FORM 10-Q

(MARK ONE)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934.**

FOR THE QUARTERLY PERIOD ENDED June 30, 2017

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934.**

COMMISSION FILE NUMBER: 000-21433

FORRESTER RESEARCH, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	**04-2797789**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
60 Acorn Park Drive **CAMBRIDGE, MASSACHUSETTS**	**02140**
(Address of principal executive offices)	**(Zip Code)**

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

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 requirements 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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. (Check one):

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by checkmark 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 Exchange Act). Yes ☐ No ☒

As of August 4, 2017 17,734,000 shares of the registrant's common stock were outstanding.

FORRESTER RESEARCH, INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FORRESTER RESEARCH, INC.

CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data, unaudited)

	June 30, 2017	December 31, 2016
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 67,106	$ 76,958
Marketable investments (Note 3)	58,129	61,147
Accounts receivable, net	50,954	58,812
Deferred commissions	10,578	12,052
Prepaid expenses and other current assets	13,223	14,467
Total current assets	199,990	223,436
Property and equipment, net	24,439	23,894
Goodwill	75,024	73,193
Intangible assets, net	1,109	1,464
Other assets	13,631	13,798
Total assets	$ 314,193	$ 335,785
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 1,080	$ 1,806
Accrued expenses and other current liabilities	32,349	41,403
Deferred revenue	145,350	134,265
Total current liabilities	178,779	177,474
Non-current liabilities	8,040	8,275
Total liabilities	186,819	185,749
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 - 21,914 and 21,719 shares as of June 30, 2017 and December 31, 2016, respectively		
Outstanding - 17,612 and 18,361 shares as of June 30, 2017 and December 31, 2016, respectively	219	217
Additional paid-in capital	166,022	157,569
Retained earnings	123,780	121,799
Treasury stock - 4,302 and 3,358 shares as of June 30, 2017 and December 31, 2016, respectively, at cost	(158,402)	(121,976)
Accumulated other comprehensive loss	(4,245)	(7,573)
Total stockholders' equity	127,374	150,036
Total liabilities and stockholders' equity	$ 314,193	$ 335,785

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, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenues:				
Research services	$ 54,575	$ 55,023	$ 106,318	$ 108,271
Advisory services and events	35,158	32,798	60,609	56,951
Total revenues	89,733	87,821	166,927	165,222
Operating expenses:				
Cost of services and fulfillment	36,910	34,417	68,306	65,540
Selling and marketing	30,508	29,335	61,130	59,739
General and administrative	10,419	10,300	20,589	20,273
Depreciation	1,489	2,076	3,168	4,041
Amortization of intangible assets	194	210	385	419
Reorganization costs	—	11	—	1,026
Total operating expenses	79,520	76,349	153,578	151,038
Income from operations	10,213	11,472	13,349	14,184
Other income, net	93	473	102	145
Losses on investments, net	(22)	(54)	(225)	(54)
Income before income taxes	10,284	11,891	13,226	14,275
Income tax provision	4,220	4,431	4,132	5,526
Net income	$ 6,064	$ 7,460	$ 9,094	$ 8,749
Basic income per common share	$ 0.34	$ 0.42	$ 0.51	$ 0.49
Diluted income per common share	$ 0.34	$ 0.41	$ 0.50	$ 0.49
Basic weighted average common shares outstanding	17,715	17,863	17,973	17,812
Diluted weighted average common shares outstanding	18,050	18,145	18,293	18,035
Cash dividends declared per common share	$ 0.19	$ 0.18	$ 0.38	$ 0.36

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

FORRESTER RESEARCH, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net income	$ 6,064	$ 7,460	$ 9,094	$ 8,749
Other comprehensive income (loss), net of taxes:				
Foreign currency translation	2,514	(1,429)	3,304	52
Net change in market value of investments	7	3	24	120
Other comprehensive income (loss)	2,521	(1,426)	3,328	172
Comprehensive income	$ 8,585	$ 6,034	$ 12,422	$ 8,921

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

FORRESTER RESEARCH, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands, unaudited)

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Cash flows from operating activities:		
Net income	$ 9,094	$ 8,749
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,168	4,041
Amortization of intangible assets	385	419
Net losses from investments	225	54
Deferred income taxes	(691)	(1,409)
Stock-based compensation	4,245	3,761
Amortization of premium on investments	128	187
Foreign currency losses	360	147
Changes in assets and liabilities		
Accounts receivable	8,457	24,445
Deferred commissions	1,475	1,953
Prepaid expenses and other current assets	1,470	962
Accounts payable	(730)	189
Accrued expenses and other liabilities	(10,304)	(10,128)
Deferred revenue	9,611	(1,915)
Net cash provided by operating activities	26,893	31,455
Cash flows from investing activities:		
Purchases of property and equipment	(3,240)	(2,318)
Purchases of marketable investments	(25,685)	(23,902)
Proceeds from sales and maturities of marketable investments	28,612	14,025
Other investing activity	224	(35)
Net cash used in investing activities	(89)	(12,230)
Cash flows from financing activities:		
Dividends paid on common stock	(6,815)	(6,428)
Repurchases of common stock	(36,426)	—
Proceeds from issuance of common stock under employee equity incentive plans	4,872	4,147
Taxes paid related to net share settlements of stock-based compensation awards	(537)	(763)
Net cash used in financing activities	(38,906)	(3,044)
Effect of exchange rate changes on cash and cash equivalents	2,250	(656)
Net increase (decrease) in cash and cash equivalents	(9,852)	15,525
Cash and cash equivalents, beginning of period	76,958	53,331
Cash and cash equivalents, end of period	$ 67,106	$ 68,856

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

Note 1 — Interim Consolidated Financial Statements

Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for reporting on Form 10-Q. Accordingly, certain information and footnote disclosures required for complete financial statements are not included herein. The year-end balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. It is recommended that these financial statements be read in conjunction with the consolidated financial statements and related notes that appear in the Forrester Research, Inc. ("Forrester") Annual Report on Form 10-K for the year ended December 31, 2016. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair statement of the financial position, results of operations, comprehensive income and cash flows as of the dates and for the periods presented have been included. The results of operations for the three and six months ended June 30, 2017 may not be indicative of the results for the year ending December 31, 2017, or any other period.

Fair Value Measurements

The carrying amounts reflected in the Consolidated Balance Sheets for cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses approximate fair value due to their short-term maturities. See Note 3 – Marketable Investments - for the fair value of the Company's marketable investments.

Adoption of New Accounting Pronouncements

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 effects 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 effects 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 was not material to the consolidated financial statements for the three and six months ended June 30, 2017. Application of this guidance may result in fluctuations in the Company's effective tax rate depending on how many options are exercised, how many restricted stock units vest and the volatility of the Company's stock price.

ASU 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 six months ended June 30, 2017, the Company reflected $0.5 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 $0.8 million for the six months ended June 30, 2016, as compared to the amounts previously reported.

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 in this standard eliminates for all intra-entity sales of assets other than inventory, 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. 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.

