of 2015 we incurred \$0.7 million of severance and related benefits for the reorganization of our Products Group, consisting of the termination of the chief product officer and related administrative staff, and the termination of a senior product leader with the intent to relocate this position to the U.S. As a result of the change in leadership in the Products Group, we incurred an additional \$0.2 million of expense to write off a software development project that was no longer deemed probable to be completed.

Income from Operations

Income from operations increased \$11.9 million or 63% during 2016 as compared to the prior year and increased to 9.4% of total revenues in 2016 from 6.0% in the prior year. The expansion in income from operations as a percentage of total revenues in 2016 was due to a small increase in headcount during the year, tight cost controls for travel and entertainment, and a \$3.4 million decrease in reorganization costs in 2016 as compared to 2015. The focus on cost controls during 2016 along with the decrease in reorganization costs resulted in our operating expenses increasing by less than 1% compared to 2015, while revenues increased 4% compared to 2015.

Other Income, Net

Other income, net primarily consists of interest income on our marketable investments as well as gains and losses on foreign currency. The increase in other income, net during 2016 was due to (1) an increase in interest income of \$0.1 million as compared to 2015 and (2) foreign currency gains of approximately \$0.1 million during the current year versus insignificant foreign currency losses during the prior year.

Losses on Investments, Net

Losses on investments, net include our share of equity method investment gains or losses from our technology-related investment funds and gains or losses from the sale of marketable securities. The increase in investment losses during 2016 was due to an increase in investment losses incurred by the underlying funds as compared to the prior year.

Provision for Income Taxes

	2016	2015	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Provision for income taxes (dollars in millions)	\$ 13.1	\$ 7.3	\$ 5.8	78%
Effective tax rate	42.5%	37.9%	4.6	12%

The increase in the effective tax rate during 2016 as compared to the prior year was primarily due to (1) \$1.0 million of tax expense in 2016 due to a valuation allowance on capital losses generated from one of our non-marketable investments and (2) a one-time \$0.6 million benefit in 2015, which did not recur in 2016, from a change in tax legislation related to the U.S. Tax Court opinion in the "Altera" case as described below. The effect of these items was partially offset by the inclusion in 2015 of a \$0.3 million loss on the liquidation of a foreign subsidiary in 2015 for which a tax benefit could not be recognized and lower non-deductible stock compensation expense in 2016 compared to 2015.

In July 2015, the U.S. Tax Court issued an opinion in *Altera Corp. v. Commissioner* related to the treatment of stock-based compensation expense in an intercompany cost-sharing arrangement. The opinion invalidates part of a treasury regulation requiring stock-based compensation to be included in any qualified intercompany cost-sharing arrangement. We have reviewed this case and concluded that recording a tax benefit of \$0.6 million during 2015, representing the benefit of adjusting our cost-sharing agreement for

the years of 2012 through 2014, was appropriate based on the opinion in the case. There were no significant developments in this case during 2017 and we will continue to monitor ongoing developments and the potential effect to our consolidated financial statements.

Segment Results

The Product segment includes the costs of the product management organization that is responsible for pricing, packaging and the launch of new products. In addition, this segment includes the costs of our Analytics, Connect and Events organizations. Revenue in this segment includes all of our revenue (including Research and Connect) except for revenue from advisory services and project consulting services that are delivered by personnel in the Research and Project Consulting segments.

The Research segment includes the costs of our research personnel who are responsible for writing the research and performing the webinars and inquiries for our Research and Connect products. In addition, the research personnel deliver advisory services (such as workshops, speeches and advisory days) and a portion of our project consulting services. Revenue in this segment includes only revenue from advisory services and project consulting services that are delivered by the research personnel in this segment.

The Project Consulting segment includes the costs of the consultants that deliver the majority of our project consulting services. Revenue in this segment includes the project consulting revenue delivered by the consultants in this segment.

We evaluate reportable segment performance and allocate resources based on segment revenues and expenses. Segment expenses include the direct expenses of each segment organization and exclude selling and marketing expenses, general and administrative expenses, stock-based compensation expense, depreciation expense, adjustments to incentive bonus compensation from target amounts, amortization of intangible assets, reorganization costs, other income and gains (losses) on investments. The accounting policies used by the segments are the same as those used in the consolidated financial statements.

In the first quarter of 2017, we modified our internal reporting for the Research and Project Consulting segments to reflect the transfer of revenue and direct costs related to a small consulting team in Asia Pacific from Research to Project Consulting, and to remove from both Research and Project Consulting certain client support activities that are now included within selling, marketing, administrative and other expenses. Accordingly, the 2016 and 2015 amounts have been reclassified to conform to the current presentation.

	Product	Research	Project Consulting	Consolidated
Year Ended December 31, 2017				
Research services revenues	\$ 216,471	\$ —	\$ —	\$ 216,471
Advisory services and events revenues	21,887	45,054	54,261	121,202
Total segment revenues	238,358	45,054	54,261	337,673
Segment expenses	45,205	48,812	25,477	119,494
Contribution margin (loss)	193,153	(3,758)	28,784	218,179
Year over year revenue change	1%	1%	18%	4%
Year over year expense change	9%	3%	10%	7%

	Product	Research	Project Consulting	Consolidated
Year Ended December 31, 2016				
Research services revenues	\$ 215,216	\$ —	\$ —	\$ 215,216
Advisory services and events revenues	20,374	44,631	45,874	110,879
Total segment revenues	235,590	44,631	45,874	326,095
Segment expenses	41,528	47,496	23,141	112,165
Contribution margin (loss)	194,062	(2,865)	22,733	213,930
Year over year revenue change	3%	5%	5%	4%
Year over year expense change	8%	(2%)	—	2%

	Product	Research	Project Consulting	Consolidated
Year Ended December 31, 2015				
Research services revenues	\$ 210,268	\$ —	\$ —	\$ 210,268
Advisory services and events revenues	17,512	42,422	43,524	103,458
Total segment revenues	227,780	42,422	43,524	313,726
Segment expenses	38,615	48,277	23,292	110,184
Contribution margin (loss)	189,165	(5,855)	20,232	203,542

Product segment revenues increased 1% during 2017 compared to the prior year. Research services revenues increased 1% during 2017 compared to the prior year, reflecting growth in our Connect and Research products partially offset by a decline in revenue in our Analytics products. Advisory services and events revenues, which includes Analytics consulting and Events revenues in this segment, increased \$1.5 million, or 7%, during 2017 compared to the prior year due to a \$0.9 million increase in Events revenues and a \$0.6 million increase in Analytics consulting. Product segment expenses increased 9% during 2017 compared to the prior year period due to a \$2.3 million increase in compensation and benefit costs due to an increase in headcount, annual merit increases, and an increase in incentive bonuses. In addition, Event costs increased by \$0.8 million in 2017 due to the holding of larger events, and professional services costs increased by \$0.5 million due to increased spending on the digitization of our Analytics products.

Product segment revenues increased 3% during 2016 compared to the prior year. Research services revenues increased 2% during 2016 compared to the prior year, reflecting growth in our Research products partially offset by a decline in revenue in our Connect and Analytics products. Advisory services and events revenues increased \$2.9 million, or 16%, during 2016 compared to the prior year due to a \$2.4 million increase in Analytics consulting and a \$0.5 million increase in Events revenues. Product segment expenses increased 8% during 2016 compared to the prior year period due entirely to a \$3.0 million increase in compensation and benefit costs due to an increase in employees for the Analytics, Events and Connect products. Event costs decreased by \$0.9 million in 2016, which were mostly offset by small increases in professional services expenses and multiple other expense items.

Research segment revenues increased 1% during 2017 compared to the prior year due to an increase in advisory revenue that was partially offset by a decrease in consulting revenues. Approximately 80% of the revenue in this segment is generated from advisory services. The decrease in consulting revenues is due to the consultants in the Project Consulting segment delivering a greater portion of our consulting revenue. Research segment expenses increased by 3% compared to the prior year due primarily to a \$1.5 million increase in compensation and benefit costs due to an increase in headcount, annual merit increases, and an increase in incentive bonuses.

Research segment revenues increased 5% during 2016 compared to the prior year due to an increase in both advisory and consulting revenues. Research segment expenses decreased by 2% compared to the prior year due primarily to a decrease in travel expenses while compensation and benefit costs were flat.

Project Consulting segment revenues increased 18% during 2017 compared to the prior year as our content marketing group delivered strong revenue growth while our strategy consulting group experienced more moderate growth. Project Consulting segment expenses increased \$2.3 million, or 10%, during 2017 compared to the prior year due primarily to a \$1.4 million increase in compensation and benefit costs due to an increase in headcount, annual merit increases, and an increase in incentive bonuses during 2017. There was also a \$0.8 million increase in travel and entertainment and outsource fees due to the increased delivery of consulting engagements during the year.

Project Consulting segment revenues increased 5% during 2016 compared to the prior year as our content marketing group delivered strong revenue growth while our strategy consulting group experienced a decline in revenues. Project Consulting segment expenses remained consistent during 2016 compared to the prior year.

Liquidity and Capital Resources

We have historically financed our operations primarily through funds generated from operations. Research services revenues, which constituted approximately 64% of our revenues during 2017, are generally renewable annually and are typically payable in advance. We generated cash from operating activities of \$37.5 million and \$44.5 million during the years ended December 31, 2017 and 2016, respectively. The \$7.0 million decrease in cash provided from operations during 2017 is primarily attributable to (1) a \$4.6 million decrease in cash generated from the change in accounts receivable and deferred revenue, which represents revenues exceeding cash collections during 2017 in contrast to an excess of cash collected compared to revenues during 2016 and (2) a \$3.3 million decrease in cash from working capital.

During 2017, we used \$1.0 million of cash for investing activities, consisting primarily of \$7.9 million of purchases of property and equipment, which was partially offset by \$6.5 million in net maturities of marketable investments. Property and equipment purchases during 2017 consisted primarily of software and leasehold improvements for our new Nashville office. We expect capital expenditures to be in the range of \$5.0 million to \$7.0 million during 2018. During 2016, we used \$17.9 million of cash for investing activities, consisting primarily of \$13.7 million in net purchases of marketable investments and \$4.1 million of purchases of property and equipment. Property and equipment purchases during 2016 consisted primarily of software. We regularly invest excess funds in short and intermediate-term interest-bearing obligations of investment grade.

We used \$37.6 million of cash from financing activities during 2017 primarily due to \$40.0 million for purchases of our common stock and \$13.6 million for the payment of quarterly dividends, consisting of a \$0.19 per share dividend each quarter, as well as \$2.5 million in taxes paid related to net share settlements of restricted stock units. These uses were partially offset by \$18.5 million of proceeds received from the exercise of stock options and our employee stock purchase plan. We used \$0.1 million of cash from financing activities during 2016 primarily due to the payment of \$13.0 million in quarterly dividends, consisting of a \$0.18 per share dividend each quarter, \$1.8 million for purchases of our common stock, and \$2.1 million in taxes paid related to net share settlements of restricted stock units. These uses were partially offset by \$16.7 million of proceeds received from the exercise of stock options and our employee stock purchase plan.

As of December 31, 2017, our remaining stock repurchase authorization was approximately \$20.1 million. In February 2018, our Board of Directors increased our stock repurchase authorization by an additional \$50.0 million, bringing the total remaining authorization to \$70.1 million at the time of the increase. We plan to continue to repurchase our common stock during 2018, as market conditions warrant.

As of December 31, 2017, we had cash and cash equivalents of \$79.8 million and marketable investments of \$54.3 million. These balances include \$60.5 million held outside of the U.S. If these funds outside of the U.S. are needed for operations in the U.S., we would be required to accrue and pay U.S. state taxes and may be required to pay withholding taxes to foreign jurisdictions to repatriate these funds. We would not expect these additional taxes to be significant. However, our intent is to permanently reinvest these funds outside of the U.S. and our current plans do not demonstrate a need to repatriate these funds for our U.S. operations. We do not currently have a line of credit and do not presently anticipate the need to access a line of credit in the foreseeable future except in the case of a significant acquisition. We believe that our current cash balance, marketable investments, and cash flows from operations will satisfy working capital, financing activities, and capital expenditure requirements for the next twelve months.

As of December 31, 2017, we had future contractual obligations as follows:

<u>Contractual Obligations</u>	<u>Total</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Thereafter</u>
				(In thousands)			
Operating leases (1)	\$ 81,683	\$ 12,506	\$ 11,442	\$ 10,835	\$ 9,409	\$ 8,001	\$ 29,490
Purchase commitments (2)	5,681	5,252	429	—	—	—	—
	<u>\$ 87,364</u>	<u>\$ 17,758</u>	<u>\$ 11,871</u>	<u>\$ 10,835</u>	<u>\$ 9,409</u>	<u>\$ 8,001</u>	<u>\$ 29,490</u>

(1) Operating leases comprise of future minimum rental commitments under non-cancellable property leases.

(2) Purchase commitments principally comprise of contractual commitments for software, outsourced research services and Event venues.

As of December 31, 2017, \$0.4 million of unrecognized tax benefits for uncertain tax positions and the accrual for the related interest, net of the federal benefit, was included in non-current liabilities. These amounts were not included in the table above because we are unable to make a reasonably reliable estimate of when a cash settlement, if any, will occur with a tax authority as the timing of examinations and ultimate resolutions of those examinations is uncertain.

Off-Balance Sheet Arrangements

We do not maintain any off-balance sheet financing arrangements.

Recent Accounting Pronouncements

See Note 1 of the Notes to Consolidated Financial Statements for a full description of recent accounting pronouncements including the expected dates of adoption and effects on results of operations and financial condition.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The following discussion about our market risk disclosures involves forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. We are exposed to market risk related to changes in interest rates and foreign currency exchange rates. We have historically not used derivative financial instruments.

The primary objective of our investment activities is to preserve principal and maintain liquidity while at the same time maximizing the income we receive from our investments without significantly increasing risk. To achieve this objective, we maintain our portfolio of cash equivalents and marketable investments in a variety of securities during the course of the year, which may include U.S. government agencies, municipal notes and bonds, corporate notes and bonds, commercial paper, and money market funds. The securities, other than money market funds, are classified as available-for-sale and consequently are recorded on the Consolidated Balance Sheets at fair value with unrealized gains or losses reported as a component of accumulated other comprehensive loss in the Consolidated Balance Sheets. If interest rates rise, the market value of our investments may decline, which could result in a realized loss if we are forced to sell an investment before its scheduled maturity. We have the ability to hold our fixed income investments until maturity (without giving effect to any future acquisitions or mergers). Therefore, we would not expect our operating results or cash flows to be affected to any significant degree by a sudden change in market interest rates on our securities portfolio. In addition, given the short maturities and investment grade quality of the portfolio holdings at December 31, 2017, a hypothetical 10% change in interest rates would not materially affect the fair value of our cash and cash equivalents.

The following table provides information about our investment portfolio, for which all of the securities are denominated in U.S. dollars. For investment securities, the table presents principal cash flows and related weighted-average interest rates by maturity date.

Principal amounts by maturity dates (dollars in thousands):

	Years Ended December 31,	
	2018	2019
Federal obligations	\$ 1,793	\$ —
Corporate obligations	31,494	21,046
Total	<u>\$ 33,287</u>	<u>\$ 21,046</u>
Weighted average interest rates	1.30%	1.70%

Foreign Currency Exchange. On a global level, we face exposure to movements in foreign currency exchange rates as we enter into normal business transactions that may be in currencies other than the local currency of our subsidiaries. In addition, transactions and account balances between our U.S. and foreign subsidiaries expose us to currency exchange risk. This exposure may change over time as business practices evolve and could have a material adverse effect on our results of operations. For the year ended December 31, 2017, we incurred foreign currency exchange losses of \$0.6 million. For the year ended December 31, 2016, we incurred foreign currency exchange gains of \$0.1 million and for the year ended December 31, 2015 foreign currency exchange losses were insignificant. Historically, we have not entered into any hedging agreements as we have assessed our exposure to sudden changes in foreign currency exchange rates to be insignificant. However, we may enter into hedging agreements in the future to attempt to mitigate the financial effect of future fluctuations in the euro, British pound or other foreign currencies.

Item 8. Consolidated Financial Statements and Supplementary Data

The financial statements listed in the following Index to Financial Statements are filed as a part of this 2017 Annual Report on Form 10-K.

**FORRESTER RESEARCH, INC.
INDEX TO FINANCIAL STATEMENTS**

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Forrester Research, Inc.:

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Forrester Research, Inc. and its subsidiaries as of December 31, 2017 and 2016, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2017, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
March 9, 2018

We have served as the Company's auditor since 2010.

FORRESTER RESEARCH, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	December 31, 2017	December 31, 2016
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 79,790	\$ 76,958
Marketable investments (Note 3)	54,333	61,147
Accounts receivable, net (Note 11)	70,023	58,812
Deferred commissions	13,731	12,052
Prepaid expenses and other current assets	18,942	14,467
Total current assets	236,819	223,436
Property and equipment, net (Note 11)	25,249	23,894
Goodwill (Note 2)	76,169	73,193
Intangible assets, net (Note 2)	732	1,464
Other assets	6,231	13,798
Total assets	<u>\$ 345,200</u>	<u>\$ 335,785</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 217	\$ 1,806
Accrued expenses and other current liabilities (Note 11)	49,629	41,403
Deferred revenue	145,207	134,265
Total current liabilities	195,053	177,474
Non-current liabilities	8,958	8,275
Total liabilities	204,011	185,749
Commitments (Note 6)		
Stockholders' Equity (Note 7):		
Preferred stock, \$0.01 par value		
Authorized - 500 shares; issued and outstanding - none	—	—
Common stock, \$0.01 par value		
Authorized - 125,000 shares		
Issued - 22,432 and 21,719 shares as of December 31, 2017 and 2016, respectively		
Outstanding - 18,041 and 18,361 shares as of December 31, 2017 and 2016, respectively	224	217
Additional paid-in capital	181,910	157,569
Retained earnings	123,010	121,799
Treasury stock - 4,391 and 3,358 shares as of December 31, 2017 and 2016, respectively, at cost	(161,943)	(121,976)
Accumulated other comprehensive loss	(2,012)	(7,573)
Total stockholders' equity	141,189	150,036
Total liabilities and stockholders' equity	<u>\$ 345,200</u>	<u>\$ 335,785</u>

The accompanying notes are an integral part of these consolidated financial statements.

FORRESTER RESEARCH, INC.
CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data)

	Years Ended December 31,		
	2017	2016	2015
Revenues:			
Research services	\$ 216,471	\$ 215,216	\$ 210,268
Advisory services and events	121,202	110,879	103,458
Total revenues	<u>337,673</u>	<u>326,095</u>	<u>313,726</u>
Operating expenses:			
Cost of services and fulfillment	136,872	128,175	126,261
Selling and marketing	123,917	116,898	116,081
General and administrative	41,906	40,579	39,041
Depreciation	6,648	7,812	8,192
Amortization of intangible assets	781	831	891
Reorganization costs	—	1,026	4,433
Total operating expenses	<u>310,124</u>	<u>295,321</u>	<u>294,899</u>
Income from operations	27,549	30,774	18,827
Other income, net	301	740	511
Losses on investments, net	(479)	(805)	(18)
Income before income taxes	27,371	30,709	19,320
Income tax provision	12,231	13,058	7,324
Net income	<u>\$ 15,140</u>	<u>\$ 17,651</u>	<u>\$ 11,996</u>
Basic income per common share	<u>\$ 0.84</u>	<u>\$ 0.98</u>	<u>\$ 0.67</u>
Diluted income per common share	<u>\$ 0.83</u>	<u>\$ 0.97</u>	<u>\$ 0.66</u>
Basic weighted average common shares outstanding	<u>17,919</u>	<u>17,984</u>	<u>17,927</u>
Diluted weighted average common shares outstanding	<u>18,240</u>	<u>18,269</u>	<u>18,143</u>

The accompanying notes are an integral part of these consolidated financial statements.

FORRESTER RESEARCH, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Years Ended December 31,		
	2017	2016	2015
Net income	\$ 15,140	\$ 17,651	\$ 11,996
Other comprehensive income (loss), net of taxes:			
Foreign currency translation	5,593	(2,764)	(3,187)
Net change in market value of investments	(32)	17	(26)
Other comprehensive income (loss)	5,561	(2,747)	(3,213)
Comprehensive income	<u>\$ 20,701</u>	<u>\$ 14,904</u>	<u>\$ 8,783</u>

The accompanying notes are an integral part of these consolidated financial statements.

FORRESTER RESEARCH, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Stock		Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Number of Shares	\$0.01 Par Value			Number of Shares	Cost		
Balance, December 31, 2014	20,856	\$ 209	\$ 124,942	\$ 117,318	2,703	\$ (99,254)	\$ (1,613)	\$ 141,602
Issuance of common stock under stock plans, including tax effects	207	2	1,678	—	—	—	—	1,680
Stock-based compensation expense	—	—	8,347	—	—	—	—	8,347
Repurchases of common stock	—	—	—	—	608	(20,931)	—	(20,931)
Dividends paid on common shares	—	—	—	(12,179)	—	—	—	(12,179)
Net income	—	—	—	11,996	—	—	—	11,996
Net change in marketable investments, net of tax	—	—	—	—	—	—	(26)	(26)
Foreign currency translation	—	—	—	—	—	—	(3,187)	(3,187)
Balance, December 31, 2015	21,063	211	134,967	117,135	3,311	(120,185)	(4,826)	127,302
Issuance of common stock under stock plans, including tax effects	656	6	14,626	—	—	—	—	14,632
Stock-based compensation expense	—	—	7,976	—	—	—	—	7,976
Repurchases of common stock	—	—	—	—	47	(1,791)	—	(1,791)
Dividends paid on common shares	—	—	—	(12,987)	—	—	—	(12,987)
Net income	—	—	—	17,651	—	—	—	17,651
Net change in marketable investments, net of tax	—	—	—	—	—	—	17	17
Foreign currency translation	—	—	—	—	—	—	(2,764)	(2,764)
Balance, December 31, 2016	21,719	217	157,569	121,799	3,358	(121,976)	(7,573)	150,036
Issuance of common stock under stock plans, including tax effects	713	7	15,972	—	—	—	—	15,979
Cumulative effect adjustment due to adoption of new accounting pronouncements	—	—	(121)	(298)	—	—	—	(419)
Stock-based compensation expense	—	—	8,490	—	—	—	—	8,490
Repurchases of common stock	—	—	—	—	1,033	(39,967)	—	(39,967)
Dividends paid on common shares	—	—	—	(13,631)	—	—	—	(13,631)
Net income	—	—	—	15,140	—	—	—	15,140
Net change in marketable investments, net of tax	—	—	—	—	—	—	(32)	(32)
Foreign currency translation	—	—	—	—	—	—	5,593	5,593
Balance, December 31, 2017	<u>22,432</u>	<u>\$ 224</u>	<u>\$ 181,910</u>	<u>\$ 123,010</u>	<u>4,391</u>	<u>\$ (161,943)</u>	<u>\$ (2,012)</u>	<u>\$ 141,189</u>

The accompanying notes are an integral part of these consolidated financial statements.

FORRESTER RESEARCH, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Years Ended December 31,		
	2017	2016	2015
Cash flows from operating activities:			
Net income	\$ 15,140	\$ 17,651	\$ 11,996
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and asset write offs	6,648	7,812	8,350
Amortization of intangible assets	781	831	891
Net losses from investments	479	805	18
Deferred income taxes	6,425	2,602	(985)
Stock-based compensation	8,490	7,976	8,347
Amortization of premium on investments	207	345	693
Foreign currency (gains) losses	632	(81)	38
Changes in assets and liabilities			
Accounts receivable	(10,327)	7,963	(718)
Deferred commissions	(1,679)	1,477	225
Prepaid expenses and other current assets	(4,146)	861	1,482
Accounts payable	(1,600)	1,317	(357)
Accrued expenses and other liabilities	7,857	58	6,116
Deferred revenue	8,586	(5,140)	(2,120)
Net cash provided by operating activities	<u>37,493</u>	<u>44,477</u>	<u>33,976</u>
Cash flows from investing activities:			
Purchases of property and equipment	(7,861)	(4,140)	(3,931)
Purchases of marketable investments	(31,910)	(36,763)	(20,587)
Proceeds from sales and maturities of marketable investments	38,458	23,086	26,960
Other investing activity	343	(48)	347
Net cash provided by (used in) investing activities	<u>(970)</u>	<u>(17,865)</u>	<u>2,789</u>
Cash flows from financing activities:			
Dividends paid on common stock	(13,631)	(12,987)	(12,179)
Repurchases of common stock	(39,967)	(1,791)	(20,931)
Proceeds from issuance of common stock under employee equity incentive plans	18,506	16,734	3,347
Taxes paid related to net share settlements of stock-based compensation awards	(2,527)	(2,069)	(1,459)
Net cash used in financing activities	<u>(37,619)</u>	<u>(113)</u>	<u>(31,222)</u>
Effect of exchange rate changes on cash and cash equivalents	3,928	(2,872)	(1,862)
Net increase in cash and cash equivalents	2,832	23,627	3,681
Cash and cash equivalents, beginning of year	76,958	53,331	49,650
Cash and cash equivalents, end of year	<u>\$ 79,790</u>	<u>\$ 76,958</u>	<u>\$ 53,331</u>
Supplemental disclosure of cash flow information:			
Cash paid for income taxes	<u>\$ 10,443</u>	<u>\$ 8,507</u>	<u>\$ 6,425</u>

The accompanying notes are an integral part of these consolidated financial statements.

FORRESTER RESEARCH, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2017

(1) Summary of Significant Accounting Policies

Basis of Presentation

Principles of Consolidation

Forrester Research, Inc. (“Forrester” or the “Company”) is a global independent research, data, and advisory services firm. Forrester works with business and technology leaders to help them develop customer-obsessed strategies that drive growth. Forrester’s unique insights are grounded in annual surveys of more than 675,000 consumers and business leaders worldwide, rigorous and objective research methodologies, and the shared wisdom of our clients. Through proprietary research and data, custom consulting, exclusive executive peer groups and events, Forrester challenges the thinking of its clients and positions them to lead change in their organizations. The accompanying consolidated financial statements include the accounts of Forrester and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Forrester considers the more significant of these estimates to be revenue recognition, non-marketable investments, goodwill and intangible assets, and income taxes. On an ongoing basis, management evaluates its estimates. Actual results could differ from these estimates.