Note 2 — 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 January 1, 2017	$ (83)	$ (7,490)	$ (7,573)
Foreign currency translation	—	3,304	3,304
Unrealized gain on investments, net of tax of $15	24	—	24
Balance at June 30, 2017	$ (59)	$ (4,186)	$ (4,245)

	Net Unrealized Gain (Loss) on Marketable Investments	Cumulative Translation Adjustment	Total Accumulated Other Comprehensive Income (Loss)
Balance at April 1, 2017	$ (66)	$ (6,700)	$ (6,766)
Foreign currency translation	—	2,514	2,514
Unrealized gain on investments, net of tax of $4	7	—	7
Balance at June 30, 2017	$ (59)	$ (4,186)	$ (4,245)

	Net Unrealized Gain (Loss) on Marketable Investments	Cumulative Translation Adjustment	Total Accumulated Other Comprehensive Income (Loss)
Balance at January 1, 2016	$ (100)	$ (4,726)	$ (4,826)
Foreign currency translation	—	52	52
Unrealized gain on investments, net of tax of $79	120	—	120
Balance at June 30, 2016	$ 20	$ (4,674)	$ (4,654)

	Net Unrealized Gain (Loss) on Marketable Investments	Cumulative Translation Adjustment	Total Accumulated Other Comprehensive Income (Loss)
Balance at April 1, 2016	$ 17	$ (3,245)	$ (3,228)
Foreign currency translation	—	(1,429)	(1,429)
Unrealized gain on investments, net of tax of $3	3	—	3
Balance at June 30, 2016	$ 20	$ (4,674)	$ (4,654)

Note 3 — Marketable Investments

The following table summarizes the Company's marketable investments (in thousands):

	As of June 30, 2017			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Market Value
Federal agency obligations	$ 1,800	$ —	$ (8)	$ 1,792
Corporate obligations	56,424	1	(88)	56,337
Total	$ 58,224	$ 1	$ (96)	$ 58,129

	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	$ 61,281	$ 2	$ (136)	$ 61,147

Realized gains and losses on investments are included in earnings and are determined using the specific identification method. Realized gains or losses on the sale of the Company's marketable investments were not material in the three and six months ended June 30, 2017 and 2016.

The following table summarizes the maturity periods of the marketable investments in the Company's portfolio as of June 30, 2017 (in thousands).

	FY 2017	FY 2018	FY 2019	Total
Federal agency obligations	$ —	$ 1,792	$ —	$ 1,792
Corporate obligations	8,504	29,913	17,920	56,337
Total	$ 8,504	$ 31,705	$ 17,920	$ 58,129

The following table shows the gross unrealized losses and market value of the Company'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 June 30, 2017			
	Less Than 12 Months		12 Months or Greater	
	Market Value	Unrealized Losses	Market Value	Unrealized Losses
Federal agency obligations	$ 1,792	$ 8	$ —	$ —
Corporate obligations	43,897	69	9,219	19
Total	$ 45,689	$ 77	$ 9,219	$ 19

	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	$ 55,440	$ 136	$ —	$ —

Fair Value

The Company measures certain financial assets at fair value on a recurring basis, including cash equivalents and available-for-sale securities. The fair values of these financial assets have been classified as 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 following table represents the Company's fair value hierarchy for its financial assets (cash equivalents and investments) measured at fair value on a recurring basis (in thousands):

	As of June 30, 2017			
	Level 1	Level 2	Level 3	Total
Money market funds (1)	$ 612	$ —	$ —	$ 612
Federal agency obligations	—	1,792	—	1,792
Corporate obligations	—	56,337	—	56,337
Total	$ 612	$ 58,129	$ —	$ 58,741

	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	$ 2,522	$ 61,147	$ —	$ 63,669

(1) Included in cash and cash equivalents.

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.

Note 4 — Non-Marketable Investments

At June 30, 2017 and December 31, 2016, the carrying value of the Company's non-marketable investments, which were composed primarily of interests in technology-related private equity funds, was $2.2 million and $2.8 million, respectively, and is included in other assets in the Consolidated Balance Sheets.

The Company's investments at June 30, 2017 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. Losses from non-marketable investments were $0.2 million during the six months ended June 30, 2017 and were insignificant during the three months ended June 30, 2017, as well as the three and six months ended June 30, 2016. Losses are included in losses on investments, net in the Consolidated Statements of Income. 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 the three months ended March 31, 2017. During the three months ended June 30, 2017, no distributions were received from the funds. During the six months ended June 30, 2017, distributions of $0.4 million were received from the funds. During the six months ended June 30, 2016, no distributions were received from the funds.

Note 5 — Reorganization

In the first quarter of 2016, the Company implemented a reduction in its workforce of approximately 2% of its employees across various geographies and functions. The Company recorded $1.0 million of severance and related costs for this action during the three months ended March 31, 2016. All costs under this plan were paid during 2016.

Note 6 — 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 equivalent shares consist of common stock issuable on the exercise of outstanding options and vesting of restricted stock units when dilutive.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Basic weighted average common shares outstanding	17,715	17,863	17,973	17,812
Weighted average common equivalent shares	335	282	320	223
Diluted weighted average common shares outstanding	18,050	18,145	18,293	18,035
Share based awards excluded from diluted weighted average share calculation as effect would have been anti-dilutive	129	911	251	1,324

Note 7 — Stockholders' Equity

Equity Plans

Stock option activity for the six months ended June 30, 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	(127)	31.70		
Forfeited	(33)	34.32		
Outstanding at June 30, 2017	1,380	$ 34.60	6.05	$ 6,321
Exercisable at June 30, 2017	859	$ 34.03	5.00	$ 4,403
Vested and expected to vest at June 30, 2017	1,380	$ 34.60	6.05	$ 6,321

Restricted stock unit activity for the six months ended June 30, 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	39	38.87
Vested	(56)	34.32
Forfeited	(18)	35.05
Unvested at June 30, 2017	504	$ 35.91

Stock-Based Compensation

Forrester recognizes the fair value of stock-based compensation in net income over the requisite service period of the individual grantee, which generally equals the vesting period. Stock-based compensation was recorded in the following expense categories (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Cost of services and fulfillment	$ 1,103	$ 870	$ 2,299	$ 2,064
Selling and marketing	202	109	364	423
General and administrative	891	647	1,582	1,274
Total	$ 2,196	$ 1,626	$ 4,245	$ 3,761

Forrester utilizes the Black-Scholes valuation model for estimating the fair value of shares subject to purchase under the employee stock purchase plan, which were valued using the following assumptions:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Average risk-free interest rate	0.88%	0.47%	0.74%	0.47%
Expected dividend yield	1.9%	2.3%	1.9%	2.3%
Expected life	0.5 Years	0.5 Years	0.5 Years	0.5 Years
Expected volatility	28%	27%	26%	27%
Weighted average fair value	$ 8.49	$ 7.06	$ 8.21	$ 7.06

Dividends

In the six months ended June 30, 2017, the Company declared and paid dividends of $6.8 million consisting of a $0.19 per share dividend in each of the first two quarters of 2017. In the six months ended June 30, 2016, the Company declared and paid dividends of $6.4 million consisting of a $0.18 per share dividend in each of the first two quarters of 2016. In July 2017, the Company declared a dividend of $0.19 per share payable on September 20, 2017 to shareholders of record as of September 6, 2017.

Treasury Stock

As of June 30, 2017, Forrester's Board of Directors had authorized an aggregate $485.0 million to purchase common stock under its stock repurchase program. The shares repurchased may be used, among other things, in connection with Forrester's employee and director equity incentive and purchase plans. In the three and six months ended June 30, 2017, the Company repurchased approximately 0.4 and 1.0 million shares, respectively, of common stock at an aggregate cost of approximately $15.0 and $36.5 million, respectively. The Company did not repurchase shares of common stock in the six months ended June 30, 2016. From the inception of the program through June 30, 2017, Forrester repurchased 16.0 million shares of common stock at an aggregate cost of $461.4 million.

Note 8 — Income Taxes

Forrester provides for income taxes on an interim basis according to management's estimate of the effective tax rate expected to be applicable for the full fiscal year. Certain items such as changes in tax rates and tax benefits or expense related to settlements of share-based payment awards are treated as discrete items and are recorded in the period in which they arise.

Income tax expense for the six months ended June 30, 2017 was $4.1 million resulting in an effective tax rate of 31.2% for the period. Income tax expense for the six months ended June 30, 2016 was $5.5 million resulting in an effective tax rate of 38.7% for the period. Income tax expense decreased by $1.4 million during the six months ended June 30, 2017 compared to the prior year period due primarily to the recognition of a $1.3 million benefit from the settlement of a tax audit in the first quarter of 2017. For the full year 2017, the Company anticipates that its effective tax rate will be approximately 36%.

Note 9 — Operating 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 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 Data, 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 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, certain client support 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 (expense), 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, 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 amounts have been reclassified to conform to the current presentation.

	Product	Research	Project Consulting	Consolidated
Three Months Ended June 30, 2017				
Research services revenues	$ 54,575	$ —	$ —	$ 54,575
Advisory services and events revenues	9,860	11,407	13,891	35,158
Total segment revenues	64,435	11,407	13,891	89,733
Segment expenses	13,797	12,414	6,589	32,800
Contribution margin (loss)	50,638	(1,007)	7,302	56,933
Selling, marketing, administrative and other expenses				(46,525)
Amortization of intangible assets				(194)
Reorganization costs				—
Other income and losses on investments				70
Income before income taxes				$ 10,284

	Product	Research	Project Consulting	Consolidated
Three Months Ended June 30, 2016				
Research services revenues	$ 55,023	$ —	$ —	$ 55,023
Advisory services and events revenues	9,157	12,537	11,104	32,798
Total segment revenues	64,180	12,537	11,104	87,821
Segment expenses	12,544	11,995	6,078	30,617
Contribution margin	51,636	542	5,026	57,204
Selling, marketing, administrative and other expenses				(45,511)
Amortization of intangible assets				(210)
Reorganization costs				(11)
Other income and losses on investments				419
Income before income taxes				$ 11,891

	Product	Research	Project Consulting	Consolidated
Six Months Ended June 30, 2017				
Research services revenues	$ 106,318	$ —	$ —	$ 106,318
Advisory services and events revenues	12,361	21,900	26,348	60,609
Total segment revenues	118,679	21,900	26,348	166,927
Segment expenses	23,024	24,557	12,443	60,024
Contribution margin (loss)	95,655	(2,657)	13,905	106,903
Selling, marketing, administrative and other expenses				(93,168)
Amortization of intangible assets				(385)
Reorganization costs				—
Other income and losses on investments				(124)
Income before income taxes				$ 13,226

	Product	Research	Project Consulting	Consolidated
Six Months Ended June 30, 2016				
Research services revenues	$ 108,271	$ —	$ —	$ 108,271
Advisory services and events revenues	11,858	22,914	22,179	56,951
Total segment revenues	120,129	22,914	22,179	165,222
Segment expenses	21,422	24,440	11,943	57,805
Contribution margin (loss)	98,707	(1,526)	10,236	107,417
Selling, marketing, administrative and other expenses				(91,788)
Amortization of intangible assets				(419)
Reorganization costs				(1,026)
Other income and losses on investments				91
Income before income taxes				$ 14,275

Note 10 — Recent 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, noncash 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.

In 2016, Forrester established a formal program and cross-functional implementation team to identify, design and implement changes to its accounting systems and policies, business processes and internal controls to support recognition and disclosures under the new standard. The Company estimates it is approximately 75% complete with its adoption analysis and significant completed activities to date include assessments of material, active contracts, performance obligations, standalone selling prices and transaction price allocation, revenue recognition timing, variable consideration and the recording of contract assets and liabilities.

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 than under current guidance. 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 / 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 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 our services as we transfer 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.

Under the 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.

Key areas still in process include the evaluation of contract costs and disclosure requirements. The adoption program and all remaining activities, including updates to the Company’s systems, processes, policies and controls, are expected to be completed in late 2017.

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 has determined that it will adopt the standard utilizing the modified retrospective method.

Notwithstanding the Company’s current conclusions above, certain areas of the standard, as well as implementation issues, continue to be worked through by the various standard setting bodies. The Company’s implementation team continues to monitor industry activities and standard updates and will adjust its adoption plans based on any relevant guidance issued by the standard setters and regulators.

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 our 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.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

This Quarterly Report on Form 10-Q 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 our plans for anticipated increases in, and productivity of, our sales force and headcount, future growth rates, future dividends, future share repurchases 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 that could cause actual future activities and results of operations to be materially different from those set forth in the forward-looking statements. Important factors that could cause actual future activities and results to differ include, among others, our ability to retain and enrich memberships for our research, data and leadership board products and services, our ability to fulfill existing or generate new project consulting engagements, the impact of our evolving customer engagement model, technology spending, the risks and challenges inherent in international business activities, our ability to offer new products and services, our dependence on key personnel, our ability to realize anticipated benefits from internal reorganizations, the ability to attract and retain qualified professional staff, our ability to respond to business and economic conditions and market trends, the possibility of network disruptions and security breaches, competition and industry consolidation, our ability to enforce and protect our intellectual property rights, compliance with privacy laws, possible variations in our quarterly operating results, taxation risks, concentration of our stock ownership and any weakness identified in our system of internal controls. These risks are described more completely in our Annual Report on Form 10-K for the year ended December 31, 2016. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

We derive revenues from memberships to, and sales of, our Research, Connect and Data products and services, performing advisory services and consulting projects, and hosting events. We offer contracts for our Research, Connect and Data 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 contracts), without regard to how much revenue has already been recognized.
- **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 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 a single client.

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 June 30, 2017	As of June 30, 2016	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Deferred revenue	$ 145.4	$ 138.6	$ 6.8	5%
Agreement value	$ 236.7	$ 241.8	$ (5.1)	(2%)
Client retention	75%	76%	(1)	(1%)
Dollar retention	87%	88%	(1)	(1%)
Enrichment	94%	96%	(2)	(2%)
Number of clients	2,417	2,481	(64)	(3%)

Deferred revenue at June 30, 2017 increased 5% compared to the prior year. The increase in deferred revenue is a result of increased contract billings in excess of revenue recognized due to an increase in contract bookings. Agreement value decreased 2% at June 30, 2017 compared to the prior year and after adjusting for the effect of foreign currency fluctuations, declined 1% compared to the prior year. Client retention rate increased 1% compared to the prior quarter but declined 1% compared to the prior year period. Dollar retention rate and enrichment rate, although essentially consistent with the prior quarter, declined 1% and 2%, respectively, compared to the prior year period.

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, stock-based compensation, non-marketable investments, goodwill and other intangible assets, and income taxes. Management bases its estimates on historical experience, data available at the time the estimates are made and various other 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. Our other critical accounting policies and estimates are described in our Annual Report on Form 10-K for the year ended December 31, 2016.