Fair Value Measurements

The Company has certain financial assets recorded at fair value which have been classified as either Level 1, 2 or 3 within the fair value hierarchy as described in the accounting standards for fair value measurements.

Level 1 — Fair value based on quoted prices in active markets for identical assets or liabilities.

Level 2 — Fair value based on inputs other than Level 1 inputs that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 — Fair value based on unobservable inputs that are supported by little or no market activity and such inputs are significant to the fair value of the assets or liabilities.

The carrying amounts reflected in the Consolidated Balance Sheets for cash, cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate fair value due to their short-term maturities.

Cash, Cash Equivalents, and Marketable Investments

Forrester considers all short-term, highly liquid investments with original maturities at the time of purchase of 90 days or less to be cash equivalents.

The Company’s portfolio of investments may at any time include securities of U.S. government agencies, municipal notes and bonds, corporate notes and bonds, commercial paper, and money market funds. Forrester accounts for all marketable investments as available-for-sale securities and as such, the marketable investments are carried at fair value with unrealized gains and losses (not related to credit losses) recorded in accumulated other comprehensive loss in the Consolidated Balance Sheets. Realized gains and losses on securities are included in earnings and are determined using the specific identification method. The Company conducts periodic reviews to identify and evaluate each investment that has an unrealized loss, in accordance with the meaning of other-than-temporary impairment and its application to certain investments, as required under current accounting standards. An unrealized loss exists when the current fair value of an individual security is less than its amortized cost basis. Unrealized losses on available-for-sale securities that are determined to be temporary, and not related to credit loss, are recorded, net of tax, in accumulated other comprehensive loss. The determination of whether a loss is considered temporary is based in part on whether the Company intends to

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

sell the security or whether the Company would more likely than not be required to sell the security before the expected recovery of the amortized cost basis. During the years ended December 31, 2017, 2016 and 2015, the Company did not record any other-than-temporary impairment losses on its available-for-sale securities.

Concentrations of Credit Risk

Forrester has no off-balance sheet or significant concentration of credit risk such as foreign exchange contracts, option contracts, or other foreign hedging arrangements. Financial instruments that potentially subject Forrester to concentrations of credit risk are principally cash, cash equivalents, marketable investments, and accounts receivable. Forrester places its investments in highly rated securities. No single customer accounted for greater than 2% of revenues or 3% of accounts receivable in any of the periods presented.

Deferred Commissions

Commissions incurred in acquiring new or renewing existing contracts, which are earned in the month that a contract is booked, are deferred and expensed to operations as the related revenue is recognized. Forrester evaluates the recoverability of deferred commissions at each balance sheet date.

Goodwill

Goodwill is not amortized; however, it is required to be tested for impairment annually. Furthermore, testing for impairment is required on an interim basis if an event or circumstance indicates that it is more likely than not an impairment loss has been incurred. An impairment loss would be recognized to the extent that the carrying amount of goodwill exceeds its implied fair value. Absent an event that indicates a specific impairment may exist, the Company has selected November 30th as the date for performing the annual goodwill impairment test. Goodwill impairment charges have not been required for the years ended December 31, 2017, 2016 and 2015.

Impairment of Other Long-Lived Tangible and Intangible Assets

Forrester continually evaluates whether events or circumstances have occurred that indicate that the estimated remaining useful life of long-lived assets and intangible assets may warrant revision or if events or circumstances indicate that the carrying value of these assets may be impaired. To compute whether assets have been impaired, the estimated undiscounted future cash flows for the estimated remaining useful life of the assets are compared to the carrying value. To the extent that the future cash flows are less than the carrying value, the assets are written down to the estimated fair value of the asset. Impairment charges have not been required for the years ended December 31, 2017, 2016 and 2015.

Non-Current Liabilities

The Company records certain liabilities that are expected to be settled over a period that exceeds one year as non-current liabilities. The Company also records as a non-current liability the portion of the deferred rent liability that is expected to be recognized over a period greater than one year. The non-current deferred rent liability at December 31, 2017 and 2016 was \$7.5 million and \$7.4 million, respectively, and results from the difference between cash payments and the straight-line recognition of rent expense under the Company's facility leases.

Foreign Currency

The functional currency of the majority of Forrester's wholly-owned subsidiaries is their respective local currency. These subsidiary financial statements are translated to U.S. dollars using period-end exchange rates for assets and liabilities and average exchange rates during the corresponding period for revenues and expenses, with translation gains and losses accumulated as a component of accumulated other comprehensive loss in the Consolidated Balance Sheets. Gains and losses related to the remeasurement of monetary assets and liabilities denominated in a currency other than an entity's functional currency are included in other income, net in the Consolidated Statements of Income. For the years ended December 31, 2017 and 2016, Forrester recorded \$0.6 million of foreign exchange losses and \$0.1 million of foreign exchange gains, respectively, in other income, net. Foreign exchange losses were insignificant for the year ended December 31, 2015.

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Accumulated Other Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss) are as follows (in thousands):

	Net Unrealized Gain (Loss) on Marketable Investments	Cumulative Translation Adjustment	Total Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2014	\$ (74)	\$ (1,539)	\$ (1,613)
Foreign currency translation before reclassification	—	(3,505)	(3,505)
Reclassification adjustment for write-off of foreign currency translation loss	—	318	318
Unrealized loss on investments, net of tax of \$20	(26)	—	(26)
Balance at December 31, 2015	(100)	(4,726)	(4,826)
Foreign currency translation	—	(2,764)	(2,764)
Unrealized gain on investments, net of tax of (\$14)	17	—	17
Balance at December 31, 2016	(83)	(7,490)	(7,573)
Foreign currency translation	—	5,593	5,593
Unrealized loss on investments, net of tax of \$22	(32)	—	(32)
Balance at December 31, 2017	<u>\$ (115)</u>	<u>\$ (1,897)</u>	<u>\$ (2,012)</u>

The reclassification adjustment for the write-off of a foreign currency translation loss relates to the liquidation of a non-U.S. subsidiary during 2015 and is reported in reorganization costs in the Consolidated Statements of Income.

Revenue Recognition

Forrester generates revenues from memberships to, and sales of, its Research, Connect and Analytics (rebranded from Data) products, performing advisory services and consulting projects and hosting Events. Forrester executes contracts that govern the terms and conditions of each arrangement. Revenues are recognized when persuasive evidence of an arrangement exists, the fee is fixed or determinable, services have been provided to the customer, and collectability is reasonably assured. Revenues are presented net of any sales or value added taxes that are collected from customers and remitted to the government. Revenue contracts may include either a single product or service or a combination of multiple products and services. Revenues from contracts that contain multiple products and services are allocated among the separate units of accounting based on their relative selling prices; however, the amount recognized is limited to the amount that is not contingent on future performance conditions. The Company obtains the relative selling prices of its products and services based on an analysis of standalone sales of these products and services during the year or upon an analysis of the estimated selling price of products for which there are insufficient standalone sales. The majority of research services revenues, including Research, Leadership Boards and the Analytics subscription products, are recognized ratably over the term of the contract. Research services revenues such as reprints are recognized as revenue when delivered. Advisory services revenues, such as workshops, speeches and advisory days, are recognized when the customer receives the agreed upon deliverable and consulting project revenues, which are short-term in nature and based upon fixed-fee agreements, are recognized as the services are provided. Event revenues are recognized upon completion of the Event. Reimbursed out-of-pocket expenses are recorded as advisory services and events revenue.

Annual subscriptions to our Research include access to all or a designated portion of our research and, depending on the type of license, unlimited phone or email analyst inquiry and unlimited participation in Forrester Webinars, all of which are delivered throughout the contract period and are accounted for as one unit of accounting. Annual subscriptions for Leadership Boards include access to the Research offering, access to a private forum with other Leadership Board member peers, access to a Forrester advisor, member-generated content and one Event ticket. Leadership Boards are accounted for as two units of accounting: (1) the Event ticket and (2) the remaining services that are delivered throughout the contract period. Arrangement consideration is allocated to each of these elements based upon their relative selling prices, which is based on standalone sales of Event tickets and the estimated selling price of the remaining services. Annual subscriptions to our Analytics subscription products include access to designated survey data products and access to a data advisor, which are delivered throughout the contract period, and are accounted for as one unit of accounting and recognized ratably as research services revenue over the contract period. Certain of the Analytics subscription products also include advisory services and these contracts are accounted for as two units of accounting: (1) the subscription and data advisor and (2) the advisory services. Arrangement consideration is allocated to each element based upon its relative selling price, which is determined based on standalone sales of the advisory services and the estimated selling price of the remaining Analytics services.

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Stock-Based Compensation

The Company recognizes the fair value of stock-based compensation expense over the requisite service period of the individual grantee, which generally equals the vesting period.

The Company adopted the guidance in Accounting Standards Update ("ASU") No. 2016-09, *Compensation - Stock Compensation - Improvements to Employee Share-Based Payment Accounting*, on January 1, 2017. Under this standard, entities are permitted to make an accounting policy election to either estimate forfeitures on share-based payment awards, as previously required, or to recognize forfeitures as they occur. The Company has elected to recognize forfeitures as they occur and the impact of that change in accounting policy has been recorded as a \$0.2 million cumulative effect adjustment to increase retained earnings as of January 1, 2017.

Additionally, ASU No. 2016-09 requires that all income tax effects related to settlements of share-based payment awards be reported in earnings as an increase or decrease to income tax expense. Previously, income tax benefits at settlement of an award were reported as an increase (or decrease) to additional paid-in capital to the extent that those benefits were greater than (or less than) the income tax benefits reported in earnings during the award's vesting period. The requirement to report those income tax effects in earnings has been applied on a prospective basis to settlements occurring on or after January 1, 2017, and the impact of applying this guidance resulting in a \$0.4 million decrease to income tax expense in the consolidated financial statements for the year ended December 31, 2017.

ASU No. 2016-09 also requires that all income tax-related cash flows resulting from share-based payments be reported as operating activities in the statement of cash flows. Previously, income tax benefits at settlement of an award were reported as a reduction to operating cash flows and an increase to financing cash flows to the extent that those benefits exceeded the income tax benefits reported in earnings during the award's vesting period. In addition, the standard requires that cash paid by directly withholding shares for tax withholding purposes be classified as a financing activity in the statement of cash flows. For the year ended December 31, 2017, the Company reflected \$2.5 million of tax withholding in financing activities. The Company has elected to apply the changes in cash flow classification on a retrospective basis, resulting in an increase in operating cash flows, with a corresponding decrease in financing cash flows, of approximately \$2.6 million and \$1.5 million for the years ended December 31, 2016 and 2015, respectively, as compared to the amounts previously reported.

Stock-based compensation expense was recorded in the following expense categories (in thousands):

	Years Ended December 31,		
	2017	2016	2015
Cost of services and fulfillment	\$ 4,538	\$ 4,431	\$ 4,573
Selling and marketing	717	1,054	1,152
General and administrative	3,235	2,491	2,622
Total	<u>\$ 8,490</u>	<u>\$ 7,976</u>	<u>\$ 8,347</u>

The options granted under the equity incentive plan and shares subject to the employee stock purchase plan were valued utilizing the Black-Scholes model using the following assumptions and had the following fair values (no options were granted in 2017):

	Years Ended December 31,				
	2017	2016		2015	
	Employee Stock Purchase Plan	Equity Incentive Plans	Employee Stock Purchase Plan	Equity Incentive Plans	Employee Stock Purchase Plan
Average risk-free interest rate	0.90%	1.30%	0.32%	1.59%	0.07%
Expected dividend yield	1.9%	2.2%	2.1%	2.1%	1.9%
Expected life	0.5 Years	5.0 Years	0.5 Years	5.0 Years	0.5 Years
Expected volatility	24%	24%	24%	24%	22%
Weighted average fair value	\$ 8.36	\$ 6.16	\$ 6.69	\$ 6.15	\$ 7.19

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Dividend yields are based on the initiation of a regular quarterly dividend program approved by the Board of Directors in February 2012. Expected volatility is based, in part, on the historical volatility of Forrester's common stock as well as management's expectations of future volatility over the expected term of the awards granted. The risk-free interest rate is based on the U.S. Treasury Constant Maturity rate with an equivalent remaining term. Where the expected term of a stock-based award does not correspond with a term for which the interest rates are quoted, Forrester uses the rate with the maturity closest to the award's expected term. The expected term calculation is based upon Forrester's historical experience of exercise patterns. The unamortized fair value of stock-based awards as of December 31, 2017 was \$16.6 million, with a weighted average remaining recognition period of 2.6 years.

Allowance for Doubtful Accounts

Forrester maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its customers to make contractually obligated payments. When evaluating the adequacy of the allowance for doubtful accounts, the Company makes judgments regarding the collectability of accounts receivable by specifically analyzing historical bad debts, customer concentrations, current economic trends, and changes in the customer payment terms. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required and if the financial condition of the Company's customers were to improve, the allowances may be reduced accordingly.

Depreciation and Amortization

Forrester provides for depreciation and amortization of property and equipment, computed using the straight-line method, over estimated useful lives of assets as follows:

	Estimated Useful Life
Computers and equipment	3 to 10 Years
Computer software	3 to 5 Years
Furniture and fixtures	7 Years
Leasehold improvements	Shorter of asset life or lease term

Forrester provides for amortization of intangible assets, computed using an accelerated method according to the expected cash flows to be received from the underlying assets, over the respective lives as follows:

	Estimated Useful Life
Customer relationships	5 to 11 Years
Research content	1 to 2 Years
Technology	7 Years

Income Taxes

Forrester recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statements and tax basis of assets and liabilities as well as operating loss carryforwards.

Forrester's provision for income taxes is composed of a current and a deferred provision for federal, state and foreign jurisdictions. The current provision is calculated as the estimated taxes payable or refundable on tax returns for the current year. The deferred income tax provision is calculated as the net change during the year in deferred tax assets and liabilities. Valuation allowances are provided if based on the weight of available evidence, it is more likely than not that some or all of the deferred tax asset will not be realized.

Forrester accounts for uncertain tax positions using a "more-likely-than-not" threshold for recognizing and resolving uncertain tax positions. The evaluation of uncertain tax positions is based on factors including, but not limited to, changes in tax law, the measurement of tax positions taken or expected to be taken in tax returns, the effective settlement of matters subject to audit, new audit activity, and changes in facts or circumstances related to a tax position. The Company evaluates these tax positions on a quarterly basis. The Company also accrues for potential interest and penalties related to unrecognized tax benefits in income tax expense.

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The Company elected to early adopt the guidance in ASU No. 2016-16, *Accounting for Income Taxes: Intra-Entity Asset Transfers of Assets Other than Inventory*, on January 1, 2017. The guidance eliminates the exception under existing standards that permits the tax effects of intra-entity asset transfers to be deferred until the transferred asset is sold to a third party or otherwise recovered through use. The guidance applies to all intra-entity sales of assets other than inventory. As a result, a reporting entity would recognize the tax expense from the sale of the asset in the seller's tax jurisdiction when the transfer occurs and any deferred tax asset that arises in the buyer's jurisdiction would also be recognized at the time of the transfer. As a result, the Company has recorded a \$0.5 million cumulative effect adjustment to reduce retained earnings as of January 1, 2017.

Net Income Per Common Share

Basic net income per common share is computed by dividing net income by the basic weighted average number of common shares outstanding during the period. Diluted net income per common share is computed by dividing net income by the diluted weighted average number of common shares and common equivalent shares outstanding during the period. The weighted average number of common equivalent shares outstanding has been determined in accordance with the treasury-stock method. Common stock equivalents consist of common stock issuable upon the exercise of outstanding stock options and the vesting of restricted stock units.

Basic and diluted weighted average common shares are as follows (in thousands):

	Years Ended December 31,		
	2017	2016	2015
Basic weighted average common shares outstanding	17,919	17,984	17,927
Weighted average common equivalent shares	321	285	216
Diluted weighted average common shares outstanding	18,240	18,269	18,143
Options excluded from diluted weighted average share calculation as effect would have been anti-dilutive	133	706	1,237
	133	706	1,237

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which supersedes all existing revenue recognition requirements, including most industry-specific guidance. The new standard requires a company to recognize revenue when it transfers goods or services to customers in an amount that reflects the consideration that the company expects to receive for those goods or services. The guidance also includes enhanced disclosure requirements which are intended to help financial statement users better understand the nature, amount, timing and uncertainty of revenue being recognized and the related cash flows. In March 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers: Principal versus Agent Considerations*, which clarifies the implementation guidance on principal versus agent considerations. In April 2016, the FASB issued ASU No. 2016-10, *Revenue from Contracts with Customers: Identifying Performance Obligations and Licensing*, which clarifies certain aspects of identifying performance obligations and licensing implementation guidance. In May 2016, the FASB issued ASU No. 2016-12, *Revenue from Contracts with Customers: Narrow-Scope Improvements and Practical Expedients*, which relates to disclosures of remaining performance obligations, as well as other amendments to guidance on collectability, non-cash consideration and the presentation of sales and other similar taxes collected from customers. In December 2016, the FASB issued ASU 2016-20, *Technical Corrections and Improvements: Revenue from Contracts with Customers*, which clarifies several topics including, certain types of transactions that are outside the scope of the new standard, disclosure requirements, and balance sheet considerations.

The new standard will be effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. The two permitted transition methods under the new standard are the full retrospective method, in which case the standard would be applied to each prior reporting period presented, or the modified retrospective method, in which case the cumulative effect of applying the standard would be recognized at the date of initial application. The Company will adopt the standard as of January 1, 2018 utilizing the modified retrospective method.

The Company does not anticipate that the standard will have a material impact on its results of operations. The number of performance obligations in the Company's arrangements will not be different under the new standard. Determining standalone selling prices and allocating contract consideration on multiple element arrangements will not be different from the Company's current methodologies of establishing fair value and estimated selling price for our goods and services or allocating total contract consideration under the relative selling price method. Additionally, the timing of revenue recognition will remain substantially

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

unchanged for most products. Subscription based research services revenues will continue to be recognized over time, using the new standard's output method of time elapsed, as Forrester's clients receive and consume the benefits of its services as the Company transfers control throughout the contract period. Advisory, reprint and Events revenues will continue to be recognized at the point in time as control is transferred to the customer, which will generally be when the client has physical possession of the good(s) or upon completion of the service(s). The Company expects that most of its consulting contracts will continue to be recognized over time, while some contracts may be required to be recognized at a point in time upon completion of the project.

The following changes are anticipated under the new standard:

- The Company will no longer record accounts receivable and deferred revenue on its balance sheet when it issues an invoice to a customer for a contract that is cancellable by the customer. For contracts that are cancellable, the Company will only record accounts receivable up to the amount of revenue earned but not yet collected. This change will have the effect of reducing the amount of accounts receivable and deferred revenue on the balance sheet compared to amounts recorded based on current accounting standards. The majority of the Company's contracts are non-cancellable; however, the Company has not yet determined the effect of this change on its balance sheet.
- The timing of revenue recognition for prepaid performance obligations that are expected to expire unused, which may include Event tickets, reprints and advisory hours, will change from recognition at the time of expiration under the current standard to recognition in proportion to the pattern of related rights exercised by the customer. The Company currently expects this change to primarily affect the timing of revenue within the quarters of 2018 but does not expect it to have a material effect on the Company's results of operations for the full year of 2018.
- Costs to fulfill contracts, such as our survey costs for our Analytics product line, are currently deferred and recognized over the aggregate period of the contracts under the current standards. These costs will be recognized as incurred under the new standard, which the Company expects will have an immaterial effect on the results of operations for the full year of 2018, however it will change the timing of the recognition of the costs on a quarterly basis as compared to the current standards.

Key areas still in process include the calculation of the cumulative effect adjustment for the adoption of the standard, which will be recorded as of January 1, 2018, and development of reports for the various disclosures required in 2018. These areas will be completed by the end of the first quarter of 2018.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The new standard requires that all lessees recognize the assets and liabilities that arise from leases on the balance sheet and disclose qualitative and quantitative information about its leasing arrangements. The new standard will be effective for the Company on January 1, 2019. The adoption of this standard is expected to have a material impact on the Company's financial position as virtually all leases will be recorded on the balance sheets as a right-of-use asset and a lease liability. The Company is currently evaluating the potential impact that this standard may have on its results of operations.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments*. The new standard amends the current financial instrument impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. The new standard will be effective for the Company on January 1, 2020. The adoption of this standard is not expected to have a material impact on the Company's financial position or results of operations.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments*. The new standard clarifies certain aspects of the statement of cash flows, including contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, and distributions received from equity method investees, among others. The new standard will be effective for the Company on January 1, 2018. The adoption of this standard is not expected to have a material impact on the Company's statements of cash flows upon adoption.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles-Goodwill and Other: Simplifying the Test for Goodwill Impairment*. The new standard simplifies the subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test and requires that instead, an entity should perform its goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. The new standard will be effective for the Company on January 1, 2020. The adoption of this standard is not expected to have a material impact on the Company's financial position or results of operations.

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(2) Goodwill and Other Intangible Assets

A summary of the goodwill by segment and the changes in the carrying amount of goodwill is shown in the following table (in thousands).

	Product	Research	Project Consulting	Total
Balance at January 1, 2016	\$ 2,371	\$ 71,700	\$ —	\$ 74,071
Translation adjustments	(28)	(850)	—	(878)
Balance at December 31, 2016	2,343	70,850	—	73,193
Translation adjustments	95	2,881	—	2,976
Balance at December 31, 2017	<u>\$ 2,438</u>	<u>\$ 73,731</u>	<u>\$ —</u>	<u>\$ 76,169</u>

As of December 31, 2017, the Company had no accumulated goodwill impairment losses.

A summary of Forrester's intangible assets is as follows (in thousands):

	December 31, 2017		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable intangible assets:			
Customer relationships	\$ 31,735	\$ 31,003	\$ 732
Research content	1,083	1,083	—
Total	<u>\$ 32,818</u>	<u>\$ 32,086</u>	<u>\$ 732</u>
	December 31, 2016		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable intangible assets:			
Customer relationships	\$ 30,998	\$ 29,534	\$ 1,464
Research content	1,083	1,083	—
Total	<u>\$ 32,081</u>	<u>\$ 30,617</u>	<u>\$ 1,464</u>

Amortization expense related to intangible assets was approximately \$0.8 million, \$0.8 million and \$0.9 million during the years ended December 31, 2017, 2016 and 2015, respectively. The remaining net book value of \$0.7 million as of December 31, 2017 will be fully amortized during 2018.

(3) Marketable Investments

The following table summarizes the Company's marketable investments, all of which are classified as available-for-sale (in thousands):

	As of December 31, 2017			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
Federal agency obligations	\$ 1,800	\$ —	\$ (7)	\$ 1,793
Corporate obligations	52,721	—	(181)	52,540
Total	<u>\$ 54,521</u>	<u>\$ —</u>	<u>\$ (188)</u>	<u>\$ 54,333</u>

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	As of December 31, 2016			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
Federal agency obligations	\$ 1,800	\$ —	\$ (7)	\$ 1,793
Corporate obligations	59,481	2	(129)	59,354
Total	<u>\$ 61,281</u>	<u>\$ 2</u>	<u>\$ (136)</u>	<u>\$ 61,147</u>

The following table summarizes the maturity periods of the marketable investments in the Company's portfolio as of December 31, 2017.

	FY 2018	FY 2019	Total
Federal agency obligations	\$ 1,793	\$ —	\$ 1,793
Corporate obligations	31,494	21,046	52,540
Total	<u>\$ 33,287</u>	<u>\$ 21,046</u>	<u>\$ 54,333</u>

The following table shows the gross unrealized losses and market value of Forrester's available-for-sale securities with unrealized losses that are not deemed to be other-than-temporary, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position (in thousands):

	As of December 31, 2017			
	Less Than 12 Months		12 Months or Greater	
	Market Value	Unrealized Losses	Market Value	Unrealized Losses
Federal agency obligations	\$ —	\$ —	\$ 1,793	\$ 7
Corporate obligations	31,723	149	20,817	32
Total	<u>\$ 31,723</u>	<u>\$ 149</u>	<u>\$ 22,610</u>	<u>\$ 39</u>

	As of December 31, 2016			
	Less Than 12 Months		12 Months or Greater	
	Market Value	Unrealized Losses	Market Value	Unrealized Losses
Federal agency obligations	\$ 1,793	\$ 7	\$ —	\$ —
Corporate obligations	53,647	129	—	—
Total	<u>\$ 55,440</u>	<u>\$ 136</u>	<u>\$ —</u>	<u>\$ —</u>

Realized gains or losses on sales of the Company's available-for-sale securities were not significant for the years ended December 31, 2017 and 2016.

The following table represents the Company's fair value hierarchy for its financial assets (cash equivalents and marketable investments) measured at fair value on a recurring basis (in thousands):

	As of December 31, 2017			
	Level 1	Level 2	Level 3	Total
Money market funds (1)	\$ 492	\$ —	\$ —	\$ 492
Federal agency obligations	—	1,793	—	1,793
Corporate obligations	—	52,540	—	52,540
Total	<u>\$ 492</u>	<u>\$ 54,333</u>	<u>\$ —</u>	<u>\$ 54,825</u>

	As of December 31, 2016			
	Level 1	Level 2	Level 3	Total
Money market funds (1)	\$ 2,522	\$ —	\$ —	\$ 2,522
Federal agency obligations	—	1,793	—	1,793
Corporate obligations	—	59,354	—	59,354
Total	<u>\$ 2,522</u>	<u>\$ 61,147</u>	<u>\$ —</u>	<u>\$ 63,669</u>

(1) Included in cash and cash equivalents.

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Level 2 assets consist of the Company's entire portfolio of marketable investments. Level 2 assets have been initially valued at the transaction price and subsequently valued, at the end of each reporting period, typically utilizing third party pricing services or other market observable data. The pricing services utilize industry standard valuation methods, including both income and market based approaches and observable market inputs to determine value. These observable market inputs include reportable trades, benchmark yields, credit spreads, broker/dealer quotes, bids, offers, current spot rates and other industry and economic events.