Results of Operations

The following table sets forth our statement of income as a percentage of total revenues for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenues:				
Research services	60.8%	62.7%	63.7%	65.5%
Advisory services and events	39.2	37.3	36.3	34.5
Total revenues	100.0	100.0	100.0	100.0
Operating expenses:				
Cost of services and fulfillment	41.1	39.2	40.9	39.6
Selling and marketing	34.0	33.4	36.6	36.2
General and administrative	11.6	11.7	12.4	12.3
Depreciation	1.7	2.4	1.9	2.4
Amortization of intangible assets	0.2	0.2	0.2	0.3
Reorganization costs	—	—	—	0.6
Income from operations	11.4	13.1	8.0	8.6
Other income, net	0.1	0.4	—	—
Losses on investments, net	—	—	(0.1)	—
Income before income taxes	11.5	13.5	7.9	8.6
Income tax provision	4.7	5.0	2.5	3.3
Net income	6.8%	8.5%	5.4%	5.3%

Three and Six Months Ended June 30, 2017 and 2016

Revenues

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Absolute Increase (Decrease)	Percentage Increase (Decrease)
	(dollars in millions)			
Revenues	$ 89.7	$ 87.8	$ 1.9	2%
Revenues from research services	$ 54.6	$ 55.0	$ (0.4)	(1%)
Revenues from advisory services and events	$ 35.2	$ 32.8	$ 2.4	7%
Revenues attributable to customers outside of the U.S.	$ 19.6	$ 20.1	$ (0.5)	(2%)
Percentage of revenue attributable to customers outside of the U.S.	22%	23%	(1)	(4%)
Number of events	6	7	(1)	(14%)

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016	Absolute Increase (Decrease)	Percentage Increase (Decrease)
	(dollars in millions)			
Revenues	$ 166.9	$ 165.2	$ 1.7	1%
Revenues from research services	$ 106.3	$ 108.3	$ (2.0)	(2%)
Revenues from advisory services and events	$ 60.6	$ 57.0	$ 3.6	6%
Revenues attributable to customers outside of the U.S.	$ 36.5	$ 38.0	$ (1.5)	(4%)
Percentage of revenue attributable to customers outside of the U.S.	22%	23%	(1)	(4%)
Number of events	6	7	(1)	(14%)

Total revenues increased 2% and 1% during the three and six months ended June 30, 2017, respectively, compared to the prior year periods and increased 3% and 2%, respectively, after adjusting for the effect of foreign currency fluctuations. Revenues from customers outside the U.S. decreased 2% and 4% during the three and six months ended June 30, 2017, respectively, compared to the prior year periods and increased 1% and decreased 1%, respectively, after adjusting for the effects of foreign currency fluctuations. Revenues from customers outside of the U.S. represented 22% of total revenues and decreased 1% as a percent of total revenues during both the three and six months ended June 30, 2017, compared to the prior year periods. The decline in revenue attributable to customers outside of the U.S. during the six months ended June 30, 2017 was principally due to a decline in revenue in Europe and Canada that was partially offset by growth in the Asia Pacific region.

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 decreased 1% and 2% during the three and six months ended June 30, 2017, respectively, compared to the prior year periods and were essentially flat for the three months ended June 30, 2017 and decreased 1% for the six months ended June 30, 2017 after adjusting for the effect of foreign currency fluctuations. The decrease was primarily driven by a decline in demand for our Data products.

Revenues from advisory services and events increased 7% and 6% during three and six months ended June 30, 2017, respectively, compared to the prior year periods and increased 8% and 7%, respectively, after adjusting for the effect of foreign currency fluctuations. Both periods during 2017 included strong growth in consulting revenues that was partially offset by a decline in advisory revenues. Events revenues increased 6% and 5% during the three and six months ended June 30, 2017, respectively. The increase in events revenues was due to an increase in sponsorship revenues for the events that offset having held one less event in the current year compared to the prior year.

Please refer to the “Segments Results” section below for a discussion of revenues and expenses by segment.

Cost of Services and Fulfillment

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Cost of services and fulfillment (dollars in millions)	$ 36.9	$ 34.4	$ 2.5	7%
Cost of services and fulfillment as a percentage of total revenues	41.1%	39.2%	1.9	5%
Service and fulfillment employees (at end of period)	605	582	23	4%

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Cost of services and fulfillment (dollars in millions)	$ 68.3	$ 65.5	$ 2.8	4%
Cost of services and fulfillment as a percentage of total revenues	40.9%	39.6%	1.3	3%

Cost of services and fulfillment expenses increased 7% during the three months ended June 30, 2017 compared to the prior year period and after adjusting for the effect of foreign currency fluctuations, increased 9%. The increase in dollars was primarily due to (1) a $1.1 million increase in compensation and benefit costs, resulting principally from an increase in employees compared to the prior year period and annual merit increases, (2) a $0.7 million increase in event expenses and (3) a $0.3 million increase in professional services costs.

Cost of services and fulfillment expenses increased 4% during the six months ended June 30, 2017 compared to the prior year period and after adjusting for the effect of foreign currency fluctuations, increased 6%. The increase in dollars was primarily due to (1) a $1.5 million increase in compensation and benefit costs, resulting principally from an increase in employees compared to the prior year period and annual merit increases, (2) a $0.7 million increase in event expenses and (3) a $0.2 million increase in professional services costs.

Selling and Marketing

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Selling and marketing expenses (dollars in millions)	$ 30.5	$ 29.3	$ 1.2	4%
Selling and marketing expenses as a percentage of total revenues	34.0%	33.4%	0.6	2%
Selling and marketing employees (at end of period)	584	575	9	2%

	Six Months Ended June 30, 2017		Six Months Ended June 30, 2016		Absolute Increase (Decrease)		Percentage Increase (Decrease)
Selling and marketing expenses (dollars in millions)	$	61.1	$	59.7	$	1.4	2%
Selling and marketing expenses as a percentage of total revenues		36.6%		36.2%		0.4	1%

Selling and marketing expenses increased 4% during the three months ended June 30, 2017 compared to the prior year period and after adjusting for the effect of foreign currency fluctuations, increased 5%. The increase in dollars was primarily due to a $0.9 million increase in compensation and benefit costs, resulting from an increase in sales employees, annual merit increases, an increase in incentive bonuses and an increase in severance costs compared to the prior year period.

Selling and marketing expenses increased 2% during the six months ended June 30, 2017 compared to the prior year period and after adjusting for the effect of foreign currency fluctuations, increased 4%. The increase in dollars was primarily due to a $1.9 million increase in compensation and benefit costs, resulting from an increase in sales employees, annual merit increases, an increase in incentive bonuses and an increase in severance costs compared to the prior year period. This increase was partially offset by a $0.8 million decrease in travel and entertainment expenses primarily resulting from a reduction in expense for our annual sales conference.

Subject to the business environment, we expect our sales headcount to increase by 4% to 7% in 2017 as compared to 2016.

General and Administrative

	Three Months Ended June 30, 2017		Three Months Ended June 30, 2016		Absolute Increase (Decrease)		Percentage Increase (Decrease)
General and administrative expenses (dollars in millions)	$	10.4	$	10.3	$	0.1	1%
General and administrative expenses as a percentage of total revenues		11.6%		11.7%		(0.1)	(1%)
General and administrative employees (at end of period)		192		179		13	7%

	Six Months Ended June 30, 2017		Six Months Ended June 30, 2016		Absolute Increase (Decrease)		Percentage Increase (Decrease)
General and administrative expenses (dollars in millions)	$	20.6	$	20.3	$	0.3	2%
General and administrative expenses as a percentage of total revenues		12.4%		12.3%		0.1	1%

General and administrative increased 1% during the three months ended June 30, 2017 compared to the prior year period and after adjusting for the effect of foreign currency fluctuations, increased 2%. The increase in dollars was primarily due to (1) a $0.4 million increase in compensation and benefit costs resulting from an increase in headcount and annual merit increases compared to the prior year period and (2) a $0.2 million increase in stock compensation costs. These increases were partially offset by a $0.6 million decrease in professional services expense.