(4) Non-Marketable Investments

At December 31, 2017 and 2016, the carrying value of the Company's non-marketable investments, which were composed primarily of interests in technology-related private equity funds, was \$1.9 million and \$2.8 million, respectively, and are included in other assets in the Consolidated Balance Sheets.

The Company's investments are being accounted for using the equity method as the investments are limited partnerships and the Company has an ownership interest in excess of 5% and, accordingly, the Company records its share of the investee's operating results each period. At December 31, 2016, the Company's investments also included an investment with a book value of \$0.4 million, which was accounted for using the cost method. This investment was fully liquidated during 2017. During the years ended December 31, 2017 and 2016, the Company recorded losses from its non-marketable investments of \$0.5 million and \$0.8 million, respectively, which are included in losses on investments, net in the Consolidated Statements of Income. During the year ended December 31, 2015, losses from non-marketable investments were insignificant. During the year ended December 31, 2017, a gross distribution of \$0.4 million was received from the funds. During the year ended December 31, 2016, no distributions were received from the funds. During the year ended December 31, 2015, a gross distribution of \$0.1 million was received from the funds.

(5) Income Taxes

Income before income taxes consists of the following (in thousands):

	Years Ended December 31,		
	2017	2016	2015
Domestic	\$ 20,061	\$ 22,303	\$ 11,347
Foreign	7,310	8,406	7,973
Total	\$ 27,371	\$ 30,709	\$ 19,320

The components of the income tax provision (benefit) are as follows (in thousands):

	Years Ended December 31,		
	2017	2016	2015
Current:			
Federal	\$ 2,587	\$ 6,094	\$ 5,103
State	1,060	2,330	1,252
Foreign	2,159	2,032	1,954
Total current	5,806	10,456	8,309
Deferred:			
Federal	5,550	2,719	(723)
State	700	59	(232)
Foreign	175	(176)	(30)
Total deferred	6,425	2,602	(985)
Income tax provision	\$ 12,231	\$ 13,058	\$ 7,324

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

A reconciliation of the federal statutory rate to Forrester's effective tax rate is as follows:

	Years Ended December 31,		
	2017	2016	2015
Income tax provision at federal statutory rate	35.0%	35.0%	35.0%
Increase (decrease) in tax resulting from:			
State tax provision, net of federal benefit	4.0	5.0	4.0
Foreign tax rate differential	(3.4)	(4.4)	(3.0)
Stock option compensation deduction	0.1	0.6	2.5
Withholding taxes	1.7	0.5	0.3
Non-deductible expenses	1.8	1.5	1.7
Change in valuation allowance	3.9	3.2	(0.7)
Change in tax legislation	5.8	—	(3.1)
Audit settlements	(4.0)	—	—
Other, net	(0.2)	1.1	1.2
Effective tax rate	<u>44.7%</u>	<u>42.5%</u>	<u>37.9%</u>

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the "Act") was signed into law making significant changes to the Internal Revenue Code. Changes include, but are not limited to, a decrease in the corporate tax rate from 35% to 21% effective for tax years beginning after December 31, 2017, the transition of U.S international taxation from a worldwide tax system to a modified territorial system, and a one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings as of December 31, 2017. The Company has calculated its best estimate of the impact of the Act in its 2017 income tax provision in accordance with the Company's understanding of the Act and guidance available as of the date of this filing and as a result have recorded \$1.6 million as additional income tax expense in the fourth quarter of 2017, the period in which the legislation was enacted. The provisional amount related to the remeasurement of federal deferred tax assets and liabilities was \$1.2 million. The provisional amount related to the one-time transition tax on the mandatory deemed repatriation of foreign earnings was \$0.4 million based on cumulative foreign earnings of \$22.6 million.

On December 22, 2017, Staff Accounting Bulletin No. 118 ("SAB 118") was issued to address the application of U.S. GAAP in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Act. SAB 118 provides a measurement period that should not extend beyond one year from the enactment date of the Act for companies to complete the accounting for the income tax effects of the Act. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the Act for which the accounting under is complete. To the extent that a company's accounting for certain income tax effects of the Act is incomplete, but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements. Any subsequent adjustment to these provisional amounts will be recorded to current tax expense in the quarter of 2018 when the analysis is complete. As the Company completes its analysis of the Act, and collects and prepares necessary data, and interprets any additional guidance issued by the U.S. Treasury Department, the IRS, and other standard-setting bodies, the Company may make adjustments to the provisional amounts.

In July 2015, the U.S. Tax Court issued an opinion in Altera Corp. v. Commissioner related to the treatment of stock-based compensation expense in an intercompany cost-sharing arrangement. The opinion invalidates part of a treasury regulation requiring stock-based compensation to be included in any qualified intercompany cost-sharing arrangement. The Company has reviewed this case and concluded that recording a tax benefit of \$0.6 million during 2015, representing the benefit of adjusting its cost-sharing agreement for the years of 2012 through 2014, was appropriate based on the opinion in the case. This benefit is included in the change in tax legislation line in the table above. There were no significant developments in this case during 2017 and the Company will continue to monitor ongoing developments and potential impacts to its consolidated financial statements.

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The components of deferred income taxes are as follows (in thousands):

	<u>As of December 31,</u>	
	<u>2017</u>	<u>2016</u>
Non-deductible reserves and accruals	\$ 4,936	\$ 8,189
Net operating loss and other carryforwards	8,528	7,560
Stock compensation	2,644	5,327
Depreciation and amortization	402	1,196
Other assets	46	50
Gross deferred tax asset	16,556	22,322
Less - valuation allowance	(2,686)	(2,193)
Sub-total	13,870	20,129
Other liabilities	(911)	(453)
Goodwill amortization	(5,677)	(5,013)
Deferred commissions	(3,873)	(4,928)
Net deferred tax asset	<u>\$ 3,409</u>	<u>\$ 9,735</u>

As of December 31, 2017 and 2016, long-term net deferred tax assets were \$3.5 million and \$9.8 million, respectively, and are included in other assets in the Consolidated Balance Sheets. Long-term net deferred tax liabilities were \$0.1 million at December 31, 2017 and 2016, and are included in non-current liabilities in the Consolidated Balance Sheets.

The Company considers all available evidence, both positive and negative, to determine whether, based on the weight of that evidence, a valuation allowance is needed for some portion or all of a net deferred income tax asset. Judgment is required in considering the relative impact of negative and positive evidence. In arriving at these judgments, the weight given to the potential effect of negative and positive evidence is commensurate with the extent to which it can be objectively verified. Although realization is not assured, based upon the Company's historical taxable income and projections of the Company's future taxable income over the periods during which the deferred tax assets are deductible and the carryforwards expire, management believes it is more likely than not that the Company will realize the benefits of these deductible differences, net of the existing valuation allowances, as discussed below.

As of December 31, 2017 and 2016, the Company maintained a valuation allowance of approximately \$2.7 million and \$2.2 million, respectively, primarily relating to U.S. capital losses from the Company's investment in technology-related private equity funds, and from foreign net operating loss carryforwards from an acquisition.

As of December 31, 2017, the Company has fully utilized its U.S. federal net operating loss carryforwards.

The Company has foreign net operating loss carryforwards of approximately \$22.4 million, which can be carried forward indefinitely. Approximately \$3.6 million of the foreign net operating loss carryforwards relate to a prior acquisition, the utilization of which is subject to limitation under the tax law of the United Kingdom.

As of December 31, 2017, the Company had U.S. federal and state capital loss carryforwards of \$6.6 million, of which \$0.4 million expires in 2018, \$1.6 million expires in 2020, \$1.4 million expires in 2021, and \$3.2 million expires in 2022.

The following table provides a summary of the changes in the deferred tax valuation allowance for the years ended December 31, 2017, 2016 and 2015 (in thousands):

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Deferred tax valuation allowance at January 1	\$ 2,193	\$ 1,534	\$ 1,565
Additions	1,439	1,256	150
Deductions	(70)	(455)	(134)
Change in tax legislation	(954)	—	—
Translation adjustments	78	(142)	(47)
Deferred tax valuation allowance at December 31	<u>\$ 2,686</u>	<u>\$ 2,193</u>	<u>\$ 1,534</u>

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The Act includes a mandatory one-time tax on accumulated earnings of foreign subsidiaries, and as a result, all previously unremitted earnings for which no U.S. deferred tax liability had been accrued have now been subject to U.S. tax. Notwithstanding the U.S. taxation of these amounts, the Company provisionally intends to continue to invest all of these earnings, as well as the capital in these subsidiaries, indefinitely outside of the U.S. and does not expect to incur any significant, additional taxes related to such amounts.

The Company utilizes a two-step process for the measurement of uncertain tax positions that have been taken or are expected to be taken on a tax return. The first step is a determination of whether the tax position should be recognized in the financial statements. The second step determines the measurement of the tax position. A reconciliation of the beginning and ending amount of unrecognized tax benefits is summarized as follows for the years ended December 31, 2017, 2016 and 2015 (in thousands):

	2017	2016	2015
Unrecognized tax benefits at January 1	\$ 1,774	\$ 1,910	\$ 2,136
Additions for tax positions of prior years	—	—	36
Reductions for tax positions of prior years	—	(31)	—
Additions for tax positions of current year	—	75	46
Settlements	(986)	(163)	(303)
Lapse of statute of limitations	—	—	—
Translation adjustments	18	(17)	(5)
Unrecognized tax benefits at December 31	<u>\$ 806</u>	<u>\$ 1,774</u>	<u>\$ 1,910</u>

As of December 31, 2017, the total amount of unrecognized tax benefits totaled approximately \$0.8 million, all of which if recognized, would decrease our effective tax rate in a future period. It is reasonably possible that \$0.4 million of this amount may be settled within the next 12 months as the Company expects to reach a settlement with U.S. Competent Authority on the treatment of a prior year foreign tax payment.

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense and such amounts were not significant in the years ended December 31, 2017, 2016 and 2015. At December 31, 2016 and 2015, the Company had \$0.1 million and \$0.2 million, respectively, of accrued interest and penalties related to uncertain tax positions. Accrued interest and penalties were insignificant at December 31, 2017.

The Company files income tax returns in the U.S. and in foreign jurisdictions. Generally, the Company is no longer subject to U.S., state, local and foreign income tax examinations by tax authorities in its major jurisdictions for years before 2012, except to the extent of net operating loss and tax credit carryforwards from those years. Major taxing jurisdictions include the U.S., the Netherlands, the United Kingdom, Germany and Switzerland. As of December 31, 2017, the Company was not under any audits.

(6) Commitments

As of December 31, 2017, Forrester had future contractual obligations as follows for operating leases (in thousands):

2018	\$ 12,506
2019	11,442
2020	10,835
2021	9,409
2022	8,001
Thereafter	29,490
Total minimum lease payments	<u>\$ 81,683</u>

The cost of these operating leases, including any contractual rent increases, rent concessions, and landlord incentives, are recognized ratably over the life of the related lease agreement. Aggregate rent expense was \$17.4 million, \$16.1 million and \$16.0 million for the years ended December 31, 2017, 2016, and 2015, respectively.

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(7) Stockholders' Equity

Preferred Stock

Forrester has authorized 500,000 shares of \$0.01 par value preferred stock. The Board of Directors has full authority to issue this stock and to fix the voting powers, preferences, rights, qualifications, limitations, or restrictions thereof, including dividend rights, conversion rights, redemption privileges and liquidation preferences and the number of shares constituting any series or designation of such series.

Treasury Stock

Through 2017, Forrester's Board of Directors has authorized an aggregate \$485.0 million to purchase common stock under its stock repurchase program including \$25.0 million authorized in each of October 2016, February 2015 and July 2015. The shares repurchased may be used, among other things, in connection with Forrester's equity incentive and purchase plans. As of December 31, 2017, the Company had repurchased approximately 16.1 million shares of common stock at an aggregate cost of \$464.9 million.

Dividends

During the years ended December 31, 2017, 2016 and 2015, the Company declared and paid four quarterly dividends of \$0.19, \$0.18 and \$0.17 per share each quarter, respectively, amounting to \$0.76 per share or \$13.6 million, \$0.72 per share or \$13.0 million and \$0.68 per share or \$12.2 million, respectively.

Equity Plans

Forrester maintains the following two equity incentive plans: the Forrester Research, Inc. Amended and Restated Equity Incentive Plan (the "Equity Incentive Plan" and previously the "2006 Plan") and the 2006 Stock Option Plan for Directors, as amended (the "2006 Directors' Plan"). Upon approval of an amendment to the 2006 Plan by stockholders in 2012, no future awards under the 2006 Directors' Plan could be granted or issued. In May 2016, the stockholders of the Company approved an amendment and restatement of the Company's 2006 Plan. The amendment and restatement resulted in (1) extending the term of the plan for 10 years until May 2026, (2) increasing the number of shares issuable under the plan by 2,000,000 shares, (3) establishing a maximum amount of awards issuable under the plan to the Company's non-employee directors, and (4) changing the name of the plan to the Forrester Research, Inc. Amended and Restated Equity Incentive Plan.

The Equity Incentive Plan provides for the issuance of stock-based awards, including incentive stock options ("ISOs"), non-qualified stock options ("NSOs"), and restricted stock units ("RSUs") to purchase up to 6,350,000 shares authorized in the plan, 80,000 shares returned from the 2006 Directors' Plan and 713,275 shares returned from a prior plan. Under the terms of the Equity Incentive Plan, ISOs may not be granted at less than fair market value on the date of grant (and in no event less than par value). Options and RSUs generally vest annually over four years and options expire after 10 years. Beginning in 2017, RSUs granted to non-employee directors vest quarterly over one year. Options and RSUs granted under the Equity Incentive Plan immediately vest upon certain events, as described in the plan. As of December 31, 2017, approximately 2.6 million shares were available for future grant of awards under the Equity Incentive Plan.

The 2006 Directors' Plan provided for the issuance of options to purchase up to 450,000 shares of common stock. As of December 31, 2017, approximately 0.1 million options remain outstanding and are fully vested under the 2006 Directors' Plan.

Restricted Stock Units

Restricted stock units ("RSUs") represent the right to receive one share of Forrester common stock when the restrictions lapse and the vesting conditions are met, and are valued on the date of grant based upon the value of the Company's stock on the date of grant less the present value of dividends expected to be paid during the requisite service period. Shares of Forrester's common stock will be delivered to the grantee upon vesting, subject to a reduction of shares for payment of withholding taxes. The weighted average grant date fair value for RSUs granted in 2017, 2016 and 2015 was \$39.73, \$37.87 and \$31.50, respectively. The value of RSUs vested and converted to common stock, based on the value of Forrester's common stock on the date of vesting, was \$8.7 million, \$6.6 million and \$4.6 million during 2017, 2016 and 2015, respectively.

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

RSU activity for the year ended December 31, 2017 is presented below (in thousands, except per share data):

	Number of Shares	Weighted- Average Grant Date Fair Value
Unvested at December 31, 2016	539	\$ 35.50
Granted	253	39.73
Vested	(212)	35.38
Forfeited	(71)	35.92
Unvested at December 31, 2017	<u>509</u>	<u>\$ 37.59</u>

Stock Options

Stock option activity for the year ended December 31, 2017 is presented below (in thousands, except per share data and contractual term):

	Number of Shares	Weighted - Average Exercise Price Per Share	Weighted - Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2016	1,540	\$ 34.35		
Granted	—	—		
Exercised	(512)	32.90		
Forfeited	(91)	34.87		
Outstanding at December 31, 2017	<u>937</u>	<u>\$ 35.10</u>	<u>5.86</u>	<u>\$ 8,529</u>
Exercisable at December 31, 2017	<u>650</u>	<u>\$ 34.98</u>	<u>5.16</u>	<u>\$ 5,992</u>
Vested and expected to vest at December 31, 2017	<u>937</u>	<u>\$ 35.10</u>	<u>5.86</u>	<u>\$ 8,529</u>

The total intrinsic value of options exercised during 2017, 2016 and 2015 was \$4.5 million, \$3.7 million and \$0.4 million, respectively.

Employee Stock Purchase Plan

The Amended and Restated Employee Stock Purchase Plan (the “Stock Purchase Plan”) provides for the issuance of up to 0.7 million shares of common stock and as of December 31, 2017 approximately 0.1 million shares remain available for issuance. With certain limited exceptions, all employees of Forrester whose customary employment is more than 20 hours per week, including officers and directors who are employees, are eligible to participate in the Stock Purchase Plan. Purchase periods under the Stock Purchase Plan are generally six months in length and commence on each successive March 1 and September 1. Stock purchased under the Stock Purchase Plan is required to be held for one year before it is able to be sold. During each purchase period the maximum number of shares of common stock that may be purchased by an employee is limited to the number of shares equal to \$12,500 divided by the fair market value of a share of common stock on the first day of the purchase period. An employee may elect to have up to 10% deducted from his or her compensation for the purpose of purchasing shares under the Stock Purchase Plan. The price at which the employee’s shares are purchased is the lower of: (a) 85% of the closing price of the common stock on the day that the purchase period commences, or (b) 85% of the closing price of the common stock on the day that the purchase period terminates.

Shares purchased by employees under the Stock Purchase Plan are as follows (in thousands, except per share data):

<u>Purchase Period Ended</u>	<u>Shares Purchased</u>	<u>Purchase Price</u>
February 28, 2017	24	\$ 31.03
August 31, 2017	26	\$ 31.71
February 29, 2016	28	\$ 26.00
August 31, 2016	25	\$ 27.04

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(8) Employee Pension Plans

Forrester sponsors several defined contribution plans for eligible employees. Generally, the defined contribution plans have funding provisions which, in certain situations, require contributions based upon formulas relating to employee wages or the level of elective participant contributions, as well as allow for additional discretionary contributions. Further, certain plans contain vesting provisions. Forrester's contributions to these plans totaled approximately \$5.2 million, \$4.3 million and \$4.1 million for the years ended December 31, 2017, 2016 and 2015, respectively.

(9) Reorganization

In the first quarter of 2016, the Company implemented and completed a reduction in its workforce of approximately 2% of its employees across various geographies and functions. The Company incurred \$1.0 million of severance and related costs for this action.

In the first quarter of 2015, the Company implemented a reduction in its workforce of approximately 4% of its employees across various geographies and functions, in order to reallocate investment in 2015 to planned sales expansion and to delivery areas seeing the greatest client demand. The Company recorded \$3.2 million of severance and related costs for this action. In addition, the Company incurred an additional \$0.3 million charge related to the action primarily for a non-cash charge for the liquidation of a small non-U.S. subsidiary.

In the third quarter of 2015, the Company implemented a reorganization of its Products Group and incurred \$0.7 million of severance and related benefits for the termination of the chief product officer and related administrative staff and the termination of a senior product leader with the intent to relocate this position to the U.S. In addition, as a result of the change in leadership in the Products Group, the Company incurred \$0.2 million of expense to write off a software development project that was no longer deemed probable to be completed.

The activity related to the reorganization accrual during the year ended December 31, 2016 is as follows (in thousands):

	<u>Workforce Reduction</u>	<u>Subsidiary Liquidation</u>	<u>Products Group Reorganization</u>	<u>Total</u>
Accrual at December 31, 2015	\$ 41	\$ 7	\$ 433	\$ 481
Additions	1,022	—	4	1,026
Cash payments	(1,063)	(7)	(437)	(1,507)
Accrual at December 31, 2016	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

(10) Operating Segment and Enterprise Wide Reporting

The Product segment includes the costs of the product management organization that is responsible for product pricing and packaging and the launch of new products. In addition, this segment includes the costs of the Company's Analytics, Connect and Events organizations. Revenue in this segment includes all revenue for the Company (including Research and Connect) except for revenue from advisory services and project consulting services that are delivered by personnel in the Research and Project Consulting segments.

The Research segment includes the costs of the Company's research personnel who are responsible for writing the research and performing the webinars and inquiries for the Company's Research and Connect products. In addition, the research personnel deliver advisory services (such as workshops, speeches and advisory days) and a portion of the Company's project consulting services. Revenue in this segment includes only revenue from advisory services and project consulting services that are delivered by the research personnel in this segment.

The Project Consulting segment includes the costs of the consultants that deliver the majority of the Company's project consulting services. Revenue in this segment includes the project consulting revenue delivered by the consultants in this segment.

The Company evaluates reportable segment performance and allocates resources based on segment revenues and expenses. Segment expenses include the direct expenses of each segment organization and exclude selling and marketing expenses, general and administrative expenses, stock-based compensation expense, depreciation expense, adjustments to incentive bonus compensation from target amounts, amortization of intangible assets, reorganization costs, other income and losses on investments. The accounting policies used by the segments are the same as those used in the consolidated financial statements.

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The Company does not identify or allocate assets, including capital expenditures, by operating segment. Accordingly, assets are not being reported by segment because the information is not available by segment and is not reviewed in the evaluation of performance or making decisions in the allocation of resources.

In 2017, the Company modified its internal reporting for the Research and Project Consulting segments to reflect the transfer of revenue and direct costs related to a small consulting team in Asia Pacific from Research to Project Consulting, and to remove from both Research and Project Consulting certain client support activities that are now included within selling, marketing, administrative and other expenses in the table below. Accordingly, the 2016 and 2015 amounts have been reclassified to conform to the current presentation.

The following tables present information about reportable segments (in thousands):

	Product	Research	Project Consulting	Consolidated
Year Ended December 31, 2017				
Research services revenues	\$ 216,471	\$ —	\$ —	\$ 216,471
Advisory services and events revenues	21,887	45,054	54,261	121,202
Total segment revenues	238,358	45,054	54,261	337,673
Segment expenses	45,205	48,812	25,477	119,494
Contribution margin (loss)	193,153	(3,758)	28,784	218,179
Selling, marketing, administrative and other expenses				(189,849)
Amortization of intangible assets				(781)
Reorganization costs				—
Other income and losses on investments				(178)
Income before income taxes				<u>\$ 27,371</u>

	Product	Research	Project Consulting	Consolidated
Year Ended December 31, 2016				
Research services revenues	\$ 215,216	\$ —	\$ —	\$ 215,216
Advisory services and events revenues	20,374	44,631	45,874	110,879
Total segment revenues	235,590	44,631	45,874	326,095
Segment expenses	41,528	47,496	23,141	112,165
Contribution margin (loss)	194,062	(2,865)	22,733	213,930
Selling, marketing, administrative and other expenses				(181,299)
Amortization of intangible assets				(831)
Reorganization costs				(1,026)
Other income and losses on investments				(65)
Income before income taxes				<u>\$ 30,709</u>

	Product	Research	Project Consulting	Consolidated
Year Ended December 31, 2015				
Research services revenues	\$ 210,268	\$ —	\$ —	\$ 210,268
Advisory services and events revenues	17,512	42,422	43,524	103,458
Total segment revenues	227,780	42,422	43,524	313,726
Segment expenses	38,615	48,277	23,292	110,184
Contribution margin (loss)	189,165	(5,855)	20,232	203,542
Selling, marketing, administrative and other expenses				(179,391)
Amortization of intangible assets				(891)
Reorganization costs				(4,433)
Other income and losses on investments				493
Income before income taxes				<u>\$ 19,320</u>

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Net long-lived tangible assets by location as of December 31, 2017 and 2016 are as follows (in thousands):

	2017	2016
United States	\$ 23,943	\$ 22,150
United Kingdom	727	782
Europe (excluding United Kingdom)	163	259
Other	416	703
Total	\$ 25,249	\$ 23,894

Revenues by geographic destination and as a percentage of total revenues for the years ended December 31, 2017, 2016, and 2015 are as follows (dollars in thousands):

	2017	2016	2015
United States	\$ 260,077	\$ 252,222	\$ 241,025
Europe (excluding United Kingdom)	28,525	27,061	24,607
United Kingdom	13,651	14,808	16,815
Canada	14,523	13,806	14,424
Other	20,897	18,198	16,855
Total	\$ 337,673	\$ 326,095	\$ 313,726

	2017	2016	2015
United States	77%	77%	77%
Europe (excluding United Kingdom)	9	8	8
United Kingdom	4	5	5
Canada	4	4	5
Other	6	6	5
Total	100%	100%	100%

(11) Certain Balance Sheet Accounts

Property and Equipment:

Property and equipment as of December 31, 2017 and 2016 is recorded at cost less accumulated depreciation and consists of the following (in thousands):

	2017	2016
Computers and equipment	\$ 18,570	\$ 17,137
Computer software	29,891	26,686
Furniture and fixtures	9,094	8,471
Leasehold improvements	26,650	25,204
Total property and equipment	84,205	77,498
Less accumulated depreciation	58,956	53,604
Total	\$ 25,249	\$ 23,894

Accrued Expenses and Other Current Liabilities:

Accrued expenses and other current liabilities as of December 31, 2017 and 2016 consist of the following (in thousands):

	2017	2016
Payroll and related benefits	\$ 34,809	\$ 28,681
Taxes	3,912	4,704
Other	10,908	8,018
Total	\$ 49,629	\$ 41,403

FORRESTER RESEARCH, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Allowance for Doubtful Accounts:

A roll-forward of the allowance for doubtful accounts as of and for the years ended December 31, 2017, 2016, and 2015 is as follows (in thousands):

	2017	2016	2015
Balance, beginning of year	\$ 140	\$ 153	\$ 188
Provision for doubtful accounts	331	150	106
Write-offs	(316)	(163)	(141)
Balance, end of year	<u>\$ 155</u>	<u>\$ 140</u>	<u>\$ 153</u>

(12) Summary Selected Quarterly Financial Data (unaudited)

The following is a summary of selected unaudited consolidated quarterly financial data for the years ended December 31, 2017 and 2016 (in thousands, except per share data):

	Three Months Ended			
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Total revenues	\$ 77,194	\$ 89,733	\$ 80,369	\$ 90,377
Income from operations	\$ 3,136	\$ 10,213	\$ 6,749	\$ 7,451
Net income	\$ 3,030	\$ 6,064	\$ 3,953	\$ 2,093
Basic income per common share	\$ 0.17	\$ 0.34	\$ 0.22	\$ 0.12
Diluted income per common share	\$ 0.16	\$ 0.34	\$ 0.22	\$ 0.11

	Three Months Ended			
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
Total revenues	\$ 77,401	\$ 87,821	\$ 77,427	\$ 83,446
Income from operations	\$ 2,712	\$ 11,472	\$ 7,552	\$ 9,038
Net income	\$ 1,289	\$ 7,460	\$ 3,112	\$ 5,790
Basic income per common share	\$ 0.07	\$ 0.42	\$ 0.17	\$ 0.32
Diluted income per common share	\$ 0.07	\$ 0.41	\$ 0.17	\$ 0.31

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

Not applicable.

Item 9A. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this report. Based on the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2017.

Management’s Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act. Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles (GAAP). Internal control over financial reporting includes those policies and procedures that: 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect material misstatements. Further, because of changes in conditions, effectiveness of internal controls over financial reporting may vary over time.

Management assessed the effectiveness of the Company’s internal control over financial reporting as of December 31, 2017. In making its assessment, management used the criteria set forth in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations (“COSO”) of the Treadway Commission in 2013. Based on this assessment, management believes that as of December 31, 2017, the Company’s internal control over financial reporting is effective based on those criteria.

The effectiveness of our internal control over financial reporting as of December 31, 2017 has been audited by PricewaterhouseCoopers LLP, our independent registered public accounting firm, as stated in their report, which appears on page F-1 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) of the Exchange Act) that occurred during the quarter ended December 31, 2017 which has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. *Other Information*

Not applicable.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

Executive Officers

The following table sets forth information about our executive officers as of March 9, 2018.

Name	Age	Position
George F. Colony	64	Chairman of the Board, Chief Executive Officer
Mack Brothers	53	Chief Consulting Officer
Clifford Condon	54	Chief Research and Product Officer
Ryan D. Darrah	46	Chief Legal Officer and Secretary
Michael A. Doyle	62	Chief Financial Officer
Kelley Hippler	49	Chief Sales Officer
Victor Milligan	54	Chief Marketing Officer
Steven Peltzman	49	Chief Business Technology Officer
Lucia Luce Quinn	64	Chief People Officer

George F. Colony, Forrester's founder, has served as Chairman of the Board of Directors and Chief Executive Officer since the Company's inception in July 1983, and as President since September 2001 and from 1983-2000.

Mack Brothers began serving as Forrester's Chief Consulting Officer in May 2016. Prior to joining Forrester, he was Vice President, Industry Services and Consulting, for IHS, Inc. (now IHS Markit, Ltd.), a business intelligence and syndicated research firm, for more than five years. Mr. Brothers held leadership positions at IHS for a total of nine years, and previously was Senior Vice President, Business Development at Wood Mackenzie, Ltd.

Clifford Condon became Forrester's Chief Research and Product Officer in August 2015. Previously, he served as Chief Research Officer from October 2013 until assuming his current role and as Vice President, Events, responsible for Forrester's global events business from August 2012 to September 2013, Vice President, Research Strategy and Innovation from January 2010 to July 2012, and Vice President, Marketing and Strategy Research from 2007-2009. Mr. Condon joined Forrester in 1997.

Ryan D. Darrah began serving as Chief Legal Officer and Secretary in March 2017. Previously, he was the Assistant General Counsel and Assistant Secretary of the Company. Prior to joining the Company in 2007, Mr. Darrah served as General Counsel and Secretary of Sports Loyalty Systems, Inc. and ProfitLogic, Inc.

Michael A. Doyle began serving as the Company's Chief Financial Officer in September 2007. He also served as the Company's Treasurer from September 2007 through June 2016. Prior to joining the Company, Mr. Doyle was Chief Financial Officer of Easylink Services Corporation, a publicly traded telecommunications messaging provider, since 2004. Prior to joining Easylink, Mr. Doyle was the Chief Financial Officer for North America of Dun & Bradstreet Corporation from 2002 to 2004, and from 1997 to 2002, he held various senior financial and marketing positions with Cendant Corporation.

Kelley Hippler became Forrester's Chief Sales Officer in July 2017. Previously she served as Senior Vice President for Customer Success from November 7, 2016 to July 2017, Chief of Staff, Global Sales from January 2013 to October 2013, and Senior Vice President, Emerging Sales, from January 2012 to January 2013. Ms. Hippler joined Forrester in 1999.

Victor Milligan began serving as the Company's Chief Marketing Officer in December 2014. From May 2011 until joining the Company he was Chief Marketing Officer for Nexage, LLC, a provider of supply-side mobile advertising solutions. From 2008-2011, Mr. Milligan was Chief Strategy and Marketing Officer for Lavastorm Analytics, and prior to that a senior managing partner and vertical industry leader at Gartner, Inc.

Steven Peltzman joined Forrester as its Chief Business Technology Officer in September 2011. From 2001 to 2011, Mr. Peltzman was the Chief Information Officer of the Museum of Modern Art in New York City. Prior to that, Mr. Peltzman served as the Chief Technology Officer at MarketMedical.com and as the vice president of technology at Earthweb and was an officer in the United States Air Force.

Lucia Luce Quinn became Forrester's Chief People Officer in June 2013. Prior to joining Forrester, from August 2012 to May 2013 Ms. Quinn consulted with the Center for Higher Ambition Leadership. From 2010 until 2012, she was the Senior Vice President, Human Resources and Corporate Affairs for ConvaTec, a private equity spin-off from Bristol-Meyers Squibb, and from 2005-2009 she served as Executive Vice President, Global Human Resources at Boston Scientific Corporation. Ms. Quinn previously held senior management positions at Quest Diagnostics, Honeywell International, and Digital Equipment Corporation.

Our Code of Business Conduct and Ethics covers all employees, officers and directors, including our principal executive, financial and accounting officers. A copy of our Code of Business Conduct and Ethics can be found on our web site, www.forrester.com.

We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of the Company’s Code of Business Conduct and Ethics, that relates to a substantive amendment or material departure from a provision of the Code, by posting such information on our Internet website at www.forrester.com. We also intend to satisfy the disclosure requirements of the Nasdaq Stock Market regarding waivers of the Code of Business Conduct and Ethics by posting such information on our Internet website at www.forrester.com.

The remainder of the response to this item is contained in our Proxy Statement for our 2018 Annual Meeting of Stockholders (the “2018 Proxy Statement”) under the captions “Election of Directors” and “Section 16(a) Beneficial Ownership Reporting Compliance”, all of which is incorporated herein by reference.

Item 11. Executive Compensation

The response to this item is contained in the 2018 Proxy Statement under the captions “Director Compensation” and “Executive Compensation” and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The response to this item is contained in the 2018 Proxy Statement under the caption “Security Ownership of Certain Beneficial Owners and Management” and is incorporated herein by reference.

The following table summarizes, as of December 31, 2017, the number of options issued under our equity incentive plans and the number of shares available for future issuance under these plans:

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)(1))
Equity compensation plans approved by stockholders	1,446,744 (1)	\$ 35.10	2,731,422 (2)
Equity compensation plans not approved by stockholders	N/A	N/A	N/A
Total	1,446,744	\$ 35.10	2,731,422

(1) Includes 509,355 restricted stock units that are not included in the calculation of the weighted average exercise price.

(2) Includes, as of December 31, 2017, 2,611,575 shares available for issuance under our Equity Incentive Plan and 119,847 shares that are available for issuance under our Stock Purchase Plan.

The shares available under our Equity Incentive Plan are available to be awarded as restricted or unrestricted stock or stock units.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The response to this item is contained in the Company’s 2018 Proxy Statement under the captions “Information with Respect to Board of Directors”, “Certain Relationships and Related Transactions”, and “Related Person Transactions” and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The response to this item is contained in the Company’s 2018 Proxy Statement under the caption “Independent Auditors’ Fees and Other Matters” and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

a. Financial Statements. See Index on page 27.

b. Financial Statement Schedules. None.

c. Exhibits. A complete listing of exhibits required is given in the Exhibit Index that precedes the exhibits filed with this report on page 32 hereof.

Item 16. Form 10-K Summary.

Not applicable.

EXHIBIT INDEX

Exhibit No.	Description
3.1	<u>Restated Certificate of Incorporation of Forrester Research, Inc. (see Exhibit 3.1 to Registration Statement on Form S-1A filed on November 5, 1996)</u>
3.2	<u>Certificate of Amendment of the Certificate of Incorporation of Forrester Research, Inc. (see Exhibit 3.1 to Annual Report on Form 10-K for the year ended December 31, 1999)</u>
3.3	<u>Certificate of Amendment to Restated Certificate of Incorporation of Forrester Research, Inc.</u>
3.4	<u>Amended and Restated By-Laws of Forrester Research, Inc.</u>
4	<u>Specimen Certificate for Shares of Common Stock, \$.01 par value, of Forrester Research, Inc. (see Exhibit 4 to Registration Statement on Form S-1A filed on November 5, 1996)</u>
10.1+	<u>Registration Rights and Non-Competition Agreement (see Exhibit 10.1 to Registration Statement on Form S-1 filed on September 26, 1996)</u>
10.2+	<u>Amended and Restated Employee Stock Purchase Plan</u>
10.3+(1)	<u>Amended and Restated Equity Incentive Plan</u>
10.4+	<u>Stock Option Plan for Directors, as amended</u>
10.5+	<u>Form of Incentive Stock Option Certificate (Amended and Restated Equity Incentive Plan)</u>
10.6+	<u>Form of Non-Qualified Stock Option Certificate (Amended and Restated Equity Incentive Plan)</u>
10.7+	<u>Form of Performance-Based Stock Option Certificate (Amended and Restated Equity Incentive Plan)</u>
10.8+	<u>Form of Performance-Based Restricted Stock Unit Award Agreement (Amended and Restated Equity Incentive Plan)</u>
10.9+	<u>Form of Director's Option Certificate (Stock Option Plan for Directors)</u>
10.10+	<u>Form of Restricted Stock Unit Award Agreement (Amended and Restated Equity Incentive Plan)</u>
10.11+	<u>Form of Restricted Stock Unit Award Agreement for Directors with Four-Year Vesting (Amended and Restated Equity Incentive Plan)</u>
10.12+(1)	<u>Form of Restricted Stock Unit Award Agreement for Directors with One-Year Vesting (Amended and Restated Equity Incentive Plan)</u>
10.13+	<u>Form of Stock Option Certificate with Non-Solicitation Covenant (Amended and Restated Equity Incentive Plan)</u>
10.14+	<u>Form of Stock Option Certificate with Non-Solicitation and Non-Competition Covenant (Amended and Restated Equity Incentive Plan)</u>
10.15+	<u>Form of Restricted Stock Unit Award Agreement with Non-Solicitation Covenant (Amended and Restated Equity Incentive Plan)</u>
10.16+	<u>Form of Restricted Stock Unit Award Agreement with Non-Solicitation and Non-Competition Covenant (Amended and Restated Equity Incentive Plan)</u>
10.17+	<u>Amended and Restated Executive Cash Incentive Plan</u>
10.18+	<u>Employment Offer Letter from Company to Michael A. Doyle dated July 24, 2007</u>
10.19+	<u>Promotion and Compensation Letter from the Company to Clifford Condon dated August 12, 2013</u>
10.20+	<u>Promotion and Compensation Letter from the Company to Clifford Condon dated August 24, 2015</u>
10.21+	<u>Forrester Research, Inc. Executive Severance Plan</u>

- 10.22 [Lease of Premises at Cambridge Discovery Park, Cambridge, Massachusetts dated as of September 29, 2009 from BHX, LLC, as Trustee of Acorn Park I Realty Trust to the Company](#)
 - 10.23 [First Amendment of Lease dated as of December 21, 2009 by 200 Discovery Park, LLC, successor to BHX, LLC, as Trustee of Acorn Park I Realty Trust, and the Company](#)
 - 10.24 [Agreement Regarding Project Rights dated as of September 29, 2009, by BHX, LLC, a Massachusetts limited liability company, as Trustee of Acorn Park I Realty Trust, a Massachusetts nominee trust, and the Company](#)
 - 10.25 [Second Amendment of Lease dated as of February 8, 2012 by 200 Discovery Park, LLC and the Company](#)
 - 10.26 [Underlease dated July 15, 2010 among Covington & Burling LLP, Forrester Research Limited, and the Company](#)
 - 10.27 [Agreement of Lease dated as of April 30, 2010 between RFL 160 Fifth LLC and the Company](#)
 - 10.28 [Office Lease dated November 24, 2010 between 150 Spear Street, LLC and the Company](#)
 - 10.29 [First Amendment to Office Lease dated as of August 2012 between 150 Spear Street, LLC and the Company](#)
 - 10.30 [Second Amendment to Office Lease dated as of September 25, 2015 between 150 Spear Street, LLC and the Company](#)
 - 21(1) [Subsidiaries of the Registrant](#)
 - 23.1(1) [Consent of PricewaterhouseCoopers LLP](#)
 - 31.1(1) [Certification of the Principal Executive Officer](#)
 - 31.2(1) [Certification of the Principal Financial Officer](#)
 - 32.1(1) [Certification of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
 - 32.2(1) [Certification of the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
 - 101.INS XBRL Instance Document
 - 101.SCH XBRL Taxonomy Extension Schema
 - 101.CAL XBRL Taxonomy Extension Calculation Linkbase
 - 101.LAB XBRL Taxonomy Extension Label Linkbase
 - 101.PRE XBRL Taxonomy Extension Presentation Linkbase
 - 101.DEF XBRL Taxonomy Extension Definition Linkbase
- + Denotes management contract or compensation arrangements.
- (1) Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FORRESTER RESEARCH, INC.

By: /s/ GEORGE F. COLONY
George F. Colony
Chairman of the Board and Chief Executive Officer

Date: March 9, 2018

Pursuant to the requirement of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant in the capacities and on the dates indicated.

<u>Signature</u>	<u>Capacity In Which Signed</u>	<u>Date</u>
<u> /s/ GEORGE F. COLONY </u> George F. Colony	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	March 9, 2018
<u> /s/ MICHAEL A. DOYLE </u> Michael A. Doyle	Chief Financial Officer (Principal Financial Officer)	March 9, 2018
<u> /s/ SCOTT R. CHOUINARD </u> Scott R. Chouinard	Chief Accounting Officer and Treasurer (Principal Accounting Officer)	March 9, 2018
<u> /s/ YVONNE L. WASSENAAR </u> Yvonne L. Wassenaar	Member of the Board of Directors	March 9, 2018
<u> /s/ ROBERT M. GALFORD </u> Robert M. Galford	Member of the Board of Directors	March 9, 2018
<u> /s/ GEORGE R. HORNIG </u> George R. Hornig	Member of the Board of Directors	March 9, 2018
<u> /s/ GRETCHEN TEICHGRAEBER </u> Gretchen Teichgraeber	Member of the Board of Directors	March 9, 2018
<u> /s/ DAVID J. BOYCE </u> David J. Boyce	Member of the Board of Directors	March 9, 2018
<u> /s/ ANTHONY J. FRISCIA </u> Anthony J. Friscia	Member of the Board of Directors	March 9, 2018
<u> /s/ NEIL BRADFORD </u> Neil Bradford	Member of the Board of Directors	March 9, 2018
<u> /s/ JEAN BIRCH </u> Jean Birch	Member of the Board of Directors	March 9, 2018

Notice Of 2018 Annual Meeting Of Stockholders
And Proxy Statement

Forrester Research, Inc.
60 Acorn Park Drive
Cambridge, Massachusetts 02140

George F. Colony
Chairman of the Board
and Chief Executive Officer

March 27, 2018

To Our Stockholders:

You are cordially invited to attend the 2018 Annual Meeting of Stockholders of Forrester Research, Inc., which will be held on Tuesday, May 8, 2018, at the offices of the Company, 60 Acorn Park Drive, Cambridge, Massachusetts at 10:00 a.m. (local time).

On the following pages, you will find the formal notice of the Annual Meeting and our proxy statement. At the Annual Meeting you are being asked to elect eight Directors, to approve an amendment and restatement of our Employee Stock Purchase Plan, including an increase in the number of shares available for purchase under the plan, to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018, and to approve by non-binding vote our executive compensation.

We hope that many of you will be able to attend in person. I look forward to seeing you there.

Sincerely yours,



GEORGE F. COLONY
Chairman of the Board
and Chief Executive Officer

Forrester Research, Inc.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS May 8, 2018

Notice is hereby given that the 2018 Annual Meeting of Stockholders of Forrester Research, Inc. will be held at the offices of the Company, 60 Acorn Park Drive, Cambridge, Massachusetts at 10:00 a.m. (local time) on Tuesday, May 8, 2018 for the following purposes:

1. To elect the eight directors named in the accompanying proxy statement to serve until the 2019 Annual Meeting of Stockholders;
2. To approve an amendment and restatement of the Forrester Research, Inc. Amended and Restated Employee Stock Purchase Plan, including an increase in the number of shares available for purchase under the plan;
3. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018; and
4. To approve by non-binding vote our executive compensation.

The foregoing items of business are more fully described in the proxy statement accompanying this notice.

Stockholders of record at the close of business on March 26, 2018 are entitled to notice of and to vote at the meeting. A list of stockholders entitled to vote at the meeting will be open to examination by stockholders at the meeting and during normal business hours from April 27, 2018 to the date of the meeting at our offices, located at 60 Acorn Park Drive, Cambridge, Massachusetts 02140.

If you are unable to be present personally, please vote your shares as provided in this proxy statement.

By Order of the Board of Directors



RYAN D. DARRAH
Secretary

Cambridge, Massachusetts
March 27, 2018

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE MEETING. PLEASE VOTE YOUR SHARES OVER THE INTERNET OR BY TELEPHONE IN ACCORDANCE WITH THE INSTRUCTIONS SET FORTH ON THE PROXY CARD, OR COMPLETE, SIGN AND RETURN THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON.

FORRESTER RESEARCH, INC.

Annual Meeting of Stockholders May 8, 2018 PROXY STATEMENT

The Board of Directors of Forrester Research, Inc., a Delaware corporation, is soliciting proxies from our stockholders. The proxy will be used at our 2018 Annual Meeting of Stockholders and at any adjournments thereof. You are invited to attend the meeting to be held at 10:00 a.m. (local time) on Tuesday, May 8, 2018 at the offices of the Company, 60 Acorn Park Drive, Cambridge, Massachusetts. This proxy statement was first made available to stockholders on or about March 27, 2018.

This proxy statement contains important information regarding our annual meeting. Specifically, it identifies the proposals upon which you are being asked to vote, provides information that you may find useful in determining how to vote and describes voting procedures.

We use several abbreviations in this proxy statement. We call our Board of Directors the “Board”, refer to our fiscal year which began on January 1, 2017 and ended on December 31, 2017 as “fiscal 2017,” and refer to our fiscal year ending December 31, 2018 as “fiscal 2018”. We also refer to ourselves as “Forrester” or the “Company.”

Who May Attend and Vote?

Stockholders who owned our common stock at the close of business on March 26, 2018 are entitled to notice of and to vote at the annual meeting. We refer to this date in this proxy statement as the “record date.” As of the record date, we had 18,067,959 shares of common stock issued and outstanding. Each share of common stock is entitled to one vote on each matter to come before the meeting.

How Do I Vote?

If you are a stockholder of record of our common stock:

1. *You may vote over the internet.* If you have internet access, you may vote your shares from any location in the world by following the Vote by Internet instructions on the enclosed proxy card.
2. *You may vote by telephone.* You may vote your shares by following the “Vote by Telephone” instructions on the enclosed proxy card.
3. *You may vote by mail.* If you choose to vote by mail, simply mark your proxy card, date and sign it, and return it in the postage-paid envelope provided.
4. *You may vote in person.* If you attend the meeting, you may deliver your completed proxy card in person or fill out and return a ballot that will be supplied to you at the meeting.

By voting over the internet or by telephone, or by signing and returning the proxy card according to the enclosed instructions, you are enabling the individuals named on the proxy card (known as “proxies”) to vote your shares at the meeting in the manner you indicate. We encourage you to vote in advance even if you plan to attend the meeting. In this way, your shares will be voted even if you are unable to attend the meeting. Your shares will be voted in accordance with your instructions. If a proxy card is signed and received by our Secretary, but no instructions are indicated, then the proxy will be voted “FOR” the election of the nominees for directors, “FOR” the approval of the Forrester Research, Inc. Second Amended and Restated Employee Stock Purchase Plan, “FOR” ratifying the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal 2018, and “FOR” approval of the non-binding vote on our executive compensation.

How Do I Vote if My Shares are Held in Street Name?

If you hold shares in “street name” (that is, through a bank, broker, or other nominee), the bank, broker, or other nominee, as the record holder of your shares, is required to vote your shares according to your instructions. In order to vote your shares, you will need to follow the directions your brokerage firm provides you. Many brokers also offer the option of voting over the internet or by telephone, instructions for which would be provided by your brokerage firm on your voting instruction form. Please follow the instructions on that form to make sure your shares are properly voted. If you hold shares in “street name” and would like to attend the annual meeting and vote in person, you will need to bring an account statement or other acceptable evidence of ownership of our common stock. In addition, if you wish to vote your shares in person, you must contact the person in whose name your shares are registered and obtain a proxy card from that person and bring it to the annual meeting.

What Does the Board of Directors Recommend?

The Board recommends that you vote FOR the election of nominees for directors identified in Proposal One, FOR approval of the Second Amended and Restated Employee Stock Purchase Plan described in Proposal Two, FOR ratifying the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm as described in Proposal Three, and FOR approval by non-binding vote of our executive compensation as provided in Proposal Four.

If you are a record holder and submit the proxy card but do not indicate your voting instructions, the persons named as proxies on your proxy card will vote in accordance with the recommendations of the Board of Directors. If you hold your shares in “street name”, and you do not indicate how you wish to have your shares voted, your nominee has discretion to instruct the proxies to vote on Proposal Three but does not have the authority, without your specific instructions, to vote on the election of directors or on Proposals Two or Four, and those votes will be counted as “broker non-votes”.

What Vote is Required for Each Proposal?

A majority of the shares entitled to vote on a particular matter, present in person or represented by proxy, constitutes a quorum as to any proposal. The nominees for election of the directors at the meeting (Proposal One) who receive the greatest number of votes properly cast for the election of directors will be elected. As a result, shares that withhold authority as to the nominees recommended by the Board will have no effect on the outcome. The affirmative vote of the holders of a majority of the shares of common stock present in person or represented by proxy and voting is required to approve the Forrester Research, Inc. Second Amended and Restated Employee Stock Purchase Plan (Proposal Two), to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm (Proposal Three), and to approve the non-binding vote on our executive compensation (Proposal Four).

Shares represented by proxies that indicate an abstention or a “broker non-vote” (that is, shares represented at the annual meeting held by brokers or nominees as to which (i) instructions have not been received from the beneficial owners or persons entitled to vote and (ii) the broker or nominee does not have discretionary voting power on a particular matter) will be counted as shares that are present and entitled to vote on the matter for purposes of determining the presence of a quorum, but are not considered to have been voted, and have the practical effect of reducing the number of affirmative votes required to achieve a majority for those matters requiring the affirmative vote of the holders of a majority of the shares present or represented by proxy and voting (Proposals Two, Three and Four) by reducing the total number of shares from which the majority is calculated. However, because directors are elected by a plurality vote, abstentions and broker non-votes will have no effect on the outcome on Proposal One.

May I Change or Revoke My Vote After I Return My Proxy Card or After I Have Voted My Shares over the Internet or by Telephone?

Yes. If you are a stockholder of record, you may change or revoke a proxy any time before it is voted by:

- returning to us a newly signed proxy bearing a later date;
- delivering a written instrument to our Secretary revoking the proxy; or
- attending the annual meeting and voting in person.

If you hold shares in “street name”, you should follow the procedure in the instructions that your nominee has provided to you.

Who Will Bear the Cost of Proxy Solicitation?

We will bear the expense of soliciting proxies. Our officers and regular employees (who will receive no compensation in addition to their regular salaries) may solicit proxies. In addition to soliciting proxies through the mail, our officers and regular employees may solicit proxies personally, as well as by mail, telephone, and telegram from brokerage houses and other stockholders. We will reimburse brokers and other persons for reasonable charges and expenses incurred in forwarding soliciting materials to their clients.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting To Be Held on May 8, 2018

This proxy statement and our Annual Report to Stockholders are available on-line at www.edocumentview.com/forr. These materials will be mailed to stockholders who request them.

How Can I Obtain an Annual Report on Form 10-K?

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 is available on our website at www.forrester.com/aboutus. If you would like a copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, we will send you one without charge. Please contact Investor Relations, Forrester Research, Inc., 60 Acorn Park Drive, Cambridge, MA 02140, Tel: (617) 613-6000.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table and notes provide information about the beneficial ownership of our outstanding common stock as of March 5, 2018 (except as otherwise noted) by:

- (i) each person who we know beneficially owns more than 5% of our common stock;
- (ii) each of the executive officers named below in the Summary Compensation Table;
- (iii) each member of our Board of Directors; and
- (iv) our directors and executive officers as a group.

Except as otherwise indicated, each of the stockholders named in the table below has sole voting and investment power with respect to the shares of our common stock beneficially owned. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission (“SEC”) and includes voting or investment power with respect to the shares. Shares subject to exercisable options and vesting restricted stock units include options that are currently exercisable or exercisable within 60 days of March 5, 2018 and shares underlying restricted stock units scheduled to vest within 60 days of March 5, 2018.