General and administrative expenses increased 2% during the six months ended June 30, 2017 compared to the prior year period and after adjusting for the effect of foreign currency fluctuations, increased 3%. The increase in dollars was primarily due to (1) a $0.7 million increase in compensation and benefit costs resulting from an increase in headcount and annual merit increases compared to the prior year period, (2) a $0.3 million increase in stock compensation costs and (3) a $0.2 million increase in hiring and relocation expense. These increases were partially offset by a $1.0 million decrease in professional services expense primarily due to a decrease in legal and accounting services fees.

Depreciation

Depreciation expense decreased by $0.6 million and $0.9 million during the three and six months ended June 30, 2017, respectively, compared to the prior year period primarily due to certain equipment and software assets becoming fully depreciated.

Amortization of Intangible Assets

Amortization expense remained essentially consistent during the three and six months ended June 30, 2017 compared to the prior year periods.

Reorganization Costs

During the six months ended June 30, 2016, we incurred $1.0 million of severance and related benefits costs for a reduction in our workforce of approximately 2% of employees across various geographies and functions. All costs under this plan were paid during 2016.

Other Income, Net

Other income, net primarily consists of interest income on our investments as well as gains and losses on foreign currency. The decrease in other income, net during the three months ended June 30, 2017 compared to the prior year period is primarily due to foreign currency losses of approximately $0.1 million incurred during the current year period versus foreign currency gains of $0.3 million incurred during the prior year period.

Other income, net was essentially consistent during the six months ended June 30, 2017 and 2016.

Losses on Investments, Net

Losses on investments, net primarily represents our share of equity method investment gains and losses from our technology-related investment funds. Losses on investments, net was essentially consistent during the three months ended June 30, 2017 and 2016.

The increase in investment losses during the six months ended June 30, 2017 was due to an increase in investment losses incurred by the underlying funds as compared to the prior year period.

Provision for Income Taxes

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Provision for income taxes (dollars in millions)	$ 4.2	$ 4.4	$ (0.2)	(5%)
Effective tax rate	41.0%	37.3%	3.8	10%

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016	Absolute Increase (Decrease)	Percentage Increase (Decrease)
Provision for income taxes (dollars in millions)	$ 4.1	$ 5.5	$ (1.4)	(25%)
Effective tax rate	31.2%	38.7%	(7.5)	(19%)

Income tax expense decreased by $1.4 million during the six months ended June 30, 2017 compared to the prior year period due primarily to the recognition of a $1.3 million benefit on the settlement of a tax audit in the first quarter of 2017. For the full year 2017, we anticipate that our effective tax rate will be approximately 36%.

Segment Results

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 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 Data, 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 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.

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, certain client support 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 (expense), 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 in the table below. Accordingly, the 2016 amounts have been reclassified to conform to the current presentation.

	Product	Research	Project Consulting	Consolidated
Three Months Ended June 30, 2017				
Research services revenues	$ 54,575	$ —	$ —	$ 54,575
Advisory services and events revenues	9,860	11,407	13,891	35,158
Total segment revenues	64,435	11,407	13,891	89,733
Segment expenses	13,797	12,414	6,589	32,800
Contribution margin (loss)	50,638	(1,007)	7,302	56,933
Year over year revenue change	—	(9%)	25%	2%
Year over year expense change	10%	3%	8%	7%

	Product	Research	Project Consulting	Consolidated
Three Months Ended June 30, 2016				
Research services revenues	$ 55,023	$ —	$ —	$ 55,023
Advisory services and events revenues	9,157	12,537	11,104	32,798
Total segment revenues	64,180	12,537	11,104	87,821
Segment expenses	12,544	11,995	6,078	30,617
Contribution margin (loss)	51,636	542	5,026	57,204

	Product	Research	Project Consulting	Consolidated
Six Months Ended June 30, 2017				
Research services revenues	$ 106,318	$ —	$ —	$ 106,318
Advisory services and events revenues	12,361	21,900	26,348	60,609
Total segment revenues	118,679	21,900	26,348	166,927
Segment expenses	23,024	24,557	12,443	60,024
Contribution margin (loss)	95,655	(2,657)	13,905	106,903
Year over year revenue change	(1%)	(4%)	19%	1%
Year over year expense change	7%	—	4%	4%

	Product	Research	Project Consulting	Consolidated
Six Months Ended June 30, 2016				
Research services revenues	$ 108,271	$ —	$ —	$ 108,271
Advisory services and events revenues	11,858	22,914	22,179	56,951
Total segment revenues	120,129	22,914	22,179	165,222
Segment expenses	21,422	24,440	11,943	57,805
Contribution margin (loss)	98,707	(1,526)	10,236	107,417

Product segment revenues were essentially flat and decreased 1% during the three and six months ended June 30, 2017, respectively, compared to the prior year periods. Research services revenues decreased 1% and 2% during the three and six months ended June 30, 2017, respectively, compared to the prior year periods, principally driven by a decline in our Data products. Advisory services and events revenues, which is comprised of data consulting and events revenues in this segment, increased 8% and 4% during the three and six months ended June 30, 2017, respectively, compared to the prior year periods. The increase in advisory services and events revenues during the three months ended June 30, 2017 was primarily due to a $0.3 million increase in data consulting revenues and a $0.4 million increase in Events revenues due to an increase in sponsorship revenues that offset having held one less event in the current year compared to the prior year. The increase in advisory services and events revenues during the six months ended June 30, 2017 was primarily due to a $0.4 million increase in Events revenues due to an increase in sponsorship revenues. Product segment expenses increased 10% and 7% during the three and six months ended June 30, 2017, respectively, compared to the prior year periods primarily due to an increase in compensation and benefit costs due to an increase in employees and an increase in events expenses driven by high attendance at the events.

Research segment revenues decreased 9% and 4% during the three and six months ended June 30, 2017, respectively, compared to the prior year periods, reflecting a decrease in both advisory and consulting revenues. Research segment expenses increased 3% during the three months ended June 30, 2017 and were essentially flat during the six months ended June 30, 2017 compared to the prior year periods. The increase in expenses during the three months ended June 30, 2017 was due to a $0.4 million increase in compensation and benefit costs.

Project Consulting segment revenues increased 25% and 19% during the three and six months ended June 30, 2017, respectively, compared to the prior year periods due primarily to growth in our content marketing group, as well as slower growth in our strategic consulting group, both of which benefitted from delivery of projects in our backlog. We expect revenue growth rates to moderate to a single digit level for the second half of the year. Project Consulting expenses increased 8% and 4% during the three and six months ended June 30, 2017, respectively, compared to the prior year periods. The increase in expenses during the three months and six months ended June 30, 2017 was due to a $0.4 million increase in compensation and benefit costs.