Name of Beneficial Owner	Common Stock Beneficially Owned		
	Shares Beneficially Owned	Shares Subject to Exercisable Options and Vesting Restricted Stock Units	Percentage of Outstanding Shares
George F. Colony c/o Forrester Research, Inc. 60 Acorn Park Drive Cambridge, MA 02140(1)	7,764,198	—	43.0%
Wellington Management Group LLP c/o Wellington Management Company LLP 280 Congress Street Boston, MA 02210(2)	2,074,021	—	11.5%
BlackRock, Inc. 55 East 52nd Street New York, NY 10022(3)	1,331,814	—	7.4%
The Vanguard Group 100 Vanguard Boulevard Malvern, PA 19355(4)	966,642	—	5.4%
Jean Birch	—	—	*
David Boyce	1,520	—	*
Neil Bradford	—	—	*
Tony Friscia	2,280	—	*
Robert Galford	19,848	24,000	*
George Hornig	5,439	—	*
Gretchen Teichgraeber	10,016	33,375	*
Yvonne Wassenaar	2,280	—	*
Mack Brothers	4,851	5,000	*
Cliff Condon	8,736	56,625	*
Michael Doyle	19,548	88,625	*
Kelley Hippler	4,472	22,500	*
Directors, named executive officers, and other executive officers as a group (17 persons)(1)	7,858,739	327,459	43.5%

(1) Includes 1,580 shares held by Mr. Colony’s wife as to which Mr. Colony disclaims beneficial ownership.

- (2) Beneficial ownership as of December 29, 2017, as reported in a Schedule 13G filed with the SEC on February 8, 2018, stating that Wellington Management Group LLP, Wellington Group Holdings LLP, and Wellington Investment Advisors Holdings LLP each has shared voting power with respect to 1,642,055 shares and shared dispositive power with respect to 2,074,021 shares, and Wellington Management Company, LLP has shared voting power with respect to 1,632,525 shares and shared dispositive power with respect to 2,064,491 shares.
 - (3) Beneficial ownership as of December 31, 2017, as reported in a Schedule 13G filed with the SEC on January 25, 2018, stating that BlackRock, Inc. has sole voting power with respect to 1,295,784 shares and sole dispositive power with respect to 1,331,814 shares.
 - (4) Beneficial ownership as of December 31, 2017, as reported in a Schedule 13G filed with the SEC on February 8, 2018, stating that The Vanguard Group has sole voting power with respect to 19,279 shares, shared voting power with respect to 964 shares, sole dispositive power with respect to 946,899 shares and shared dispositive power with respect to 19,743 shares.
- * Less than 1%

PROPOSAL ONE:

ELECTION OF DIRECTORS

Our directors are elected annually by the stockholders. The Board has nominated Jean Birch, David Boyce, Neil Bradford, George Colony, Anthony Friscia, Robert Galford, Gretchen Teichgraeber and Yvonne Wassenaar to serve one-year terms that will expire at the 2019 Annual Meeting of Shareholders. These individuals all currently serve on our Board. Messrs. Boyce, Bradford and Friscia and Mmes. Birch and Wassenaar were first elected by the Board since the last Annual Meeting upon the recommendation of the Compensation and Nominating Committee.

One of our current directors, George Hornig, will be retiring from the Board effective May 8, 2018, and is not a nominee for election at the forthcoming annual meeting. Mr. Hornig has served as a distinguished member of the Board for 21 years. We gratefully acknowledge his dedicated service and numerous contributions to Forrester.

The proxies intend to vote each share for which a proper proxy card has been returned or voting instructions received and not revoked in favor of the nominees named above. If you wish to withhold the authority to vote for the election of any of the nominees, your voting instructions must so indicate or your returned proxy card must be marked to that effect.

It is expected that each of the nominees will be able to serve, but if any of them is unable to serve, the proxies reserve discretion to vote, or refrain from voting, for a substitute nominee or nominees.

The following section provides information about each nominee, including information provided by each nominee about his or her principal occupation and business experience for the past five years and the names of other publicly-traded companies, if any, for which he or she currently serves as a director or has served as a director during the past five years. In addition to the information presented with respect to each nominee's experience, qualifications and skills that led our Board to conclude that he or she should serve as a director, we also believe that each of the nominees has demonstrated business acumen and a significant commitment to our company, and has a reputation for integrity and adherence to high ethical standards.

NOMINEES FOR ELECTION

Jean M. Birch, age 58, became a director of Forrester in February 2018. Ms. Birch currently serves as the Chair of the Board of Papa Murphy's Holdings, Inc., a position she has held since September of 2016. She joined the PMI board in April of 2015 and, from January through July of 2017, Ms. Birch served as interim President and CEO. Ms. Birch is the President and CEO of Birch Company, LLC., a small consulting practice, a position she has held since the company's formation in 2007. Ms. Birch has previously served on the board of Darden Restaurants, Inc. from 2014-2016. Additionally, she served on the board of Cosi, Inc. from 2013-2016. Prior to that, from 2009 through 2012, Ms. Birch served as President of IHOP Restaurants, Inc., a division of DineEquity, Inc. We believe Ms. Birch's qualifications to serve on our Board of Directors include her more than two decades of operating experience leading large consumer businesses and her experience as a public company board member.

David Boyce, age 50, became a director of Forrester in June 2017. Mr. Boyce is the Chief Strategy Officer and Chief Customer Officer of InsideSales.com, Inc., a software company offering a leading sales acceleration platform. Prior to joining InsideSales.com, Mr. Boyce was the Chief Executive Officer and Chairman of Fundly, Inc., a crowdfunding site for online fundraising from 2010 to 2013. Previously, Mr. Boyce was global VP of Strategy at Oracle from 2005 to 2010. We believe Mr. Boyce's qualifications to serve on our Board of Directors include his extensive experience as an operating executive at several software companies and his expertise in product, strategy and marketing.

Neil Bradford, age 45, became a director of Forrester in February 2018. Mr. Bradford is the Chief Executive Officer of Financial Express, Ltd., an investment ratings and fund research agency based in the United Kingdom. Prior to joining FE, Mr. Bradford was the Chief Executive Officer of Argus Media, a provider of price assessments, business intelligence and market data for the global energy and commodities markets. In 1997, Mr. Bradford co-founded Fletcher Research Limited, a UK-based technology research firm that was acquired by Forrester in 1999. Mr. Bradford served in executive roles with Forrester until 2006. We believe Mr. Bradford's qualifications to serve on our Board of Directors include his years of experience in the research and advisory business, having both founded and led companies in the industry, his prior experience as an executive officer of Forrester, and his perspective on European business as a UK citizen working for a firm headquartered in London.

George F. Colony, age 64, is the founder of Forrester and since 1983, he has served as Chairman of the Board and Chief Executive Officer. He also has served as Forrester's President since September 2001, and he previously was Forrester's President from 1983 to 2000. We believe Mr. Colony's qualifications to serve on our Board of Directors and as its Chairman include his extensive experience in the research industry, including more than 30 years as our chief executive officer, and his significant ownership stake in the Company.

Anthony Friscia, age 62, became a director of Forrester in June 2017. Mr. Friscia is currently an independent business consultant. From 2014 to 2016, Mr. Friscia was the President and Chief Executive Officer of Eduventures, Inc., a research and advisory firm that provides proprietary research and strategic advice to higher education leaders. Previously, from 2011 to 2014, Mr. Friscia served as a consultant and special advisor to the President of the New School, a private university in New York City. In 1986, Mr. Friscia founded AMR Research, a provider of research and advice on global supply chain and enterprise technology to operations and IT executives, and served as its President and Chief Executive Officer until 2009. We believe Mr. Friscia's qualifications to serve on our Board of Directors include his extensive experience in business leadership and providing strategic advice to senior leaders.

Robert M. Galford, age 65, became a director of Forrester in November 1996. Since November 2007, Mr. Galford has been the managing partner of the Center for Leading Organizations, an organizational development firm he founded in Concord, Massachusetts. From 2001 to 2007, Mr. Galford was a managing partner of the Center for Executive Development, an executive education provider in Boston, Massachusetts. We believe Mr. Galford's qualifications to serve on our Board of Directors include his many years of organizational development and executive education experience, along with his more recent corporate governance experience as an instructor for the National Association of Corporate Directors.

Gretchen G. Teichgraeber, age 64, became a director of Forrester in December 2005. Ms. Teichgraeber is the chair of the board of Leadership Directories, Inc., a premier information services company that publishes biographical and contact data on leaders in the private and public sectors. Previously, Ms. Teichgraeber was an independent consultant to digital media companies and various non-profit organizations from 2007 to 2009. From 2000 to 2007, Ms. Teichgraeber was the chief executive officer of Scientific American, Inc., publisher of the science and technology magazine, Scientific American. Prior to joining Scientific American, Ms. Teichgraeber served as general manager, publishing, and vice president, marketing and information services at CMP Media, Inc., a leading provider of technology news and information. We believe Ms. Teichgraeber's qualifications to serve on our Board of Directors include her significant general management and marketing experience in the publishing and information services business, including on-line and print media.

Yvonne Wassenaar, age 49, became a director of Forrester in June 2017. Ms. Wassenaar is the Chief Executive Officer of Airware, an enterprise drone solutions company. From 2014 to 2017, Ms. Wassenaar was with New Relic, Inc., a cloud-based SaaS company, most recently as Chief Information Officer. Prior to joining New Relic, Ms. Wassenaar held senior positions at VMware, Inc. from 2010 to 2014. We believe Ms. Wassenaar's qualifications to serve on our Board of Directors include her thought leadership in the areas of cloud computing, big data analytics and business digitization and her extensive experience in senior leadership positions at technology companies.

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF THE NOMINEES NAMED ABOVE.

Corporate Governance

We believe that good corporate governance is important to ensure that Forrester is managed for the long-term benefit of its stockholders. Based on our continuing review of the provisions of the Sarbanes-Oxley Act of 2002, rules of the Securities and Exchange Commission and the listing standards of The NASDAQ Stock Market, our Board of Directors has adopted Corporate Governance Guidelines, an amended and restated charter for the Audit Committee of the Board of Directors, and a charter for the Compensation and Nominating Committee of the Board.

Our Corporate Governance Guidelines include stock retention guidelines applicable to executive officers and directors. The guidelines require executive officers and directors of the Company to retain at least 50% of the net shares of Forrester common stock delivered to them upon the exercise or vesting of stock-based awards granted on and after January 1, 2010. Net shares are the number of shares remaining after shares are sold or netted to pay the exercise price of stock-based awards and applicable withholding taxes. For directors, the applicable withholding tax is presumed to be the minimum withholding tax applicable to an employee. These guidelines may be waived, at the discretion of the Compensation and Nominating Committee of the Board of Directors, if compliance with the guidelines would create severe hardship or prevent an executive officer or director from complying with a court order.

We also have a written code of business conduct and ethics that applies to all of our officers, directors and employees, including our principal executive officer, principal financial officer, principal accounting officer, and persons performing similar functions. You can access our Code of Business Conduct and Ethics, Corporate Governance Guidelines and our current committee charters on our website, at www.forrester.com/aboutus.

Information With Respect to Board of Directors

Board Meetings and Committees

Our Board of Directors has determined that each of the current directors, with the exception of Mr. Colony, our Chairman and Chief Executive Officer, is independent under applicable NASDAQ standards as currently in effect.

Our Board of Directors held five meetings during fiscal 2017. Each director attended at least 75 percent of the aggregate of the meetings of the Board of Directors and of each committee of which he or she is a member. Forrester does not require directors to attend the annual meeting of stockholders. Mr. Colony, who presided at the meeting, attended the 2017 annual meeting of stockholders, as did Mr. Galford. Historically, very few stockholders have attended our annual meeting and we have not found it to be a particularly useful forum for communicating with our stockholders. The Board of Directors currently has two standing committees, the Audit Committee and the Compensation and Nominating Committee, whose members consist solely of independent directors.

Our Audit Committee consists of three members: George R. Hornig, Chairman, Tony Friscia, and Yvonne Wassenaar, each of whom, in addition to satisfying the NASDAQ independence standards, also satisfies the Sarbanes-Oxley independence requirements for audit committee membership. In addition, the Board has determined that Mr. Hornig is an “audit committee financial expert” under applicable rules of the Securities and Exchange Commission, and all of the members of the Audit Committee satisfy the financial literacy standards of NASDAQ. The Audit Committee held five meetings during fiscal 2017. The responsibilities of our Audit Committee and its activities during fiscal 2017 are described in the committee’s amended and restated charter, which is available on our website at www.forrester.com/aboutus. The charter will also be made available without charge to any stockholder who requests it by writing to Forrester Research, Inc., Attn: Chief Legal Officer and Secretary, 60 Acorn Park Drive, Cambridge, MA 02140.

Our Compensation and Nominating Committee consists of three members: Robert M. Galford, Chairman, David Boyce, and Gretchen G. Teichgraeber. The Compensation and Nominating Committee held four meetings during fiscal 2017. The Compensation and Nominating Committee has authority, as specified in the committee’s charter, to, among other things, evaluate and approve the compensation of our Chief Executive Officer, review and approve the compensation of our other executive officers, administer our stock plans, and oversee the development of executive succession plans for the CEO and other executive officers. The committee also has the authority to identify and recommend to the Board qualified candidates for director. The Compensation and Nominating Committee charter is available on our website at www.forrester.com/aboutus. The charter will also be made available without charge to any stockholder who requests it by writing to Forrester Research, Inc., Attn: Chief Legal Officer and Secretary, 60 Acorn Park Drive, Cambridge, MA 02140.

Compensation Committee Interlocks and Insider Participation

No person who served during the past fiscal year as a member of our Compensation and Nominating Committee is or was an officer or employee of Forrester, or had any relationship with Forrester requiring disclosure in this proxy statement. During the past fiscal year, none of our executive officers served as a member of the board of directors of another entity, any of whose executive officers served as one of our directors.

Board Leadership Structure

At the present time, Mr. Colony serves as both Chairman of the Board and Chief Executive Officer. Mr. Colony is a significant stakeholder in Forrester, beneficially owning approximately 43% of our outstanding common stock. As such, we believe it is appropriate that he set the agenda for the Board of Directors in addition to serving as the Chief Executive Officer. We also do not believe that the size of the Company warrants the division of these responsibilities.

In 2017, the Board of Directors selected Robert Galford to act as lead independent director. In this role, Mr. Galford presides at executive sessions of the independent directors and will bear such further responsibilities as the Board as a whole may designate from time to time.

The Board's Role in Risk Oversight; Risk Considerations in our Compensation Programs

The Board's role in the Company's risk oversight process includes receiving regular reports from members of management on areas of material risk to the Company, including financial, strategic, operational, cybersecurity, legal and regulatory risks. The full Board (or the appropriate Committee in the case of risks that are under the purview of a particular Committee) receives these reports from the appropriate manager within the Company. When a committee receives such a report, the Chairman of the relevant Committee reports on the discussion to the full Board during the Committee reports portion of the next Board meeting, enabling the full Board to coordinate the risk oversight role, particularly with respect to risk interrelationships.

Our Compensation and Nominating Committee does not believe that our compensation programs encourage excessive or inappropriate risk taking. We structure our pay programs to consist of both fixed and variable compensation, with the fixed base salary portion providing steady income regardless of our stock price performance. The variable components, consisting of cash bonus and stock-based awards, and for our chief sales officer, sales commissions, are designed to reward both short and long-term performance. Targets under our bonus plans are a function of bookings and profit (described in greater detail in the Compensation Discussion and Analysis below), important financial metrics for our business. For long-term performance, we generally award restricted stock units vesting over four years. We believe that the variable elements of compensation are a sufficient percentage of overall compensation to motivate executives to produce excellent short and long-term results for the Company, while fixed base salary is also sufficiently high such that the executives are not encouraged to take unnecessary or excessive risks. In addition, our bonus plan funding metrics apply company-wide, regardless of function or client group, which we believe encourages relatively consistent behavior across the organization. While sales commissions are not capped, we cap our bonus at 1.95 times target company performance. Therefore, even if Company performance dramatically exceeds target performance, bonus payouts are limited. Conversely, we have a minimum threshold on Company performance under our executive bonus plan approved by the Compensation and Nominating Committee so that the bonus plan is not funded at performance below a certain level. We also believe that our Executive Severance Plan adopted in 2014 and described in detail below, which provides severance compensation in the event of involuntary termination of employment without cause and in connection with a change in control, promotes stability and continuity of operations.

Director Candidates

As noted above, the Compensation and Nominating Committee has responsibility for recommending nominees for election as directors of Forrester. Our stockholders may recommend individuals for this committee to consider as potential director candidates by submitting their names and background to the "Forrester Research Compensation and Nominating Committee", c/o Chief Legal Officer and Secretary, 60 Acorn Park Drive, Cambridge, MA 02140. The Compensation and Nominating Committee will consider a recommended candidate for the next annual meeting of stockholders only if biographical information and background material are provided no later than the date specified below under "Stockholder Proposals" for receipt of director nominations.

The process that the Compensation and Nominating Committee will follow to identify and evaluate candidates includes requests to Board members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates, and interviews of selected candidates by members of the Compensation and Nominating Committee. Assuming that biographical and background material is provided for candidates recommended by the stockholders, the Compensation and Nominating Committee will evaluate those candidates by following substantially the same process, and applying substantially the same criteria, as for candidates submitted by Board members.

In considering whether to recommend any candidate for inclusion in the Board's slate of recommended director nominees, including candidates recommended by stockholders, the Compensation and Nominating Committee will apply the criteria set forth in the committee's charter and in the Corporate Governance Guidelines. These criteria include, among others, the candidate's integrity, age, experience, commitment, diligence, conflicts of interest and the ability to act in the interests of all stockholders. Although the Compensation and Nominating Committee considers as one of many factors in the director identification and nomination process diversity of race, gender and ethnicity, as well as geography and business experience, it has no specific diversity policy. The Compensation and Nominating Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. We believe that the backgrounds and qualifications of the directors, considered as a group, should provide a composite mix of experience, knowledge and abilities, including direct operating experience, that will allow the Board to fulfill its responsibilities.

In addition, our by-laws permit stockholders to nominate directors for election at an annual meeting of stockholders, other than as part of the Board's slate. To nominate a director, in addition to providing certain information about the nominee and the nominating stockholder, the stockholder must give timely notice to Forrester, which, in general, requires that the notice be received by us no less than 90 nor more than 120 days prior to the anniversary date of the preceding annual meeting of stockholders. In accordance with our by-laws, the 2019 Annual Meeting will be held on May 14, 2019.

Communications from Stockholders

The Board will give appropriate attention to communications on issues that are submitted by stockholders, and will respond if and as appropriate. Absent unusual circumstances or as contemplated by committee charters, the Compensation and Nominating Committee, with the assistance of the Chief Legal Officer and Secretary, will be primarily responsible for monitoring communications from stockholders and will provide copies of summaries of such communications to the other directors as deemed appropriate.

Stockholders who wish to send communications on any topic to the Board should address such communications to the Forrester Research Compensation and Nominating Committee, c/o Chief Legal Officer and Secretary, Forrester Research, Inc., 60 Acorn Park Drive, Cambridge, MA 02140.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Summary

We have implemented an executive compensation program that rewards performance. Our executive compensation program is designed to attract, retain and motivate the key individuals who are most capable of contributing to the success of our Company and building long-term value for our stockholders. The elements of our executives' total compensation are base salary, cash incentive awards, equity incentive awards and other employee benefits. We have designed a compensation program that makes a substantial portion of executive pay variable, subject to increase when performance targets are exceeded, and subject to reduction when performance targets are not achieved.

2017 Business Results

In 2017, we made further progress on our strategic shift to capitalize on the opportunity presented by the Age of the Customer. Although the Company slightly missed its sales plan for the year, it exceeded or met its revenue, pro forma operating margin and pro forma earnings per share guidance for the year, with revenues increasing by 4% to \$337.7 million.

Compensation for Performance

A substantial amount of the total compensation of our executive officers is linked to our performance, both through short-term cash incentive compensation and long-term equity incentive compensation. We believe this aligns our executives' incentives with our objective of enhancing stockholder value over the longer term.

Cash Compensation. A significant portion of the current cash compensation opportunity for our executive officers is achieved through our Amended and Restated Executive Cash Incentive Plan (the "Executive Cash Incentive Plan"). As described in more detail below, payments under the plan are based on company financial performance metrics (for 2017, booked sales accounts or "bookings" and adjusted operating profit). By design, our plan pays more when we perform well and less, or nothing, when we do not. As discussed below, our Compensation and Nominating Committee (the "Committee") further strengthened the performance focus of the Executive Cash Incentive Plan in 2017 by providing for a reduced level of compensation if performance were to meet or fall short of targeted levels, and additional compensation for performance above targeted levels

Equity Awards. Another key component of compensation for our executive officers consists of long-term equity incentives, principally in the form of restricted stock units (RSUs). In 2017, all RSUs granted to executive officers vest over time, with 25% to vest annually over four years. We believe these awards have retention value and reflect a balance between short-term financial performance and long-term shareholder return, supporting our performance-based compensation. Consistent with past years, we did not grant equity awards in 2017 to George Colony, our Chairman and Chief Executive Officer, who is the beneficial owner of approximately 43% of our common stock.

Compensation Program Changes in 2017

Base Salary and Short-Term Cash Incentive Compensation. Based on a review of market data, and taking into account the contributions of the named executive officers and our financial performance in 2016, during its annual executive compensation review the Committee increased the base salaries of our named executive officers eligible for compensation adjustments in 2017 by an average of approximately 1% over 2016, while increasing the target cash incentive bonus amount of these named executive officers by an average of 1.8% over 2016, as discussed further below. The Committee also decided to delay the effectiveness of the base salary

adjustments until July 1, 2017, while in recent past years annual adjustments have generally taken effect as of January 1 of the applicable year.

Executive Cash Incentive Plan. In 2017, while the Committee approved the same performance matrix for purposes of both the Executive Cash Incentive Plan and the Forrester Employee Bonus Plan, the Committee decided to place a stronger emphasis on exceeding, rather than just meeting, the target metrics for the executive team. Accordingly, the Committee approved different percentage payouts at various performance levels for the Executive Cash Incentive Plan than the Forrester Employee Bonus Plan, with executive officers achieving less compensation if 2017 performance were to meet or fall short of the targeted levels, and additional compensation for performance above the targeted levels.

Say on Pay Stockholder Vote. As we have done each year since 2011, in 2017 we submitted our executive compensation program to an advisory vote of our stockholders and, consistent with the results of our previous say on pay votes, it received the support of 99% of the total votes cast at our annual meeting. We pay careful attention to any feedback we receive from our stockholders about our executive compensation program, including the say on pay vote. The Committee considered this feedback when setting our executive cash compensation program and granting equity awards to executives in 2017, and will continue to consider stockholder feedback in its subsequent executive compensation decision making.

Compensation Objectives and Strategy

The primary purpose of our executive compensation program is to attract, retain and motivate the key individuals who are most capable of contributing to the success of our Company and building long-term value for our stockholders. Our principal objectives and strategy concerning our executive compensation program are as follows:

- encourage achievement of key Company values — including client service, quality, collaboration, courage and integrity — that we believe are critical to our continued growth;
- base cash compensation on individual achievement and responsibility, teamwork, and our short-term financial performance;
- align employees' incentives with our objective of enhancing stockholder value over the longer term through long-term incentives, principally in the form of RSUs; and
- emphasize individual excellence and encourage employees at all levels, as well as executive officers, to take initiative and lead individual projects that enhance our performance.

These objectives and strategy are reviewed each year by the Committee, which oversees our executive compensation program. In furtherance of these objectives, the Committee takes the following actions each year:

- reviews the performance of George Colony, our Chairman and Chief Executive Officer, including his demonstration of leadership and his overall contribution to the financial performance of the Company;
- reviews the assessment by Mr. Colony of the performance of the other executive officers against their individual and team goals;
- reviews the company-wide financial goals that are used in the calculation of the cash incentive compensation for our executives;
- reviews all components of compensation for each executive officer: base salary, short-term cash incentive compensation, and long-term equity incentive compensation;
- assesses relevant market data; and
- holds executive sessions (without our management present) as appropriate to accomplish the above actions.

Mr. Colony also plays a substantial role in the compensation process for the other executive officers, primarily by recommending annual goals for the executives reporting directly to him, evaluating their performance against those goals, and providing recommendations on their compensation to the Committee.

The Committee did not engage an independent compensation consultant in 2017 for its general executive compensation analysis because the members were comfortable relying on their independent review of the market data, surveys and other supporting information provided by management, taking into account that the Company does not offer special perquisites, deferred compensation plans, or other special executive compensation arrangements. The Committee believes it is adequately experienced to address relevant issues and discharge its responsibilities consistent with the Company's compensation objectives and philosophy.

The Committee has not historically used formal benchmarking data to establish compensation levels, but has relied instead on relevant market data and surveys to design compensation packages that it believes are competitive with other similarly situated companies or those with whom we compete for talent. While compensation surveys provide useful data for comparative purposes, the Committee believes that successful compensation programs also require the application of sound judgment and subjective determinations of individual and Company performance.

The Committee believes it is helpful to utilize data compiled from a wide array of companies and believes it important to consider comparative data from companies of comparable size and revenue, operating within a comparable industry, and located or operating within our principal geographic markets. In setting executive compensation for 2017, the Committee primarily considered data from the Radford Global High Technology Survey and Salary.com’s IPAS Global High Technology Survey, which included companies with annual revenues from \$200 million to \$500 million, as well as comparable companies in the geographies applicable to our executives. For each of the Company’s executive officers, the data the Committee reviewed included comparative market percentiles for base salary and total annual cash compensation opportunity (or “on-target earnings”). The Committee determined that the base salaries and on-target earnings of the named executive officers, other than Mr. Colony, were generally at or substantially near the 50th percentile of the comparative market data and, accordingly, made its decisions regarding 2017 executive compensation with the goal of maintaining that status.

Since Mr. Colony owns such a substantial percentage of our common stock, the Committee generally does not deem the available market data on chief executive officer compensation as comparable and does not place substantial weight on that data when setting his executive compensation.

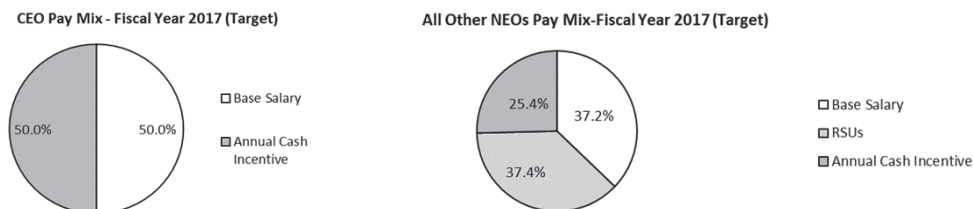
Elements of Compensation

Compensation for our named executive officers consists of the following principal components:

- base salary;
- short-term cash incentive compensation;
- long-term equity incentive compensation, principally in the form of RSUs;
- severance and change-of-control benefits; and
- other benefits available generally to all full-time employees.

We do not have an express policy for weighting different elements of compensation or for allocating between long-term and short-term compensation, but we do attempt to maintain compensation packages that will advance our overall compensation objectives. In reviewing and setting the compensation of each executive officer, we consider the individual’s position with the Company and his or her ability to contribute to achievement of strategic and financial objectives.

In 2017, as illustrated below, base salaries for our named executive officers other than Mr. Colony represented an average of approximately 37.2% of total target compensation for these individuals, while the base salary for Mr. Colony represented 50% of his total target compensation. Because of Mr. Colony’s significant ownership of our common stock, the Committee generally does not grant equity-based awards to him, resulting in a higher ratio of base salary to total target compensation than that of the other named executive officers.



Base Salary. The Committee approves the base salaries of our named executive officers annually by evaluating the responsibilities of their position, the experience and performance of the individual, and as necessary or appropriate, survey and market data. The base salary of a named executive officer is also considered together with the other components of his or her compensation to ensure that both the executive's total cash compensation opportunity (or "on-target earnings") and the allocation between base salary and variable compensation for the executive are in line with our overall compensation philosophy and business strategy. Additionally, the Committee may adjust base salary more frequently than annually to address retention issues or to reflect promotions or other changes in the scope or breadth of an executive's role or responsibilities.

Our goal is to pay base salaries to our named executive officers that are competitive with the base salaries of companies that are similarly situated or with which we compete to attract and retain executives, while taking into account total on-target earnings, and remaining consistent with our overall compensation objectives with respect to variable compensation. In July 2017, taking into account the market data discussed above, the respective tenures, experience and performance of the named executive officers and our financial performance in 2016, the Committee decided to increase the base salaries of Mack Brothers, our Chief Consulting Officer, Cliff Condon, our Chief Research and Product Officer, and Michael Doyle, our Chief Financial Officer, by an average of 1.2% over 2016, with such changes effective as of July 1, 2017. Upon Kelley Hippler's appointment as Chief Sales Officer, the Committee set Ms. Hippler's base salary at \$300,000 on an annualized basis as of July 1, 2017. The Committee elected not to increase Mr. Colony's 2017 base salary or other compensation from their 2016 levels, in part due to the Company's failure to meet its bookings targets in 2016.

Short-Term Cash Incentive Compensation. A significant portion of each of our named executive officers' total annual cash compensation is dependent on our achievement of annual financial objectives set forth under our Executive Cash Incentive Plan. Payouts under the plan are made annually in arrears.

An individual named executive officer's annual bonus payout under the Executive Cash Incentive Plan is based on the following factors, which are discussed in more detail below:

- the named executive officer's target award;
- the Company's financial performance; and
- if applicable, the named executive officer's individual and/or team performance.

Effective January 1, 2017, as part of its executive compensation reviews, the Committee increased the target cash incentive bonus amounts for each of Messrs. Brothers, Condon and Doyle by an average of approximately 2.4%, taking into account the Company's financial performance in 2016, the market data discussed above, and the respective tenures, experience and performance of our named executive officers. After giving effect to these increases, the average annual target cash incentive bonus amount for our named executive officers, other than Ms. Hippler, was approximately 69.5% of that person's base salary. Ms. Hippler's annualized 2017 target cash incentive bonus amount under our Executive Cash Incentive Plan was \$100,000, or 33.3% of her base salary, because as Chief Sales Officer, a significant portion of her target cash incentive amount was tied to sales commissions. Ms. Hippler's annualized 2017 commission-based target cash incentive amount was set at \$200,000, or 66.7% of her base salary.

For purposes of the Executive Cash Incentive Plan, the financial performance of our Company for 2017 was measured based on booked sales accounts (referred to as "bookings") and adjusted operating profit, the same measures used by the Committee in connection with the Executive Cash Incentive Plan in 2016. The Committee selected bookings as one of the metrics because we believe that bookings provide an important measure of our current business activity and estimated future revenues. The Committee selected adjusted operating profit ("operating profit"), meaning the Company's pro forma operating profit assuming cash incentive compensation payouts under the Executive Cash Incentive Plan and the Forrester Employee Bonus Plan at target levels, as the other key metric because we believe operating profit provides a comprehensive measure of our financial performance that takes into account the importance of both revenue growth and expense management. In addition, by linking payouts under the plan to the Company's profitability, we provide our employees with the opportunity to share in our profits while assuring that payouts are only made if we achieve a satisfactory, pre-approved level of profitability, taking into account the nature of our business, planned investments to support growth of the business, and the economic environment. Our pro forma operating profit excludes amortization of acquisition-related intangible assets, reorganization costs, costs associated with acquisition activities, stock-based compensation and net gains or losses from investments. The Committee may also adjust the operating profit metric, as it deems appropriate, to include or exclude particular non-recurring items to avoid unanticipated results and to promote, and provide appropriate incentives for, actions and decisions that are in the best interests of the Company and its stockholders.

The Executive Cash Incentive Plan was structured as follows in 2017:

- A matrix for 2017 containing bookings on the x axis and operating profit on the y axis was approved by the Committee under the plan based on the Company's 2017 operating plan approved by the Board of Directors. Minimum bookings and operating profit levels were set taking into account the Company's recent levels of bookings and operating profit and planned investments to support growth of the business. Failure of our Company to meet either of these minimum levels would result in each executive officer being ineligible to receive any bonus payout. The minimum, target and maximum levels of bookings and operating profit under the Executive Cash Incentive Plan approved by the Committee were as follows (all dollars in thousands):

	Bookings	Operating Profit
Minimum	\$ 309,528	\$ 29,515
Target	\$ 343,920	\$ 36,894
Maximum	\$ 378,312	\$ 44,273

- If the Company's target bookings and operating profit were both exactly achieved, the Executive Cash Incentive Plan allowed for the payment of 95% of a named executive officer's target award.
- If both bookings and operating profit were above the minimum thresholds but neither exceeded the target, the bonus payout would be between 0% and 95% of the target award.
- If both bookings and operating profit were above the minimum thresholds but only operating profit exceeded the target, the bonus payout would be between 65% and 100% of the target award.
- If both bookings and operating profit were above the minimum thresholds but only bookings exceeded the target, the bonus payout would be between 40% and 125% of the target award.
- If both of the applicable target bookings and operating profit were exceeded, the plan allowed for the payment of up to 195% of a named executive officer's target award.

The Company's actual bookings and operating profit for 2017 were \$340.7 million and \$37.1 million, respectively, resulting in 85% of each named executive officer's target award being payable, as is set forth in the Summary Compensation Table under the heading "Non-Equity Incentive Plan Compensation." This illustrates the pay for performance structure of the compensation awarded to our named executive officers, as our 2017 operating profit exceeded our target level and our 2017 bookings were approximately 99% of our target level. As a result of Ms. Hippler's mid-year promotion to Chief Sales Officer, her annual target was pro-rated as of July 1, 2017, resulting in a \$42,500 payout under the Executive Cash Incentive Plan. In addition, the total cash incentive plan compensation paid to Ms. Hippler for 2017 included commissions of \$79,896, or 80% of her pro-rated targeted commissions for 2017.

As a non-executive employee of the Company through July 6, 2017, Ms. Hippler also participated in the Forrester Employee Bonus Plan with respect to the first half of 2017. Payouts under the Forrester Employee Bonus Plan are made annually in arrears and are based on the employee's target award, as modified by performance against individual goals. Under the Forrester Employee Bonus Plan, a specified percentage of each employee's target award is also conditioned upon the Company's achievement of annual bookings and operating profit goals derived from the Company's 2017 operating plan that was used to create the annual matrix for the Executive Cash Incentive Plan, as described above. Based on Company and individual performance relative to the applicable goals, in 2017 Ms. Hippler received \$37,898 under the Forrester Employee Bonus Plan, or 101% of her target cash incentive bonus payment.

Long-term Equity Incentive Compensation. Our equity awards to executive officers historically have consisted of stock options and RSUs granted under our equity incentive plan. Beginning in 2016, the Committee revised the Company's stock-based compensation program for executive officers to consist solely of RSUs, with the number of RSUs awarded to be calculated with reference to a specific compensation value divided by the share price of our common stock on the award date.

All stock-based compensation awards granted to our executive officers are granted by the Committee. We believe that stock-based awards help to motivate and retain executives and also align management's incentives with long-term stock price appreciation. In general, we believe that time-based equity-based awards serve to encourage retention while further aligning the interests of executives and stockholders, as the awards have value only if the recipient continues to provide service to the Company through the vesting date, and, while the RSUs have immediate compensatory value to recipient upon vesting, increases in our share price provide significant additional compensatory value to the recipient, and decreases in the share price reduce the original compensation value of the award. Neither the Company nor our board of directors, including the Committee, has any plan, program or practice of timing equity incentive awards in coordination with the release or withholding of material non-public information.

In determining the size and nature of stock-based awards for 2017, the Committee considered the aggregate number of stock-based awards outstanding relative to the Company's total shares outstanding, the average aggregate size of stock-based awards made to executive officers of companies that are similarly situated or with which we compete to attract and retain executives, and the individuals that they believed were most likely to contribute to or influence a return to the Company's historical growth levels and improvement in the Company's operating margin. On July 24, 2017, the Committee reviewed and approved the grant of 9,014 time-based RSUs to each of Messrs. Brothers, Condon and Doyle, effective August 1, 2017, as part of a grant of equity-based compensation to key employees across the Company. The Committee determined that the RSUs would vest 25% annually over four years. Also effective August 1, 2017, pursuant to our promotion offer letter dated July 11, 2017 with Ms. Hippler that was approved by the Committee, Ms. Hippler received an award of 8,413 time-based RSUs that would vest 25% annually over four years.

Given Mr. Colony's significant ownership of our common stock, the Committee did not grant stock options or RSUs to Mr. Colony in 2017.

Severance and Change in Control Agreements. Effective May 15, 2014, we adopted the Forrester Research, Inc. Executive Severance Plan (the "Severance Plan"), applicable to all of our executive officers, including the named executive officers. Similar to plans maintained by many other companies, our Severance Plan provides for payments and benefits to our executive officers upon a qualifying termination of employment, including in connection with a change in control. Further detail on the Severance Plan is contained below under the heading "Severance and Change-of-Control Benefits." We believe that the Severance Plan functions as a retention tool for our executive officers to remain with the Company and enable the executive officers to focus on the continuing business operations and, as applicable, the success of a potential business combination that the Board of Directors has determined to be in the best interests of the shareholders. We believe this results in stability and continuity of operations.

Other Benefits

As employees of our Company, our executive officers are eligible to participate in all Company-sponsored benefit programs on the same basis as other full-time employees, including health and dental insurance and life and disability insurance. In addition, our executive officers are eligible to receive the same employer match under our 401(k) plan as is applicable for all participating employees and to participate in our employee stock purchase plan, pursuant to which participants may elect to purchase shares of our stock on a semi-annual basis at a 15% discount based on the lower of the price of our stock at the beginning and end of each period. We do not offer any supplemental executive health and welfare or retirement programs, or provide any other supplemental benefits or perquisites, to our executives.

Stock Retention Guidelines

In April 2010, we introduced stock retention guidelines as part of our Corporate Governance Guidelines to further align the interests of our directors and executive officers with those of our stockholders. Members of our executive team and Board of Directors are subject to these stock retention guidelines for so long as they remain an executive officer, or serve as a director, of the Company. The guidelines require executive officers and directors of the Company to retain at least 50% of the net shares of Forrester common stock delivered to them upon the exercise or vesting of stock awards granted on and after January 1, 2010. Net shares are the number of shares remaining after shares are sold or netted to pay the exercise price of equity awards and applicable withholding taxes. For directors, the applicable withholding tax is presumed to be the minimum withholding tax applicable to an employee. These guidelines may be waived, at the discretion of the Committee, if compliance with the guidelines would create severe hardship or prevent an executive officer or director from complying with a court order. Our directors and executive officers have complied in full with these guidelines since their initial adoption.

Impact of Tax and Accounting on Compensation Decisions

Section 162(m) of the Internal Revenue Code limits the deductibility of compensation in excess of \$1 million paid to any one named executive officer during any fiscal year. Under the rules in effect before 2018, compensation that qualified as "performance-based" under Section 162(m) was deductible without regard to this \$1 million limit.

The Tax Cuts and Jobs Act, which was signed into law December 22, 2017, eliminated the performance-based compensation exception under Section 162(m), effective January 1, 2018, subject to a special rule that "grandfathers" certain awards and arrangements that were in effect on or before November 2, 2017. As a result, compensation previously structured with the intent of qualifying as performance-based compensation under Section 162(m) that is paid on or after January 1, 2018 may not be fully deductible, depending on the application of the special grandfather rules. Moreover, from and after January 1, 2018, compensation awarded in excess of \$1,000,000 to our named executive officers, including our chief financial officer, generally will not be deductible.

Compensation amounts paid to our executive officers have largely been below this threshold. Accordingly, in many cases the Committee has not structured compensation arrangements with our executive officers to preserve the deductibility of that compensation in light of Section 162(m) and the Committee has not adopted a policy requiring all compensation to be deductible under Section 162(m).

When determining amounts of equity awards to executives and employees under our equity incentive program, the Committee considers the compensation charges associated with the awards. We recognize compensation expense for stock-based awards based upon the fair value of the award. Grants of stock options result in compensation expense equal to the fair value of the options, which is calculated using a Black-Scholes option pricing model. Restricted stock unit awards result in compensation expense equal to the fair value of the award on the award date, which is calculated using the closing stock price of the underlying shares on the date of the award, as adjusted to reflect the absence of dividend credits prior to vesting of the restricted stock units. Stock-based compensation is recognized as an expense over the vesting period of the award.

Compensation Committee Report

The Compensation and Nominating Committee of the Board of Directors has reviewed and discussed the Compensation Discussion and Analysis included in this proxy statement with management and, based on this review and discussion, recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Compensation and Nominating Committee

Robert M. Galford, Chair
David Boyce
Gretchen G. Teichgraeber

The information contained in the report above shall not be deemed to be “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate it by reference in any such filing.

SUMMARY COMPENSATION TABLE

The following table shows the compensation earned by our Chief Executive Officer, our Chief Financial Officer and each of our three other most highly compensated executive officers as of December 31, 2017. We refer to these officers as the “named executive officers.”

Name and Principal Position	Year	Salary (\$)	Bonus \$(1)	Stock Awards \$(2)	Option Awards \$(2)	Non-Equity	All Other	Total (\$)
						Incentive Plan Compensation (\$)	Compensation \$(3)	
George F. Colony	2017	400,000	—	—	—	340,000	12,852	752,852
Chairman of the Board and Chief Executive Officer	2016	400,000	—	—	—	360,000	12,702	772,702
	2015	375,000	—	—	—	337,500	12,702	725,202
Mack Brothers(4)	2017	326,500	—	358,036	—	172,125	9,756	866,417
Chief Consulting Officer	2016	216,667	25,000	435,672	124,972	120,000	6,469	928,779
Cliff Condon	2017	382,500	—	358,036	—	189,125	9,756	939,417
Chief Research and Product Officer	2016	380,000	—	372,780	—	198,000	9,606	960,386
	2015	331,023	—	380,525	134,980	147,000	9,536	1,003,064
Michael A. Doyle	2017	382,500	—	358,036	—	189,125	12,852	942,513
Chief Financial Officer and Treasurer	2016	380,000	—	358,455	—	198,000	12,702	949,157
	2015	370,000	—	236,025	134,980	180,000	11,046	932,051
Kelley Hippler(5)	2017	261,346	—	334,164	—	160,295	4,548	760,353
Chief Sales Officer								

- (1) Amount represents a one-time bonus for Mr. Brothers in connection with his hiring as Chief Consulting Officer.
- (2) These amounts represent the aggregate grant date fair value of restricted stock unit and option awards. Assumptions used in the calculation of grant date fair value of stock options are included in footnote 1 to the Company’s consolidated financial statements included in our 2017 Annual Report on Form 10-K. The grant date fair value of restricted stock units is based upon the closing price of the Company’s common stock on the date of grant, as adjusted to reflect the absence of dividend credits prior to vesting of the restricted stock units. The amounts set forth may be more or less than the value ultimately realized by the named executive officer based upon, among other things, the value of the Company’s common stock at the time of exercise of the options or vesting of the restricted stock units and whether the options or restricted stock units actually vest.
- (3) 2017 amounts include the following amounts of Company matching contributions under our 401(k) plan: Mr. Colony, \$8,100; Mr. Brothers, \$8,100; Mr. Condon, \$8,100; Mr. Doyle, \$8,100; and Ms. Hippler, \$3,703. Other amounts consist of group term life insurance premiums and miscellaneous other items.
- (4) Mr. Brothers became our Chief Consulting Officer on May 2, 2016.
- (5) Ms. Hippler became our Chief Sales Officer on July 7, 2017.

GRANTS OF PLAN-BASED AWARDS FOR 2017

The following table sets forth information with respect to plan-based awards granted to named executive officers in 2017.

Name	Grant Date	Committee Approval Date	Estimated Possible Payouts Under Non-Equity Incentive Plan			All Other Stock Awards: Number of Shares of Stock (#)	All Other Option Awards: Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair
			Threshold (\$)	Target (\$)	Maximum (\$)				Value of Stock and
									Option Awards (\$)(2)
George F. Colony	—	—	160,000	400,000	780,000	—	—	—	
Mack Brothers	— 08/01/17	— 07/24/17	82,000 —	205,000 —	399,750 —	— 9,014	— —	— 358,036	
Cliff Condon	— 08/01/17	— 07/24/17	90,000 —	225,000 —	438,750 —	— 9,014	— —	— 358,036	
Michael A. Doyle	— 08/01/17	— 07/24/17	90,000 —	225,000 —	438,750 —	— 9,014	— —	— 358,036	
Kelley Hippler	— 08/01/17	— 07/11/17	20,000 —	187,500 —	N/A —	— 8,413	— —	— 334,164	

- (1) Except with respect to Ms. Hippler, consists of awards under our Executive Cash Incentive Plan, a non-equity incentive plan, with payouts thereunder made annually in arrears. Our Executive Cash Incentive Plan is described in detail, including calculation of threshold, target and maximum awards under the plan, in the Compensation Discussion and Analysis above. Actual amounts awarded are set forth in the Summary Compensation Table above. As a result of her mid-year promotion, Ms. Hippler's "Target" amount includes the target amount she was eligible to receive under our Forrester Employee Bonus Plan of \$37,500, the target amount she was eligible to receive under our Executive Cash Incentive Plan of \$50,000, and target sales commissions of \$100,000. Ms. Hippler's threshold amount reflects the fact that her payout under the Forrester Employee Bonus Plan could be increased by as much as 50% or reduced to as little as zero, depending on the achievement of specific individual goals. Without giving effect to any upward or downward adjustment for individual performance, the threshold, target and maximum possible payouts under the Forrester Employee Bonus Plan for Ms. Hippler were \$9,375, \$37,500 and \$65,625, respectively. There is no cap on Ms. Hippler's "Maximum" amount because there is no cap on possible commission payments.
- (2) Assumptions used in the calculation of option awards are included in footnote 1 to the Company's consolidated financial statements included in our 2017 Annual Report on Form 10-K. The grant date fair value of restricted stock units is based upon the closing price of the Company's common stock on the date of grant, as adjusted to reflect the absence of dividend credits prior to vesting of the restricted stock units.

OUTSTANDING EQUITY AWARDS AT 2017 FISCAL YEAR-END

The following table sets forth information for the named executive officers regarding outstanding option awards and stock awards held as of December 31, 2017.

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)(1)
	George F. Colony	—	—	—	—	—
Mack Brothers	—	—	—	—	5,250(2)	232,050
	—	—	—	—	9,014(3)	398,419
	5,000	15,000(4)	36.83	5/31/2026	—	—
Cliff Condon	—	—	—	—	1,458(5)	64,444
	—	—	—	—	3,750(6)	165,750
	—	—	—	—	2,500(7)	110,500
	—	—	—	—	7,241(8)	320,052
	—	—	—	—	9,014(3)	398,419
	3,000	—	29.86	3/31/2020	—	—
	3,000	—	33.03	6/30/2021	—	—
	7,500	—	33.81	5/13/2022	—	—
	8,750	—	36.18	6/2/2023	—	—
	10,000	—	36.84	9/30/2023	—	—
	13,125	4,375(9)	38.43	7/31/2024	—	—
	11,250	11,250(10)	33.16	8/2/2025	—	—
Michael A. Doyle	—	—	—	—	1,875(5)	82,875
	—	—	—	—	3,750(6)	165,750
	—	—	—	—	6,963(8)	307,765
	—	—	—	—	9,014(3)	398,419
	14,000	—	29.86	3/31/2020	—	—
	14,000	—	33.03	6/30/2021	—	—
	15,000	—	33.81	5/13/2022	—	—
	17,500	—	36.18	6/2/2023	—	—
	16,875	5,625(9)	38.43	7/31/2024	—	—
	11,250	11,250(10)	33.16	8/2/2025	—	—
Kelley Hippler	—	—	—	—	8,413(3)	371,855
	3,000	—	25.25	6/30/2019	—	—
	3,125	—	29.86	3/31/2020	—	—
	2,500	—	33.03	6/30/2021	—	—

- (1) The market value was calculated based on \$44.20, the closing price per share of our common stock on December 29, 2017.
- (2) Consists of time-based restricted stock units that vest as to one third of the shares subject to the award on each of June 1, 2018, June 1, 2019 and June 1, 2020.
- (3) Consists of time-based restricted stock units that vest as to 25% of the shares subject to the award on each of August 1, 2018, August 1, 2019, August 1, 2020 and August 1, 2021.
- (4) Stock options become exercisable as to 5,000 shares on June 1, 2018, 5,000 shares on June 1, 2019 and 5,000 shares on June 1, 2020.
- (5) Consists of time-based restricted stock units that vest on August 1, 2018.
- (6) Consists of time-based restricted stock units that vest as to 50% of the shares subject to the award on each of August 3, 2018 and August 3, 2019.
- (7) Consists of time-based restricted stock units that vest as to 50% of the shares subject to the award on each of September 1, 2018 and September 1, 2019.
- (8) Consists of time-based restricted stock units that vest as to one third of the shares subject to the award on each of August 1, 2018, August 1, 2019 and August 1, 2020.
- (9) Stock options become exercisable on August 1, 2018.
- (10) Stock options become exercisable as to 5,625 shares on August 3, 2018 and 5,625 shares on August 3, 2019.

OPTION EXERCISES AND STOCK VESTED TABLE FOR 2017

The following table sets forth information for the named executive officers regarding the value realized during 2017 by the executives pursuant to option exercises and the vesting of RSUs.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
George F. Colony	—	—	—	—
Mack Brothers	—	—	7,180	283,251
Cliff Condon	—	—	7,726	316,715
Michael A. Doyle	25,000	451,791	7,529	308,020
Kelley Hippler	—	—	729	28,577

Pension Benefits

We have no defined benefit pension plans or long-term incentive plans applicable to the named executive officers.

Nonqualified Deferred Compensation

We have no nonqualified defined contribution or deferred compensation plans.

Severance and Change-of-Control Benefits

Effective May 15, 2014, our Board of Directors adopted and approved the Forrester Research, Inc. Executive Severance Plan (the “Severance Plan”), which is applicable to all of the Company’s executive officers, including the named executive officers. The Severance Plan provides for the payment of severance and other benefits to each executive officer in the event of a termination of employment with the Company without cause and also, in the case of a change in control, by an executive officer for good reason, each as defined in the Severance Plan (each, a “Qualifying Termination”). In the event of a Qualifying Termination and subject to the executive’s execution of a general release of claims against the Company, in addition to any accrued obligations such as unpaid base salary, vacation and earned bonuses, the Severance Plan provides for the following severance payments and benefits:

- In the event of a Qualifying Termination other than following a change in control:
 - continued payment of the executive officer’s base salary in installments for one year, and in the case of Mr. Colony (or any successor CEO), for 18 months, after the Qualifying Termination;
 - payment in a lump sum of an amount equal to the lesser of the executive officer’s (x) annual target bonus and, if applicable, sales commissions, as in effect on the date of the Qualifying Termination, or (y) the average of the actual bonus and, if applicable, sales commissions, earned by the executive officer under the applicable plans for the two fiscal years preceding the year of the Qualifying Termination (or for such shorter period that the executive officer was employed by the Company); and in the case of the chief executive officer, payment in a lump sum of an amount equal to one and one-half times the lesser of the chief executive officer’s (x) annual target bonus and, if applicable, sales commissions, as in effect on the date of the Qualifying Termination, or (y) the average of the actual bonus and, if applicable, sales commissions earned by the chief executive officer under the applicable plans for the two fiscal years preceding the year of the Qualifying Termination;
 - payment in cash during the 12-month period following a Qualifying Termination for executive officers other than the chief executive officer, and during the 18-month period following a Qualifying Termination for the chief executive officer, of an amount equal to the Company’s portion of the cost for medical and dental coverage under applicable Company plans; and
 - 6 months of outplacement assistance, subject to extension for an additional 6 months upon request of the executive officer and at the discretion of the Company.