Liquidity and Capital Resources

We have historically financed our operations primarily through funds generated from operations. Memberships for research services, which constituted approximately 64% of our revenues during the six months ended June 30, 2017, are generally renewable annually and are typically payable in advance. We generated cash from operating activities of $26.9 million and $31.5 million during the six months ended June 30, 2017 and 2016, respectively. The $4.6 million decrease in cash provided from operations for the six months ended June 30, 2017 was primarily attributable to a $5.5 million decrease in cash generated from working capital which was partially offset by a $1.0 million increase in net income and the effect of non-cash items. The decrease in cash from working capital was primarily due to a decrease in cash generated by accounts receivable and deferred revenue due to a decrease in cash collections and an increase in cash used for accounts payable.

During the six months ended June 30, 2017, we used $0.1 million of cash from investing activities, consisting primarily of $3.2 million of purchases of property and equipment partially offset by $2.9 million in net proceeds from sales and maturities of marketable investments. Property and equipment purchases during 2017 consisted primarily of computer equipment and software. During the six months ended June 30, 2016, we used $12.2 million of cash from investing activities, consisting primarily of $9.9 million in net purchases of marketable investments and $2.3 million of purchases of property and equipment. Property and equipment purchases during 2016 consisted primarily of computer equipment and software.

We used $38.9 million of cash from financing activities during the six months ended June 30, 2017, primarily due to $36.5 million for purchases of our common stock and the payment of dividends totaling $6.8 million, at $0.19 per share in each of the first two quarters of 2017, which was partially offset by $4.9 million of proceeds from the exercise of stock options and our employee stock purchase plan. We used $3.0 million of cash from financing activities during the six months ended June 30, 2016, primarily for the payment of dividends totaling $6.4 million, at $0.18 per share in each of the first two quarters of 2016, which was partially offset by $4.1 million of proceeds from the exercise of stock options and our employee stock purchase plan.

As of June 30, 2017 our remaining stock repurchase authorization was approximately $23.6 million. We plan to repurchase our common stock as market conditions warrant.

As of June 30, 2017, we had cash and cash equivalents of $67.1 million and marketable investments of $58.1 million. These balances include $54.4 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. taxes to repatriate these funds. 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.

Contractual Obligations

There have been no material changes to the contractual obligations table as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2016.

Off-Balance Sheet Arrangements

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

Recent Accounting Pronouncements

See Note 1 and Note 10 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 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our assessment of our sensitivity to market risk since our presentation set forth in Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” in our Annual Report on Form 10-K for the year ended December 31, 2016.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain “disclosure controls and procedures,” as such term is defined under Securities Exchange Act Rule 13a-15(e), that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. In designing and evaluating the disclosure controls and procedures, our management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2017. Based upon their evaluation and subject to the foregoing, the principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance as of that date.

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) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended June 30, 2017 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Form 10-Q, you should carefully consider the factors discussed in Part I, “Item 1A: Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2016, which could materially affect our business, financial condition or future results. The risk factors described in our Annual Report on Form 10-K remain applicable to our business. The risks described in our Annual Report on Form 10-K are not the only risks that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Through June 30, 2017, our Board of Directors authorized an aggregate $485.0 million to purchase common stock under our stock repurchase program. During the quarter ended June 30, 2017, we purchased the following shares of our common stock under the stock repurchase program:

Period	**Total Number of Shares Purchased (1)**	**Average Price Paid per Share**	**Maximum Dollar Value that May Yet be Purchased Under the Stock Repurchase Program (In thousands)**
April 1 - April 30	44,196	$ 39.10	
May 1 - May 31	281,700	$ 40.01	
June 1 - June 30	50,424	$ 39.21	
	376,320		$ 23,600

(1) All purchases of our common stock were made under the stock repurchase program first announced in 2001.

ITEM 6. EXHIBITS

3.1	Certificate of Amendment to Restated Certificate of Incorporation of Forrester Research, Inc., filed May 23, 2017 (Filed as an Exhibit to Forrester's Current Report on Form 8-K filed May 25, 2017 (File No. 000-21633) and incorporated herein by reference.)
3.2	Amended and Restated By-Laws of Forrester Research, Inc. (filed herewith)
31.1	Certification of the Principal Executive Officer. (filed herewith)
31.2	Certification of the Principal Financial Officer. (filed herewith)
32.1	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (furnished herewith)
32.2	Certification of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (furnished herewith)
101.INS	XBRL Instance Document. (filed herewith)
101.SCH	XBRL Taxonomy Extension Schema. (filed herewith)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase. (filed herewith)
101.DEF	XBRL Taxonomy Extension Definition Linkbase. (filed herewith)
101.LAB	XBRL Taxonomy Extension Label Linkbase. (filed herewith)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase. (filed herewith)

SIGNATURES

Pursuant to the requirements 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/ Michael A. Doyle
Michael A. Doyle
Chief Financial Officer
(Principal financial officer)

Date: August 8, 2017

Exhibit Index

Exhibit No.	Document
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Exhibit 3.2

AMENDED AND RESTATED
BY-LAWS
OF
FORRESTER RESEARCH, INC.
May 23, 2017

ARTICLE 1 — STOCKHOLDERS

1.1 Place of Meetings. All meetings of stockholders shall be held at such place, if any, within or without the State of Delaware as may be designated from time to time by the Board of Directors or the President or, if not so designated, at the registered office of the corporation.

1.2 Annual Meeting. The annual meeting of stockholders for the election of directors and for the transaction of such other business as may properly be brought before the meeting shall be held at 10:00 a.m. on the second Tuesday in May each year (unless that day be a legal holiday in the place, if any, where the meeting is to be held in which case the meeting shall be held at the same hour on the next succeeding day not a legal holiday) or at such other date and time as shall be fixed from time to time by the Board of Directors or the President and stated in the notice of the meeting.

1.3 Special Meeting. Special meetings of stockholders may be called at any time only by the Chairman of the Board of Directors, the Chief Executive Officer (or, if there is no Chief Executive Officer, the President) or the Board of Directors. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting.

1.4 Notice of Meetings. Except as otherwise provided by law, written notice of each meeting of stockholders, whether annual or special, shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting. The notices of all meetings shall state the place, if any, date and hour of the meeting, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present and vote at such meeting. The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called.

1.5 Voting List. The officer who has charge of the stock ledger of the corporation shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, at a place within the city where the meeting is to be held. The list shall also be produced and kept at the time and place, if any, of the meeting during the whole time of the meeting, and may be inspected by any stockholder who is present. The stock ledger of the corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by this Section 1.5 or the books of the corporation, or to vote in person or by proxy at any meeting of the stockholders.

1.6 Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these By-Laws, the holders of a majority of the shares of the capital stock of the corporation issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum.

1.7 Adjournments. Any meeting of stockholders may be adjourned to any other time and to any other place, if any, at which a meeting of stockholders may be held under these By-Laws, either by the stockholders present or represented at the meeting and entitled to vote, although less than a quorum, or, if no stockholder is present, by any officer entitled to preside at or to act as Secretary of such meeting. It shall not be necessary to notify any stockholder of any adjournment of less than 30 days if the time and place, if any, of the adjourned meeting and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present and vote at such adjourned meeting are announced at the meeting at which adjournment is taken, unless after the adjournment a new record date is fixed for the adjourned meeting. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting.

1.8 Voting and Proxies. Each stockholder shall have one vote for each share of stock entitled to vote held of record by such stockholder and a proportionate vote for each fractional share so held, unless otherwise provided by the General Corporation Law of the State of Delaware, the Certificate of Incorporation or these By-Laws. Each stockholder of record entitled to vote at a meeting of stockholders may vote or express such consent or dissent in person or may authorize another person or persons to vote or act for him by proxy authorized by an instrument in writing or by a transmission permitted by applicable law. No such proxy shall be voted or acted upon after three years from the date of its execution, unless the proxy expressly provides for a longer period.