- In the event of a Qualifying Termination during the 18-month period following a change in control (as defined in the Severance Plan):
 - payment in a lump sum of the executive officer's annual base salary, and in the case of the chief executive officer, two times annual base salary;
 - payment in a lump sum of an amount equal to the excess, if any, of (x) the executive officer's annual target bonus amount and/or annual target sales commission amount pro-rated as of the Qualifying Termination, over (y) the amount paid or payable for the actual bonus and/or sales commissions earned through the Qualifying Termination;
 - payment of the higher of the executive officer's (x) target annual incentive opportunity, including target bonus opportunity and, if applicable, target sales commissions, or (y) the average of the actual bonus and, if applicable, sales commissions, earned by the executive under the applicable plans for the two fiscal years preceding the year of the Qualifying Termination (or such shorter period that the executive officer was employed by the Company); and in the case of the chief executive officer, the higher of two times his or her (x) target annual incentive opportunity, including target bonus opportunity and, if applicable, target sales commissions, or (y) the average of the actual bonus and, if applicable, sales commissions, earned by the chief executive officer under applicable plans for the two fiscal years preceding the year of the Qualifying Termination;
 - payment in cash in a lump sum of an amount equal to 12 months for executive officers other than the chief executive officer, and 24 months for the chief executive officer, of the Company's portion of the cost for medical and dental coverage under applicable Company plans;
 - 12 months of outplacement assistance; and
 - without limiting an executive officer's rights under any equity plans or agreements, accelerated vesting of, or cancellation and payment of merger consideration for (net of exercise price, if any), all unvested equity and equity-based awards, with performance-based awards, if any, vesting at target level of performance.

The Severance Plan shall also reimburse each executive officer whose termination of employment results from a change of control all reasonable legal fees and expenses incurred to obtain or enforce rights or benefits under the Severance Plan if the executive officer prevails in substantial part on the material issues of the proceeding.

The Severance Plan does not provide for a gross-up payment to any of the executive officers to offset any excise taxes that may be imposed on excess parachute payments under Section 4999 ("Excise Tax") of the Internal Revenue Code of 1986, as amended. Instead, the Severance Plan provides that in the event that the severance payments and benefits described above, and any other parachute payments, would, if paid, be subject to the Excise Tax, then the severance payments and benefits under the Severance Plan will be reduced to the extent necessary so that no portion of the payments or benefits under the Severance Plan are subject to the Excise Tax, provided that there shall be no such reduction if the net amount of the payments received by the executive officer after giving effect to all applicable taxes is greater than the net amount of the payments received by the executive officer after giving effect to the reduction.

We entered into an employment offer letter on July 24, 2007 with Mr. Doyle that provides for severance benefits following a termination of his employment by the Company without Cause (as defined in the offer letter). In the event of such a termination, we must continue to pay Mr. Doyle his base salary for the 6 months following his termination, subject to his signing a separation agreement in a form acceptable to us that includes a general release of all claims. The Severance Plan provides that there will be no duplication of benefits between the Severance Plan and Mr. Doyle's employment offer letter. We have not entered into agreements providing for severance benefits with any of the other named executive officers. Each of our named executive officers other than Mr. Colony has entered into stock option and restricted stock unit grant agreements that provide for full acceleration of vesting upon a change of control of the Company, unless there is an assumption, substitution or cash-out of the options or restricted stock units in connection with the change of control.

The following table provides the details of payments that would have been paid to, or value that would have been received by, the named executive officers in connection with either a change of control, a termination of employment without cause or for good reason in connection with a change of control, or a termination of employment without cause in the absence of a change of control, in each case effective as of December 31, 2017.

Name	Event (1)	Salary Continuation (\$)	Annual Incentive Compensation (\$)	Payment in Lieu of Medical and Dental (\$)	Outplacement Assistance (\$)(2)	Value of Accelerated Unvested Equity (\$)(3)	Total (\$)
George F. Colony	Change in Control	—	—	—	—	—	—
	Termination Upon Change in Control	800,000	860,000	37,198	20,000	—	1,717,198
	Not for Cause Termination	600,000	523,125	27,899	10,000	—	1,161,024
Mack Brothers	Change in Control	—	—	—	—	741,019	741,019
	Termination Upon Change in Control	328,000	237,875	16,567	20,000	741,019	1,343,461
	Not for Cause Termination	328,000	60,000	16,567	10,000	—	414,567
Cliff Condon	Change in Control	—	—	—	—	1,208,609	1,208,609
	Termination Upon Change in Control	385,000	260,875	11,511	20,000	1,208,609	1,885,995
	Not for Cause Termination	385,000	172,500	11,511	10,000	—	579,011
Michael A. Doyle	Change in Control	—	—	—	—	1,111,465	1,111,465
	Termination Upon Change in Control	385,000	260,875	11,511	20,000	1,111,465	1,788,851
	Not for Cause Termination	385,000	189,000	11,511	10,000	—	595,511
Kelley Hippler	Change in Control	—	—	—	—	371,855	371,855
	Termination Upon Change in Control	300,000	327,205	18,599	20,000	371,855	1,037,659
	Not for Cause Termination	300,000	5,473	18,599	10,000	—	334,072

- (1) None of the named executive officers has an agreement to receive any salary continuation, variable cash compensation, benefits continuation, acceleration of equity or gross-up in the event such named executive officer dies, becomes disabled, voluntarily terminates his or her employment with Forrester without “Good Reason” or if that named executive officer is terminated by Forrester for cause.
- (2) Estimated cost of 12 months of outplacement service in the event of a change in control and 6 months of outplacement service in the event of termination without a change in control.
- (3) Calculated using \$44.20, the closing price per share of our common stock on December 29, 2017. In the case of unvested options, calculated using the difference between \$44.20 and the exercise price of the applicable option, multiplied by the number of unvested shares. In the case of unvested restricted stock units (RSUs), calculated using \$44.20 multiplied by the number of shares underlying such unvested RSU.

Director Compensation

DIRECTOR COMPENSATION TABLE FOR 2017

The following table shows the compensation that we paid during the year ended December 31, 2017 to each of our directors, other than Mr. Colony, who was not paid additional compensation for his service as a director and whose compensation is reflected in “Executive Compensation” above.

Name	Fees Earned or Paid in		Total (\$)
	Cash (\$)	Stock Awards \$(1)(2)(3)	
Dave Boyce	25,000	117,665	142,665
Henk W. Broeders	15,000	117,665	132,665
Tony Friscia	25,000	117,665	142,665
Robert M. Galford	42,500	117,665	160,165
George R. Hornig	39,750	117,665	157,415
Gretchen G. Teichgraeber	32,500	117,665	150,165
Yvonne Wassenaar	25,000	117,665	142,665
Michael H. Welles	17,500	117,665	135,165

- (1) The amounts in this column reflect the aggregate grant date fair value of restricted stock unit awards for 2017. The grant date fair value of restricted stock units is based upon the closing price of the Company’s common stock on the date of grant, as adjusted to reflect the absence of dividend credits prior to vesting of the restricted stock units. The amounts set forth may be more or less than the value ultimately realized by the named director based upon, among other things, the value of the Company’s Common Stock at the time of vesting of the restricted stock units and whether such restricted stock units actually vest.
- (2) On June 1, 2017, each of the directors, other than Mr. Colony, received 3,041 restricted stock units.
- (3) At December 31, 2017, the non-employee directors held options to purchase, and restricted stock units for, the number of shares listed next to their names below:

Name	Number of Shares	
	Options	RSUs
Dave Boyce	—	1,521
Henk W. Broeders	—	—
Tony Friscia	—	1,521
Robert M. Galford	24,000	6,891
George R. Hornig	—	6,891
Gretchen G. Teichgraeber	33,375	6,891
Yvonne Wassenaar	—	1,521
Michael H. Welles	—	—

Our non-employee directors receive an annual retainer of \$30,000 and members of each Board committee receive an additional annual retainer of \$5,000 for each committee on which they serve, with the Chairman of the Audit Committee receiving an additional \$8,000 per year and the Chairman of the Compensation and Nominating Committee receiving an additional \$5,000 per year. Our lead independent director receives an additional \$10,000 annual retainer. Each of these annual fees is payable quarterly in arrears. Members of our Board of Directors are reimbursed for their expenses incurred in connection with attending any meeting.

The Compensation and Nominating Committee of the Board of Directors has the authority under the Forrester Research, Inc. Amended and Restated Equity Incentive Plan (“Equity Incentive Plan”) to grant stock options and RSUs to non-employee directors in such amounts and on such terms as it shall determine at the time of grant. On June 1, 2017, our eight non-employee directors at that time each received 3,041 restricted stock units, which equals the number of whole shares calculated by dividing \$120,000 by \$39.45, the closing price of the Company’s common stock on the date of award. These RSUs vest in four equal quarterly installments over a one-year period. RSUs granted under the Equity Incentive Plan become vested in full upon a change of control of the Company, unless there is an assumption, substitution or cash-out of such RSUs in connection with the change of control.

Options granted to our non-employee directors prior to our 2012 annual meeting and currently outstanding were made pursuant to our 2006 Stock Option Plan for Directors, as amended.

CEO PAY RATIO

Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 requires most companies with publicly traded stock in the United States to identify the median total compensation of their worldwide employee population (other than the chief executive officer) and to compare that amount with the total compensation of their chief executive officer. Total compensation amounts are required to be calculated using the SEC's compensation disclosure rules applicable to reporting compensation in the Summary Compensation Table of the proxy statement. Median employee compensation used to calculate the pay ratio is required to be the total compensation paid to an actual employee of the company. We identified our median employee using our total employee population as of October 1, 2017 by applying a consistently applied compensation measure across our global employee population. For our consistently applied compensation measure, we used cash compensation (base salary plus bonuses and commissions) paid in the nine months ending September 30, 2017. We used cash compensation as our consistently applied compensation measure as we believe that this measure provides a reasonably accurate depiction of total earnings for the purpose of identifying our median employee. We then calculated the median employee's total annual compensation in accordance with the requirements of the Summary Compensation Table. Earnings of our employees outside the U.S. were converted to U.S. dollars using the currency exchange rates used for organizational planning purposes, which consider historical and forecasted rates as well as other factors. We did not use any other material estimates, assumptions, adjustments or statistical sampling to determine the worldwide median employee.

Our median employee's 2017 compensation was \$113,480. Our Chief Executive Officer's total 2017 compensation was \$752,852, as reported in the Summary Compensation Table. Accordingly, our 2017 CEO to Median Employee Pay Ratio was 6.6 to 1.

Please keep in mind that under the SEC's rules and guidance, there are numerous ways to determine the compensation of a company's median employee, including the employee population sampled, the elements of pay and benefits used, any assumptions made and the use of statistical sampling. In addition, no two companies have identical employee populations or compensation programs, and pay, benefits and retirement plans differ by country even within the same company. As such, our pay ratio may not be comparable to the pay ratio reported by other companies.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Board of Directors has appointed an Audit Committee composed of three non-employee directors: Messrs. Hornig (Chairman) and Friscia and Ms. Wassenaar. Each of the members of the Audit Committee is “independent” as defined under the NASDAQ Stock Market listing standards. The Board has determined that Mr. Hornig is an “audit committee financial expert” under applicable rules of the Securities and Exchange Commission (“SEC”), and the members of the Audit Committee satisfy the NASDAQ financial literacy standards.

The Audit Committee is responsible for providing independent oversight of Forrester’s accounting functions and internal controls. The Audit Committee oversees Forrester’s financial reporting process on behalf of the Board of Directors, reviews financial disclosures, and meets privately, outside of the presence of management, with Forrester’s internal auditor and with representatives of the independent registered public accounting firm. The Audit Committee also selects and appoints the independent registered public accounting firm, reviews the performance of the independent registered public accounting firm, and reviews the independent registered public accounting firm’s fees. The Audit Committee operates under a written charter adopted by the Board of Directors.

In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed Forrester’s audited financial statements for the fiscal year ended December 31, 2017 with Forrester’s management and with PricewaterhouseCoopers LLP (“PricewaterhouseCoopers”), Forrester’s independent registered public accounting firm. The Audit Committee also reviewed the report of management contained in Forrester’s Annual Report on Form 10-K for the year ended December 31, 2017 filed with the SEC, as well as PricewaterhouseCoopers’ report included in Forrester’s Annual Report on Form 10-K related to its audit of (i) the consolidated financial statements and (ii) the effectiveness of internal control over financial reporting.

The Audit Committee has discussed with PricewaterhouseCoopers the matters required to be discussed under the rules adopted by the Public Company Accounting Oversight Board (“PCAOB”). The Audit Committee has received the written disclosures and the letter from PricewaterhouseCoopers required by the PCAOB regarding PricewaterhouseCoopers’ communications with the Audit Committee concerning independence, and has discussed with PricewaterhouseCoopers their independence.

Based on the Audit Committee’s review and discussions noted above, the Audit Committee recommended to the Board of Directors, and the Board of Directors approved, the inclusion of the audited financial statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 for filing with the SEC.

AUDIT COMMITTEE OF THE BOARD OF
DIRECTORS

George R. Hornig, Chairman
Tony Friscia
Yvonne Wassenaar

The information contained in the report above shall not be deemed to be “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that we specifically incorporate it by reference in any such filing.

OTHER INFORMATION

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our officers and directors, and persons who own more than 10% of our common stock to file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the Securities and Exchange Commission (“SEC”). Officers, directors and greater than 10% beneficial stockholders are required by SEC regulation to furnish to us copies of all Forms 3, 4 and 5 they file. Based solely on our review of copies of such forms which we received, we believe that all of our officers, directors, and greater than 10% beneficial owners complied on a timely basis with all filing requirements with respect to transactions during 2017, except for one report filed approximately two and half months late for Cliff Condon, our Chief Research and Product Officer, with respect to the sale of shares of our common stock, and a report filed for each of directors Robert Galford, George Hornig and Gretchen Teichgraber with respect to the grant of stock options in 2011. On February 8, 2018, Wellington Management Group LLP filed an amendment to its previously filed Schedule 13G disclosing that its beneficial ownership as of December 29, 2017 had changed from its beneficial ownership as of December 30, 2016, though it remained in excess of 10%. Wellington Management Group LLP has not made any filing on Form 4 with respect to this change in beneficial ownership.

Certain Relationships and Related Transactions

Registration Rights and Non-Competition Agreement. At the time of our initial public offering, we entered into a registration rights and non-competition agreement with Mr. Colony which provides that if Mr. Colony’s employment with us is terminated he will not compete with us for the one year period after the date of such termination. The agreement also provides that in the event we propose to file a registration statement under the Securities Act of 1933, as amended, with respect to an offering by us for our own account or the account of another person, or both, Mr. Colony shall be entitled to include shares held by him in such a registration, subject to the right of the managing underwriter of any such offering to exclude some or all of such shares from such registration if and to the extent the inclusion of the shares would adversely affect the marketing of the shares to be sold by us. The agreement also provides that Mr. Colony may require us to register shares under the Securities Act with a fair market value of at least \$5 million, except that we are not required to effect such registration more than twice or at certain times described in the agreement. The agreement also provides that we will pay all expenses incurred in connection with such registration.

Related Person Transactions

Pursuant to its amended and restated charter, our Audit Committee has responsibility for the review and approval of all transactions between the Company and any related parties or affiliates of the Company, its officers, and directors.

Related persons can include any of our directors or executive officers, certain of our stockholders, and any of their immediate family members. In evaluating related person transactions, the committee members apply the same standards they apply to their general responsibilities as members of a committee of the board of directors and as individual directors. The committee will approve a related person transaction when, in its good faith judgment, the transaction is in the best interest of the Company. To identify related person transactions, each year we require our directors and officers to complete a questionnaire identifying any transactions with the Company in which the officer or director or their family members have an interest. In addition, our Code of Business Conduct and Ethics includes our expectation that all directors, officers and employees who may have a potential or apparent conflict of interest will notify our legal department.

The daughter of one of our executive officers is a non-officer employee of the Company within our sales organization. The Company reviewed this arrangement with the Audit Committee of the Board of Directors, noting that the compensation of the employee is within comparable market ranges for similar positions, and the Audit Committee approved this relationship.

PROPOSAL TWO:

APPROVAL OF THE SECOND AMENDED AND RESTATED EMPLOYEE STOCK PURCHASE PLAN

In 1996, we adopted an Employee Stock Purchase Plan (the “Purchase Plan”) to provide a method by which our eligible employees may use voluntary, systematic payroll deductions to purchase shares of our common stock and thus acquire an interest in the future of our company. A total of 400,000 shares of common stock were initially available for purchase under the Purchase Plan. In 2002, our stockholders approved adding an additional 500,000 shares available for purchase under the Purchase Plan, and in 2009 they approved adding an additional 600,000 shares. As of the record date, approximately 1,406,790 shares of common stock had been purchased under the Purchase Plan, and approximately 93,210 shares remained available for purchase.

On March 23, 2018, our Board of Directors voted, subject to approval by our stockholders, to further amend and restate the Purchase Plan in order to (a) increase the number of shares of common stock available for purchase under the plan by 400,000 shares, and (b) make some other minor amendments to the plan. Our Board of Directors believes that the Purchase Plan, as so amended, will allow us to attract and retain talented professionals and help align our employees’ incentives with the objective of enhancing stockholder value.

The following summarizes the key features of the Purchase Plan.

Administration

The Board of Directors, acting through our authorized officers, administers the Purchase Plan. The Board of Directors has properly delegated its authority to administer the Purchase Plan to the Compensation and Nominating Committee of the Board of Directors.

Eligible Employees

Each employee whose customary employment is more than 20 hours per week is eligible to participate in the Purchase Plan. The number of employees participating in the Purchase Plan as of the record date was approximately 271.

Maximum Number of Shares

Currently, up to 93,210 shares of our common stock remain available for purchase under the Purchase Plan. Our Board of Directors approved and recommends that the stockholders approve an increase of an additional 400,000 shares of our common stock available for purchase under the Purchase Plan. The number of shares available for purchase under the Purchase Plan is subject to adjustments for stock splits, stock dividends, recapitalizations, mergers, consolidations, or other changes in our common stock.

Method of Participation

An eligible employee may elect to participate in the Purchase Plan by executing and providing to us a payroll deduction authorization form at least 15 days prior to the first day of any six-month period in which eligible employees are granted options (as defined below) under the Purchase Plan. We refer to this six-month period as the “option period.” Such eligible employee then becomes a “participant” on the first day of the option period and remains a participant until his or her participation is terminated as provided in the Purchase Plan.

By completing a payroll deduction authorization form, each participant designates a whole percentage of compensation to be withheld. The maximum amount that may be withheld per option period is \$10,000, and the percentage withheld must not be less than 2% or more than 10% of compensation. During an option period and upon written notice, a participant may decrease (but not increase) the percentage — by whole percentage points — of compensation withheld. We maintain a withholding account reflecting each participant’s payroll deductions during an option period.

At the beginning of each option period, a participant is granted the right to purchase shares of our common stock under the Purchase Plan. We refer to this right as an “option.” On the last day of the option period, the option is deemed to be exercised for the number of whole shares equal to the quotient obtained by dividing the balance in the participant’s withholding account by the purchase price of our common stock. The Purchase Plan provides for a purchase price of our common stock equal to the lesser of (a) 85% of the fair market value of our common stock on the date of purchase (which is the last business day of the applicable option period) or (b) 85% of the fair market value on the first day of the applicable option period. The Purchase Plan defines fair market

value as the closing price of our common stock on the relevant day. As soon as practicable after the end of an option period, we issue the shares purchased under the stock purchase plan.

Holding Period

Any shares of our common stock issued under the Purchase Plan to a participant pursuant to the exercise of an option may not be sold or otherwise transferred or encumbered for one year after the exercise date of the applicable option.

Cancellation, Withdrawal, and Termination

A participant who holds an option may cancel it at any time by written notice not less than two business days prior to the end of the applicable option period. A participant may also terminate a payroll deduction at any time by written notice. Upon any such cancellation or termination, the participant's withholding account balance will be returned to the participant, without interest. Once a participant cancels or terminates participation, he or she must wait until a subsequent option period to rejoin the Purchase Plan.

An eligible employee will cease to be a participant upon termination of employment for any reason, and any option held by such participant under the Purchase Plan will be deemed cancelled. We will return the balance of the withholding account to the participant, who will have no further rights under the Purchase Plan.

The Board of Directors may terminate or suspend the Purchase Plan at any time.

New Plan Benefits Under the Purchase Plan

Because benefits under the Purchase Plan will depend on employees' elections to participate and the fair market value of our common stock at various future dates, it is not possible to determine the benefits that will be received by executive officers and other employees if the Purchase Plan is approved by the stockholders. Non-employee directors are not eligible to participate in the Purchase Plan. During the fiscal year ended December 31, 2017, the following persons or groups purchased shares of common stock under the Purchase Plan as follows:

Name and Position	<u>Number of Shares</u>	<u>Weighted Average Purchase Price (\$)</u>
George F. Colony		
Chief Executive Officer	0	
Mack Brothers		
Chief Consulting Officer	0	
Cliff Condon		
Chief Research and Product Officer	0	
Michael A. Doyle		
Chief Financial Officer	0	
Kelley Hippler		
Chief Sales Officer	0	
All current executive officers as a group (9 persons)	289	\$ 31.46
All current non-employee directors as a group	0	
All employees, including all current officers who are not executive officers, as a group	49,892	\$ 31.38

Federal Income Tax Aspects of the Purchase Plan

The Purchase Plan is intended to qualify as an "employee stock purchase plan" or ESPP under Section 423 of the Internal Revenue Code. The following summary of certain federal income tax consequences assumes that the Purchase Plan so qualifies. The summary does not purport to be complete and, among other things, does not discuss the income tax laws of any municipality, state, or foreign country.

No taxable income results when a Purchase Plan participant is granted or exercises an option. If the participant disposes of the shares acquired upon exercise more than two years after the date of grant of the option and more than one year after exercise, or dies at any time while holding the shares, the disposition will result in ordinary income equal to the lesser of (i) 15% of the fair market value of the stock at the time the option was granted, or (ii) the excess, if any, of the fair market value of the stock at the time of disposition or death over the exercise price. We will not be entitled to a deduction for this ordinary income amount. A participant who disposes of the shares during the one-year or two-year holding periods described above will have ordinary income in the year of the disposition

equal to the excess of the fair market value of the stock at the time the option was exercised over the exercise price, and a corresponding deduction will be available to us. Any additional gain, or any loss, recognized by the participant in connection with the disposition will be taxable as a capital gain or loss, long-term or short-term depending on the participant's holding period in the shares.

Market Value of Our Common Stock

The closing price of our common stock, as reported on the Nasdaq Global Select Market on March 26, 2018, was \$42.00 per share.

Recommendation and Vote

Our Board of Directors believes that the increase in the number of shares available under the Purchase Plan, and the other minor modifications in the Purchase Plan, will promote the interests of the stockholders and enable us to attract, retain and compensate employees.

OUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR APPROVAL OF THE SECOND AMENDED AND RESTATED EMPLOYEE STOCK PURCHASE PLAN.

PROPOSAL THREE:

RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2018

PricewaterhouseCoopers LLP audited our financial statements for the fiscal year ended December 31, 2017. Our Audit Committee has selected PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2018. Although stockholder approval of the selection of PricewaterhouseCoopers LLP is not required by law, our Board of Directors believes that it is advisable to give stockholders an opportunity to ratify this selection.

If stockholders do not approve this proposal at the 2018 annual meeting, our Audit Committee will reconsider its selection of PricewaterhouseCoopers LLP. If stockholders do ratify this appointment, the Audit Committee, which has direct authority to engage our independent registered public accounting firm, may appoint a different independent registered public accounting firm at any time during the year if it determines that the change would be in the best interests of Forrester and our stockholders.

The Audit Committee has approved all services provided to Forrester by PricewaterhouseCoopers LLP during 2017. Representatives of PricewaterhouseCoopers LLP are expected to be present at the 2018 annual meeting. They will have the opportunity to make a statement if they desire to do so and will also be available to respond to appropriate questions from stockholders.

Independent Auditors' Fees and Other Matters

The following table presents the aggregate fees billed or expected to be billed by PricewaterhouseCoopers LLP ("PwC") and its affiliates for fiscal 2017 and fiscal 2016.

	Fiscal 2017	Fiscal 2016
Audit Fees(1)	\$ 1,105,261	\$ 1,090,400
Audit-Related Fees(2)	45,000	46,000
Tax Fees(3)	92,629	164,888
All Other Fees(4)	1,800	1,800
Total Fees	\$ 1,244,690	\$ 1,303,088

- (1) Audit fees are fees related to professional services rendered by PwC and its affiliates in connection with the audit of our financial statements and our internal controls over financial reporting, the reviews of our interim financial statements included in each of our quarterly reports on Form 10-Q, international statutory audits, and review of other SEC filings.
- (2) Audit-related fees are for assurance and related services by PwC and its affiliates that are reasonably related to the performance of the audit or review of our financial statements.
- (3) Tax fees are fees billed for professional services related to tax compliance and tax consulting services.
- (4) All other fees include licenses to web-based accounting and finance reference materials.

Audit Committee's Pre-Approval Policy and Procedures

The Audit Committee approves the engagement of our independent registered public accounting firm to render any audit or non-audit services. At a regularly scheduled Audit Committee meeting, management or a representative of the Company's independent registered public accounting firm summarizes the services to be provided by the firm and the fees that will be charged for the services. Thereafter, if new services or dollar amounts in excess of those pre-approved at the meeting are proposed, they are either presented for pre-approval at the next meeting of the Audit Committee or approved by the Chairman of the Audit Committee pursuant to delegated authority. At subsequent meetings, the Audit Committee is provided a listing of any newly pre-approved services since the last meeting, and an updated projection for the current year of the estimated annual fees to be paid to the firm for all pre-approved audit and permissible non-audit services.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT
THE STOCKHOLDERS VOTE FOR RATIFICATION OF THE APPOINTMENT OF
PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2018.**

PROPOSAL FOUR:

NON-BINDING VOTE ON EXECUTIVE COMPENSATION

We have implemented an executive compensation program that rewards performance. Our executive compensation program is designed to attract, retain and motivate the key individuals who are most capable of contributing to the success of our Company and building long-term value for our stockholders. The elements of our executives' total compensation are base salary, cash incentive awards, equity incentive awards, severance and change of control benefits, and other employee benefits. We have designed a compensation program that makes a substantial portion of executive pay variable, subject to increase when performance targets are exceeded, and subject to reduction when performance targets are not achieved.

We believe our executive compensation program strikes the appropriate balance between utilizing responsible, measured pay practices and providing incentives to our executives to create value for our stockholders. We believe this is evidenced by the following:

- The mix of compensation among base salary and cash incentives.
- Generally our compensation policies and practices are uniform across each of our business units and geographic regions.
- Our bonus plan for executive officers provides for multiple payout levels based on targets established and approved by our Compensation and Nominating Committee during the first quarter of the applicable plan year.
- We require that minimum threshold performance targets be achieved before any bonuses under our executive cash incentive plan are paid, and bonus payouts under our executive cash incentive plan are capped.
- We use multiple performance measures under our executive cash incentive plan, including bookings and operating profit.
- We currently grant equity-based awards to executives under our equity incentive plan subject to multi-year vesting criteria, and require that the executive remain employed through the vesting date to realize the value of these awards.

The Board endorses the Company's executive compensation program and recommends that stockholders vote in favor of the following resolution:

RESOLVED, that the stockholders approve the compensation of the Company's named executive officers as described in this proxy statement under "Executive Compensation", including the Compensation Discussion and Analysis and the tabular and narrative disclosure contained in this proxy statement.

Because the vote is non-binding, neither the Board of Directors nor the Compensation and Nominating Committee of the Board will be required to take any action as a result of the outcome of the vote on this proposal. The Compensation and Nominating Committee will carefully consider the outcome of the vote when evaluating future executive compensation arrangements.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPROVAL OF THE COMPANY'S EXECUTIVE COMPENSATION.

STOCKHOLDER PROPOSALS

Stockholder proposals to be considered at the Annual Meeting of Stockholders in 2019 must be received by November 27, 2018 to be considered for inclusion in our proxy materials for that meeting.

Stockholders who wish to make a proposal at the 2019 annual meeting, other than proposals included in our proxy materials, or who wish to nominate individuals for election as directors, must notify us between January 8, 2019 and February 7, 2019. If the stockholder does not notify us by February 7, 2019, the proxies will have discretionary authority to vote on a stockholder's proposal brought before the meeting.

OTHER BUSINESS

The Board of Directors has no knowledge of any other matter that may come before the annual meeting and does not, itself, currently intend to present any other such matter.

FORM 10-K

A copy of our annual report on Form 10-K for the fiscal year ended December 31, 2017 filed with the Securities and Exchange Commission will be sent to stockholders without charge by writing to Forrester Research, Inc., Investor Relations, 60 Acorn Park Drive, Cambridge, Massachusetts 02140.

**FORRESTER RESEARCH, INC.
SECOND AMENDED AND RESTATED
EMPLOYEE STOCK PURCHASE PLAN**

SECTION 1. PURPOSE OF PLAN

The purpose of this Forrester Research, Inc. Second Amended and Restated Employee Stock Purchase Plan (the "Plan") is to provide employees of Forrester Research, Inc. ("Forrester") and its participating subsidiaries (as defined in Section 19) (such subsidiaries, together with Forrester, are hereinafter referred to as the "Company") who wish to become shareholders of Forrester an opportunity to purchase shares of the Common Stock of Forrester (the "Stock"). The Plan is an amendment and restatement of the Forrester Research, Inc. Amended and Restated Employee Stock Purchase Plan, effective March 27, 2009, as subsequently amended effective October 25, 2011, which was an amendment and restatement of the Forrester Research, Inc. 1996 Employee Stock Purchase Plan, as subsequently amended effective January 29, 2002. The Plan, subject to shareholder approval as described in Section 22, shall be effective on March 23, 2018, the date it was adopted by the Board of Directors of Forrester.

The Plan is intended to constitute an "employee stock purchase plan" within the meaning of Section 423(b) of the Internal Revenue Code of 1986, as amended (the "Code").

SECTION 2. STOCK SUBJECT TO THE PLAN

The maximum aggregate number of shares of Stock available under the Plan (subject to adjustment as provided in Section 10) for issuance pursuant to the exercise of options ("Options") granted under the Plan to employees of the Company ("Employees") who meet the eligibility requirements set forth in Section 3 hereof ("Eligible Employees") shall be (a) 400,000 shares, plus (b) 93,210 shares, which was the aggregate number of shares remaining issuable under the Plan as of March 23, 2018. The Stock to be delivered upon exercise of Options under the Plan may be either shares of authorized but unissued Stock or previously issued shares reacquired by Forrester and held in treasury, as Forrester's Board of Directors (the "Board of Directors") may determine.

SECTION 3. ELIGIBLE EMPLOYEES

Except as otherwise provided below, each Employee who is employed by the Company on a regular basis (and not a temporary basis) for the Company for at least 20 hours per week shall be eligible to participate in the Plan (each, an "Eligible Employee").

Any Employee who immediately after the grant of an Option to him or her would (in accordance with the provisions of Sections 423 and 424(d) of the Code) own stock possessing 5% or more of the total combined voting power or value of all classes of stock of the employer corporation or of its parent or subsidiary corporations, as the terms "parent corporation" and "subsidiary corporation" are defined in Section 424(e) and (f) of the Code, shall not be eligible to receive an Option to purchase Stock pursuant to the Plan. For purposes of determining stock ownership under this paragraph, the rules of Section 424(d) of the Code shall apply, and Stock which the Employee may purchase under outstanding Options shall be treated as stock owned by the Employee.

No Employee shall be granted an Option that permits the Employee's rights to purchase shares of Stock under the Plan and under all other Section 423(b) employee stock purchase plans of Forrester and any parent and subsidiary corporations to accrue at a rate that exceeds \$25,000 of fair market value of such stock (determined at the time such Option is granted) for each calendar year in which any such Option granted to such Employee is outstanding at any time, as provided in Sections 423(b)(8) of the Code.

SECTION 4. METHOD OF PARTICIPATION

The stock option periods for which Options may be granted hereunder shall consist of six-month periods commencing on each March 1 and September 1 (each, an "Option Period"). Each person who will be an Eligible Employee on the first day of any Option Period may elect to participate in the Plan by executing and delivering, at least 15 days prior to such day, a payroll deduction authorization in accordance with Section 5 and such procedures as may be prescribed by and in a form acceptable to the Board of Directors, acting by and through the Chief Financial Officer or any other authorized officer. Such Eligible Employee will thereby become a participant ("Participant") on the first day of such Option Period and will remain a Participant until the Employee's participation is terminated as provided in the Plan. Each Participant's authorization on file under the Plan will continue to succeeding

Option Periods as long as the Plan remains in effect, unless a Participant files a new authorization or withdraws from the Plan.

SECTION 5. PAYROLL DEDUCTION

An Eligible Employee may request payroll deductions in an amount (expressed as a whole percentage) of not less than two percent (2%) but not more than ten percent (10%) of the Participant's total Compensation by means of substantially equal payroll deductions over the Option Period. All amounts withheld in accordance with a Participant's payroll deduction authorization will be credited to a withholding account for such Participant and shall be deposited with the general funds of the Company. No interest will be payable on such withholding account. In no event shall more than \$10,000 be withheld with respect to any Participant for any Option Period. For purposes of the Plan, "Compensation" shall mean (i) regular base wages or salary (including Company-paid short-term disability compensation, and any pre-tax salary reduction contributions made by the Participant to any Code Section 401(k) plan, Code Section 125 cafeteria or flexible spending plan, Code Section 129 dependent care plan, and Code Section 132(f) qualified transportation fringe benefit plan), and (ii) any overtime, paid time off, cash bonuses, and commissions paid to a Participant by the Company for the relevant period. There shall be excluded from Compensation (i) income arising from any profit-sharing, non-qualified deferred compensation, welfare benefit plan or other employee benefit plan (including payments and benefits relating to severance, relocation allowances, equalization payments, and expense reimbursement), (ii) income arising from any Company equity-based compensation plan, and (iii) any other compensation or remuneration determined not to be "Compensation" by the Board in accordance with Code Section 423.

A Participant may reduce the withholding rate of his or her payroll deduction authorization by one or more whole percentage points (but not to below 2%) at any time during an Option Period (but not more than once per Option Period) by delivering written notice to the Company, such reduction to take effect prospectively as soon as practicable, as determined by the Board of Directors acting by and through the Chief Financial Officer or any other authorized officer, following receipt of such notice by the Company. A Participant may increase or reduce the withholding rate of his or her payroll deduction authorization for a future Option Period by written notice delivered to the Company at least 15 days prior to the first day of the Option Period as to which the change is to be effective.

If a Participant's accumulated payroll deductions on the last day of the Option Period would otherwise enable the Participant to purchase shares of Stock in excess of the limitation described in Section 3(b), the excess of the amount of the accumulated payroll deductions over the aggregate purchase price of the shares actually purchased shall be promptly refunded to the Participant by the Company, without interest.

A Participant may cancel participation and withdraw from the Plan in accordance with Section 12 below.

SECTION 6. GRANT OF OPTIONS

Each person who is a Participant on the first day of an Option Period will as of such day be granted an Option for such Option Period. Such Option will be for the number of whole shares (not in excess of the share maximum as hereinafter defined) of Stock to be determined by dividing (i) the balance in the Participant's withholding account on the last day of the Option Period, by (ii) the option price per share of the Stock determined under Section 7. For purposes of the preceding sentence, the share maximum with respect to any Option for any Option Period shall be the largest number of shares which, when multiplied by the fair market value of a share of Stock at the beginning of the Option Period, produces a dollar amount of \$12,500 or less. The number of shares of Stock receivable by each Participant upon exercise of his or her Option for an Option Period will be reduced, on a substantially proportionate basis, in the event that the number of shares then available under the Plan is otherwise insufficient.

SECTION 7. OPTION PRICE

The per share exercise price (the "Option Price") for each such Option shall be the lesser of (i) 85% of the fair market value of the Stock on the date on which the Option was granted pursuant to Section 4 and (ii) 85% of the fair market value of the Stock on the date on which the Option is deemed exercised pursuant to Section 8. Fair market value on any given day shall mean the Closing Price of the Stock on such day or, if there was no Closing Price on such day, the latest day prior thereto on which there was a Closing Price. The "Closing Price" of the Stock on any business day shall be the last sale price as reported on the principal market on which the Stock is traded or, if no last sale is reported, then the fair market value as determined by the Board of Directors. A good faith determination by the Board of Directors as to fair market value shall be final and binding.

SECTION 8. EXERCISE OF OPTIONS; ISSUANCE OF STOCK

Subject to the limitations in Section 18, each Eligible Employee who is a Participant in the Plan on the last day of an

Option Period shall be deemed to have exercised his or her Option on such date and thereby to have purchased from Forrester such number of full shares of Stock reserved for the purpose of the Plan, as the Participant's accumulated payroll deductions will purchase at the Option Price, subject to the limitations described in Sections 3(b) and 6. Upon such exercise, the balance of the Participant's withholding account shall be applied to the purchase of the number of whole shares of Stock determined under Section 6 and as soon as practicable thereafter a book entry shall be made in the stock ledger of the Company to evidence the issuance of shares to the Participant. Shares of Stock purchased upon exercise of an Option shall be issued only in the name of the Participant. Notwithstanding the foregoing, the Board of Directors may permit or require that any purchased shares of Stock be deposited directly with a broker designated by the Board, and held by such broker for the pendency of the holding period described in Section 9.

In the event that the balance of the Participant's withholding account following an Option Period is in excess of the total purchase price of the shares so issued, the balance of the withholding account shall be returned to the Participant; provided, however, that if the balance left in the withholding account consists solely of an amount equal to the value of a fractional share, it shall be retained in the withholding account and carried over to the next succeeding Option Period, but no other amounts may be carried forward. The entire balance of the Participant's withholding account following the final Option Period shall be returned to the Participant. No fractional shares will be issued hereunder.

Notwithstanding anything herein to the contrary, Forrester's obligation to issue and deliver shares of Stock under the Plan is subject to the approval required of any governmental authority in connection with the authorization, issuance, sale or transfer of said shares, to any requirements of any national securities exchange applicable thereto, and to compliance by the Company with other applicable legal requirements in effect from time to time, including without limitation any applicable tax withholding requirements.

SECTION 9. HOLDING PERIOD

Any shares of Stock issued under this Plan to a Participant pursuant to the exercise of an Option granted on or after March 1, 2012 may not be sold, assigned, pledged, encumbered, or otherwise transferred by such Participant for a period of one (1) year after the exercise date of the applicable Option. By purchasing Stock pursuant to the exercise of an Option, the Participant shall be deemed to have agreed to these restrictions on the transferability of shares of Stock.

SECTION 10. CHANGE IN CAPITALIZATION, MERGER

In the event of any change in the outstanding Stock of Forrester by reason of a stock dividend, split-up, recapitalization, merger, consolidation, reorganization, or other capital change after the effective date of this Plan, the aggregate number of shares available under the Plan, the number of shares under Options granted but not exercised, the maximum number of shares of Stock purchasable by any one Participant and the Option Price shall be appropriately adjusted; provided, however, that no such adjustment shall be made unless Forrester shall be satisfied that it will not constitute a modification of the Options granted under the Plan or otherwise disqualify the Plan as an employee stock purchase plan under the provisions of Section 423 of the Code.

In the event of a sale of all or substantially all of the Stock or a sale of all or substantially all of the assets of Forrester, or a merger or similar transaction in which Forrester is not the surviving corporation or which results in the acquisition of Forrester by another person, the Board in its sole discretion will (a) if Forrester is merged with or acquired by another corporation, provide that each Option will be assumed or a substitute Option granted by the acquiror or successor corporation or a parent or subsidiary of the acquiror or successor corporation, (b) cancel each Option and return the balances in Participants' withholding accounts to the Participants, (c) pursuant to Section 17, accelerate the exercise date of each Option to a date on or before the date of the proposed sale or merger, or (d) permit each Option to continue unchanged.

SECTION 11. EQUAL RIGHTS AND PRIVILEGES; NO TRANSFER OR ASSIGNMENT OF PARTICIPANT'S RIGHTS

Except as otherwise provided in Section 19, all Participants granted Options under the Plan within a single Option Period shall have the same rights and privileges, and each Participant's rights and privileges under the Plan shall be exercisable during the Participant's lifetime only by the Participant, and shall not be sold, pledged, assigned, or transferred in any manner. In the event any Participant violates the terms of this Section, any Option held by such Participant may be terminated by the Company and upon return to the Participant of the balance of his or her withholding account, all his or her rights under the Plan shall terminate.

SECTION 12. CANCELLATION AND WITHDRAWAL

A Participant who holds an Option under the Plan may at any time prior to exercise thereof under Section 8 cancel such

Option as to all (but not less than all) the shares of Stock subject or to be subject to such Option by written notice delivered to the Company not less than two (2) business days prior to the end of the applicable Option Period, in which case the Company will promptly refund the entire balance of the Participant's withholding account not previously used to purchase Stock under the Plan, without interest.

A Participant may terminate a payroll deduction authorization as of any date by written notice delivered to the Company and will thereby cease to be a Participant as of such date. Any Participant who voluntarily terminates a payroll deduction authorization prior to the last day of an Option Period will be deemed to have cancelled the related Option.

Any Participant who cancels an Option or terminates a payroll deduction authorization may at any time thereafter again become a Participant by completing a new authorization form prior to the beginning of any subsequent Option Period in accordance with Section 4 provided that such individual is then an Eligible Employee.

SECTION 13. TERMINATION OF EMPLOYMENT

Subject to Section 14, whenever a Participant ceases to be an Eligible Employee because of retirement, voluntary or involuntary termination, resignation, layoff, discharge, death or for any other reason, his or her Option rights under the Plan shall immediately terminate and the Company shall promptly refund, without interest, the entire balance of his or her withholding account under the Plan. Such Participant shall have no further rights under the Plan.

Notwithstanding the foregoing, eligible employment shall be treated as continuing intact while a Participant is on a military leave, sick leave or other bona fide leave of absence that lasts for up to 90 days, or for so long as the Participant's right to re-employment is guaranteed either by statute or by contract, if longer than 90 days.

If a Participant's payroll deductions are interrupted by any legal process, a withdrawal notice will be considered as having been received from the Participant on the day the interruption occurs.

SECTION 14. DEATH OF PARTICIPANT

A Participant may file a written designation of beneficiary specifying who is to receive any Stock and/or cash credited to the Participant under the Plan in the event of the Participant's death, which designation will also provide for the Participant's election to either (i) cancel the Participant's Option upon his or her death, as provided in Section 12 or (ii) apply as of the last day of the Option Period the balance of the deceased Participant's withholding account at the time of death to the exercise of the related Option, pursuant to Section 8. In the absence of a valid election otherwise, a Participant's death will be deemed to effect a cancellation of the Option. A designation of beneficiary and election may be changed by the Participant at any time, by written notice to the Company. In the event of the death of a Participant and receipt by the Company of proof of the identity and existence at the Participant's death of a beneficiary validly designated by him or her under the Plan, the Company shall deliver to such beneficiary such Stock and/or cash to which the beneficiary is entitled under the Plan. In the event of the death of a Participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Participant's death, the Company shall deliver such Stock and/or cash to the executor or administrator of the estate of the Participant, if the Company is able to identify such executor or administrator. If the Company is unable to identify such administrator or executor, the Company, in its discretion, may deliver such stock and/or cash to the spouse or to any one or more dependents of such Participant as the Company may determine. No beneficiary shall, prior to the death of the Participant by whom he has been designated, acquire any interest in any Stock or cash credited to the Participant under the Plan.

SECTION 15. NO SPECIAL EMPLOYMENT RIGHTS

The Plan does not, directly or indirectly, create in any Employee any right with respect to continuation of employment by the Company, and it shall not be construed to interfere in any way with the Company's right to terminate, or otherwise modify, an Employee's employment at any time.

SECTION 16. ADMINISTRATION OF PLAN

The Plan shall be administered by the Board of Directors, which shall have the right to determine any questions which may arise regarding the interpretation and application of the provisions of the Plan, to remedy any defect, omission or inconsistency in the Plan, and to make, administer, and interpret such rules and regulations in each case as it will deem necessary or advisable. The interpretation and construction by the Board of Directors of any provisions of the Plan or of any Option granted under it shall be final and binding. The Board of Directors may from time to time adopt such rules and regulations for carrying out the Plan as it may deem

appropriate.

To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (a "Committee"). All references in the Plan to the "Board" shall mean any Committee or the Board, as applicable.

The Board may specify the manner in which employees are to provide notices and payroll deduction authorizations. Notwithstanding any requirement of "written notice" herein, the Board may permit employees to provide notices and payroll deduction authorizations electronically.

No member of the Board of Directors shall be liable for any action or determination made in good faith with respect to the Plan or any Option granted under it. The Company shall indemnify and hold harmless the members of the Board, and each officer and employee of the Company acting at the Board's direction with respect to Plan matters, from and against any and all losses, claims, damages or liabilities, including attorney's fees and amounts paid with the approval of the Board in any settlement, arising out of or resulting from any act, omission, interpretation, or determination made with respect to the Plan, unless arising out of or resulting from such person's own fraud or bad faith. Such indemnification shall be in addition (but without duplication) to any rights to indemnification or insurance that such person may have as a director, officer or employee of the Company or under the by-laws of the Company.

SECTION 17. AMENDMENT AND TERMINATION OF PLAN

Forrester reserves the right at any time or times to amend the Plan to any extent and in any manner it may deem advisable by vote of the Board of Directors; provided, however, that any amendment that may (i) materially increase the aggregate number of shares which may be issued under the Plan (other than an adjustment provided for in Section 10), or (ii) change the corporations or class of corporations whose employees may be offered Options under the Plan, if such action would be treated as the adoption of a new plan for purposes of Section 423(b) of the Code, shall have no force or effect unless it is approved by the shareholders within twelve months before or after its adoption.

The Plan and any Option Period may be terminated or suspended at any time by the Board of Directors. Upon termination of the Plan, the Board of Directors may either (i) provide that then-outstanding Options be administered in accordance with their terms, or (ii) accelerate the exercise date for then-outstanding Options by specifying that the Option Period in which such action occurs will end on a date earlier than its originally scheduled end date.

SECTION 18. RESTRICTIONS ON THE EXERCISE OF OPTIONS

The Board of Directors, in its sole discretion, may require as a condition to the exercise of Options that the underlying shares be registered under the Securities Act of 1933, as amended, and that all other legal requirements necessary, or in the Board of Directors' opinion, desirable from the Company's standpoint, to the exercise of the Options be satisfied or waived.

SECTION 19. PARTICIPATING SUBSIDIARIES

(a) The term "participating subsidiary" shall mean any present or future subsidiary of Forrester, as that term is defined in Section 424(f) of the Code, which is designated from time to time by the Board of Directors to participate in the Plan. The Board of Directors shall have the power to make such designation before or after the Plan is approved by the shareholders. The Board of Directors may determine that Forrester and any participating subsidiaries shall be deemed to participate in separate offerings with different terms and conditions as permitted by Section 423 of the Code, provided that the terms of participation by any Eligible Employees within any such separate offering satisfy the equal rights and privileges requirements of Section 423 of the Code.

(b) In order to comply with the laws of a non-U.S. jurisdiction, Options may be granted to Employees of Forrester or a Participating Subsidiary who are citizens or residents of such non-U.S. jurisdiction (without regard to whether they are also citizens of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) with terms that are less favorable (but no more favorable) than the terms of the Options granted under the Plan or an offering to Eligible Employees who are resident in the United States. Notwithstanding anything to the contrary in other provisions of the Plan or an offering, Employees who are citizens or residents of a non-U.S. jurisdiction (without regard to whether they are also citizens of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) may be excluded from eligibility under the Plan or an offering if (i) the grant of an Option under the Plan or an offering to a citizen or resident of the non-U.S. jurisdiction is prohibited under the laws of such jurisdiction, or (ii) compliance with the laws of the non-U.S. jurisdiction would cause the Plan or an offering to violate the requirements of Section 423 of the Code. Forrester may add one or more appendices to the Plan describing the operation of the

Plan in those jurisdictions in which Eligible Employees are granted less favorable Options or in which Employees are excluded from participation.

(c) The Board of Directors may from time to time establish one or more sub-plans under the Plan with respect to one or more Participating Subsidiaries, provided that such sub-plan complies with Section 423 of the Code. To the extent permitted by Section 423 of the Code, such sub-plans may provide for separate offerings with different terms for Participating Subsidiaries.

SECTION 20. OPTIONEES NOT SHAREHOLDERS

An Employee shall not have any of the rights and privileges of a shareholder of Forrester and shall not receive any dividends in respect to any shares of Stock subject to an Option hereunder, unless and until such Option has been exercised, full payment has been made for such Stock, and the Stock has been issued.

SECTION 21. TAXES

Payroll deductions shall be made on an after-tax basis. The Company shall have the right, as a condition of exercise, to make such provision as it deems necessary to satisfy its obligations to withhold federal, state, local income or other taxes incurred by reason of the purchase or disposition of Stock under the Plan. In the Board of Directors' discretion and subject to applicable law, such tax obligations may be paid in whole or in part by delivery of Stock to the Company, including Stock purchased under the Plan, valued at fair market value (defined as the closing stock price on the date of delivery). The Company may, to the extent permitted by law, deduct any tax obligations from any payment of any kind due to the Participant or withhold Stock purchased hereunder, which shall be valued at fair market value (defined as the closing stock price on the date of withholding).

SECTION 22. APPROVAL OF SHAREHOLDERS

The Plan as hereby amended and restated is subject to the approval of the shareholders of Forrester, which must be secured within twelve months before or after the date the Plan as hereby amended and restated is adopted by the Board of Directors, and any Option granted hereunder prior to such approval is conditioned on such approval being obtained prior to the exercise thereof. The Plan was previously last approved by shareholders of Forrester on May 12, 2009.

SECTION 23. INFORMATION REGARDING DISQUALIFYING DISPOSITIONS

By electing to participate in the Plan, each Participant agrees to provide any information about any transfer of Stock acquired under the Plan that occurs within two years after the first business day of the Option Period in which such Stock was acquired as may be requested by the Company or any subsidiary corporation in order to assist it in complying with the tax laws.

SECTION 24. GOVERNING LAW

The Plan shall be governed by the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof, and shall be construed accordingly.

COMPANY INFORMATION

Board Of Directors

George F. Colony

*Chairman of the Board and
Chief Executive Officer*

Jean M. Birch

*Chair of the Board,
Papa Murphy's Holdings, Inc.*

David Boyce

*Chief Strategy Officer and Chief Customer Officer,
InsideSales.com, Inc.*

Neil Bradford

*Chief Executive Officer,
Financial Express, Ltd.*

Anthony Friscia

*Founder and Former President and CEO
AMR Research, Inc.*

Robert M. Galford

*Managing Partner, Center for
Leading Organizations*

George R. Hornig

*Former Senior Managing Director,
Pinebridge Investments*

Gretchen G. Teichgraeber

*Chief Executive Officer,
Leadership Directories, Inc.*

Yvonne Wassenaar

*Chief Executive Officer,
Airware*

Executive Officers

George F. Colony

*Chairman of the Board and
Chief Executive Officer*

Mack Brothers

Chief Consulting Officer

Cliff Condon

Chief Research and Product Officer

Ryan D. Darrah

Chief Legal Officer and Secretary

Michael A. Doyle

Chief Financial Officer and Treasurer

Kelley Hippler

Chief Sales Officer

Victor Milligan

Chief Marketing Officer

Steven Peltzman

Chief Business Technology Officer

Lucia Luce Quinn

Chief People Officer

Annual Meeting

Forrester's annual meeting of stockholders will be held at 10 a.m. local time on May 8, 2018, at the offices of the Company, 60 Acorn Park Drive, Cambridge, MA 02140.

Investor Relations

Requests for financial information should be sent to:

Investor Relations
Forrester Research, Inc.
60 Acorn Park Drive
Cambridge, MA 02140
USA
Tel: +1 617.613.6000
Fax: +1 617.613.5000
Email: investor@forrester.com

Transfer Agent

Computershare Investor Services
P.O. Box 30170
College Station, TX 77842-3170
www.computershare.com/investor

Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP
Boston, MA

Legal Counsel

Choate Hall & Stewart LLP
Boston, MA

Stock Listing And Trading Symbol

Forrester's common stock is listed on the Nasdaq Global Select Market under the trading symbol "FORR."

Corporate Headquarters

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