1.9 Action at Meeting. When a quorum is present at any meeting, the holders of a majority of the stock present or represented and voting on a matter (or if there are two or more classes of stock entitled to vote as separate classes, then in the case of each such class, the holders of a majority of the stock of that class present or represented and voting on a matter) shall decide any matter to be voted upon by the stockholders at such meeting, except when a different vote is required by express provision of law, the Certificate of Incorporation or these By-Laws. Any election of a director by stockholders shall be determined by a plurality of the votes cast by the stockholders entitled to vote at the election.

1.10 Nomination of Directors. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the corporation. Nominations of persons for election to the Board of Directors of the corporation may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors, (i) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (ii) by any stockholder of the corporation (1) who is a stockholder of record on the date of the giving of the notice provided for in this Section 1.10 and on the record date for the determination of stockholders entitled to notice of and to vote at such annual meeting or special meeting and (2) who complies with the notice procedures set forth in this Section 1.10.

In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the corporation.

To be timely, a stockholder’s notice to the Secretary must be delivered to or be mailed and received at the principal executive offices of the corporation (a) in the case of an annual meeting, not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders of the corporation; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the 10th day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever occurs first; and (b) in the case of a special meeting of stockholders of the corporation called for the purpose of electing directors, not later than the close of business on the 10th day following the date on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever occurs first. In no event shall the adjournment or postponement of an annual meeting or a special meeting called for the purpose of electing directors, or the public announcement of such an adjournment or postponement, commence a new time period (or extend any time period) for the giving of a stockholder’s notice as described above.

To be in proper written form, a stockholder’s notice to the Secretary must set forth the following information: (a) as to each person whom the stockholder proposes to nominate for election as a director (i) the name, age, business address and home address of such person, (ii) the principal occupation or employment of such person, (iii) (A) the class or series and number of all shares of stock of the corporation which are owned beneficially or of record by such person and any affiliates or associates of such person, (B) the name of each nominee holder of shares of all stock of the corporation owned beneficially but not of record by such person or any affiliates or associates of such person, and the number of such shares of stock of the corporation held by each such nominee holder, (C) whether and the extent to which any derivative instrument, swap, option, warrant, short interest, hedge or profit interest or other transaction has been entered into by or on behalf of such person, or any affiliates or associates of such person, with respect to stock of the corporation and (D) whether and the extent to which any other transaction, agreement, arrangement or understanding (including any short position or any borrowing or lending of shares of stock of the corporation) has been made by or on behalf of such person, or any affiliates or associates of such person, the effect or intent of any of the foregoing being to mitigate loss to, or to manage risk or benefit of stock price changes for, such person, or any affiliates or associates of such person, or to increase or decrease the voting power or pecuniary or economic interest of such person, or any affiliates or associates of such person, with respect to stock of the corporation; and (iv) any other information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations thereunder; and (b) as to the stockholder giving the notice, and the beneficial owner, if any, on whose behalf the nomination is being made, (i) the name and record address of the stockholder giving the notice and the name and principal place of business of such beneficial owner; (ii) (A) the class or series and number of all shares of stock of the corporation which are owned beneficially or of record by such person and any affiliates or associates of such person, (B) the name of each nominee holder of the corporation owned beneficially but not of record by such person or any affiliates or associates of such person, and the number of shares of stock of the corporation held by each such nominee holder, (C) whether and the extent to which any derivative instrument, swap, option, warrant, short interest, hedge or profit interest or other transaction has been entered into by or on behalf of such person, or any affiliates or associates of such person, with respect to stock of the corporation and (D) whether and the extent to which any other transaction, agreement, arrangement or understanding (including any short position or any borrowing or lending of shares of stock of the corporation) has been made by or on behalf of such person, or any affiliates or associates of such person, the effect or intent of any of the foregoing being to mitigate loss to, or to manage risk or benefit of stock price changes for, such person, or any affiliates or associates of such person, or to increase or decrease the voting power or pecuniary or economic interest of such person, or any affiliates or associates of such person, with respect to stock of the corporation; (iii) a description of all agreements, arrangements or understandings (whether written or oral) between such person, or any affiliates or associates of such person, and any proposed nominee or any other person or persons (including their names) pursuant to which the nomination(s) are being made by such person, and any material interest of such person, or any affiliates or associates of such person, in such nomination, including any anticipated benefit therefrom to such person, or any affiliates or associates of such person; (iv) a representation that the stockholder giving notice intends to appear in person or by proxy at the annual meeting or special meeting to nominate the persons named in its notice; and (v) any other information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

A stockholder providing notice of any nomination proposed to be made at an annual meeting or special meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 1.10 shall be true and correct as of the record date for determining the stockholders entitled to receive notice of the annual meeting or special meeting, and such update and supplement shall be delivered to or be mailed and received by the Secretary at the principal executive offices of the corporation not later than five business days after the record date for determining the stockholders entitled to receive notice of such annual meeting or special meeting.

No person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth in this Section 1.10. If the chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

The corporation may require any proposed nominee to furnish such other information as may reasonably be required by the corporation to determine the eligibility of such proposed nominee to serve as a director of the corporation.

1.11 Notice of Business at Annual Meetings. At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors, (iii) otherwise properly brought before an annual meeting by a stockholder of the corporation who (i) is a stockholder of record on the date of the giving of the notice provided for in this Section 1.11 and on the record date for the determination of stockholders entitled to notice of and to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section 1.11. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, if such business relates to the election of directors of the corporation, the procedures in Section 1.10 must be complied with. If such business relates to any other matter, the stockholder must have given timely notice thereof in writing to the Secretary. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the corporation not less than 90 days nor more than 120 days prior to the anniversary of the immediately preceding annual meeting; provided, however, that in the event the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the 10th day following the date on which notice of the date of the meeting was mailed or public disclosure of the date of the annual meeting was made, whichever occurs first. In no event shall the adjournment or postponement of an annual meeting, or the public announcement of such an adjournment or postponement, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

A stockholder's notice to the Secretary shall set forth (a) as to each matter the stockholder proposes to bring before the annual meeting, a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting; (b) as to the stockholder giving notice and the beneficial owner, if any, on whose behalf the proposal is made, (i) the name and address of such person, (ii) the class and number of all shares of the corporation which are owned beneficially or of record by such person and any affiliates or associates of such person, (iii) the name of each nominee holder of shares of all stock of the corporation owned beneficially but not of record by such person and any affiliates or associates of such person and the number of shares of stock of the corporation held by each such nominee holder, (iv) whether and the extent to which any derivative instrument, swap, option, warrant, short interest, hedge or profit interest or other transaction has been entered into by or on behalf of such person, or any affiliates or associates of such person, with respect to stock of the corporation and (v) whether and the extent to which any other transaction, agreement, arrangement or understanding (including any short position or any borrowing or lending of shares of stock of the corporation) has been made by or on behalf of such person, or any affiliates or associates of such person, the effect or intent of any of the foregoing being to mitigate loss to, or to manage risk or benefit of stock price changes for, such person, or any affiliates or associates of such person, or to increase or decrease the voting power or pecuniary or economic interest of such person, or any affiliates or associates of such person, with respect to stock of the corporation; (c) a description of all agreements, arrangements or understandings (whether written or oral) between or among such person, or any affiliates or associates of such person, and any other person or persons (including their names) in connection with the proposal of such business and any material interest of such person or any affiliates or associates of such person, in such business, including any anticipated benefit therefrom to such person, or any affiliates or associates of such person; (d) a representation that the stockholder giving notice intends to appear in person or by proxy at the annual meeting to bring such business before the meeting; and (e) any other information relating to such person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies by such person with respect to the proposed business to be brought by such person before the annual meeting pursuant to Section 14 of the Exchange Act and the rules and regulations thereunder.

A stockholder providing notice of business proposed to be brought before an annual meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 1.11 shall be true and correct as of the record date for determining the stockholders entitled to receive notice of the annual meeting, and such update and supplement shall be delivered to or be mailed and received by the Secretary of the corporation at the principal executive offices of the corporation not later than five (5) business days after the record date for determining the stockholders entitled to receive notice of the annual meeting.

Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at any annual meeting except in accordance with the procedures set forth in this Section 1.11 and except that any stockholder proposal which complies with Rule 14a-8 of the proxy rules (or any successor provision) promulgated under the Exchange Act, and which is to be included in the corporation's proxy statement for an annual meeting of stockholders, shall be deemed to comply with the requirements of this Section 1.11.

The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 1.11, and if he should so determine, the chairman shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

1.12 Action without Meeting. At any time during which a class of capital stock of the corporation is registered under Section 12 of the Exchange Act, stockholders may not take any action by written consent in lieu of a meeting.

1.13 Organization. The Chairman of the Board, or in his absence the Vice Chairman of the Board designated by the Chairman of the Board, or the President, in the order named, shall call meetings of the stockholders to order, and act as chairman of such meeting; provided, however, that the Board of Directors may appoint any stockholder to act as chairman of any meeting in the absence of the Chairman of the Board. The Secretary of the corporation shall act as secretary at all meetings of the stockholders; but in the absence of the Secretary at any meeting of the stockholders, the presiding officer may appoint any person to act as secretary of the meeting.

1.14 Conduct of Meetings. The Board of Directors of the corporation may adopt by resolution such rules and regulations for the conduct of any meeting of the stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of the stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (iii) rules and procedures for maintaining order at the meeting and the safety of those present; (iv) limitations on attendance at or participation in the meeting to stockholders of record of the corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (v) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (vi) limitations on the time allotted to questions or comments by participants.

ARTICLE 2 — DIRECTORS

2.1 General Powers. The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors, who may exercise all of the powers of the corporation except as otherwise provided by law, the Certificate of Incorporation or these By-Laws. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.

2.2 Number; Election and Qualification. The number of directors which shall constitute the whole Board of Directors shall be determined by resolution of the Board of Directors, but in no event shall such number of directors be less than three. The number of directors may be decreased at any time and from time to time by a majority of the directors then in office, but only to eliminate vacancies existing by reason of the death, resignation, removal or expiration of the term of one or more directors. The directors shall be elected at the annual meeting of stockholders by such stockholders as have the right to vote on such election. Directors need not be stockholders of the corporation.

2.3 Terms of Office. Except as otherwise provided in the Certificate of Incorporation or these By-Laws, the term of office of each director who is in office immediately prior to the closing of the polls for the election of directors at the 2018 annual meeting of stockholders shall expire at such time. From and after the 2018 annual meeting of stockholders, each director shall be elected to serve for a term ending on the date of the next annual meeting of the stockholders; provided, that the term of each director shall be subject to the election and qualification of his or her successor and to his or her earlier death, resignation or removal.

2.4 Vacancies. Except as otherwise provided for or fixed by or pursuant to the provisions of Article IV of the Certificate of Incorporation relating to the rights of the holders of any class or series of the corporation’s preferred stock to elect additional directors under specified circumstances, any vacancy in the Board of Directors, however occurring, including a vacancy resulting from an enlargement of the Board, shall be filled only by a vote of a majority of the directors then in office, even if less than a quorum, or by the sole remaining director.

2.5 Resignation. Any director may resign by delivering his written resignation to the corporation at its principal office or to the President or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

2.6 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place, if any, either within or without the State of Delaware, as shall be determined from time to time by the Board of Directors and publicized among all directors. A notice of a regular meeting, the date of which has been so publicized, shall not be required.

2.7 Special Meetings. Special meetings of the Board of Directors may be held at any time and place, if any, within or without the State of Delaware, designated in a call by the Chairman of the Board, the President or one-third or more in number of the directors, or by one director in the event that there is only a single director in office.

2.8 Notice of Special Meetings. Notice of any special meeting of directors shall be given to each director by the Secretary or by the officer or one of the directors calling the meeting. Notice shall be duly given to each director (i) by giving notice to such director in person or by telephone at least 24 hours in advance of the meeting, (ii) by sending a telegram, telecopy or telex, electronic transmission, or delivering written notice by hand, to his last known business or home address at least 24 hours in advance of the meeting, or (iii) by mailing written notice to his last known business or home address at least 72 hours in advance of the meeting. A notice or waiver of notice of a special meeting of the Board of Directors need not specify the purposes of the meeting.

2.9 Meetings by Telephone Conference Calls. Directors or any members of any committee designated by the directors may participate in a meeting of the Board of Directors or such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

2.10 Quorum. A majority of the total number of the whole Board of Directors shall constitute a quorum at all meetings of the Board of Directors. In the event one or more of the directors shall be disqualified to vote at any meeting, then the required quorum shall be reduced by one for each such director so disqualified; provided, however, that in no case shall less than one-third (1/3) of the number of directors so fixed pursuant to Section 2.2 constitute a quorum. In the absence of a quorum at any such meeting, a majority of the directors present may adjourn the meeting from time to time without further notice, other than announcement at the meeting, until a quorum shall be present.

2.11 Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, the vote of a majority of those present shall be sufficient to take any action, unless a greater number is required by law, the Certificate of Incorporation or these By-Laws.

2.12 Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors or of any committee of the Board of Directors may be taken without a meeting, if all members of the Board or committee, as the case may be, consent to the action in writing, and the written consents are filed with the minutes of proceedings of the Board or committee.

2.13 Removal. A director of the corporation may be removed with or without cause by the affirmative vote of the holders of two-thirds of the shares of the capital stock of the corporation issued and outstanding and entitled to vote generally in the election of directors at a meeting of the stockholders called for the purpose of removing such director.

2.14 Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors and subject to the provisions of the General Corporation Law of the State of Delaware, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board of Directors may from time to time request. Except as the Board of Directors may otherwise determine, any committee may make rules for the conduct of its business, but unless otherwise provided by the directors or in such rules, its business shall be conducted as nearly as possible in the same manner as is provided in these By-Laws for the Board of Directors.

2.15 Compensation of Directors. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board of Directors may from time to time determine. No such payment shall preclude any director from serving the corporation or any of its parent or subsidiary corporations in any other capacity and receiving compensation for such service.

ARTICLE 3 — OFFICERS

3.1 Enumeration. The officers of the corporation shall consist of a President, a Secretary, a Treasurer and such other officers with such other titles as the Board of Directors shall determine, including a Chairman of the Board, a Vice Chairman of the Board, and one or more Vice Presidents, Assistant Treasurers and Assistant Secretaries. The Board of Directors may appoint such other officers as it may deem appropriate.

3.2 Election. The President, Treasurer and Secretary shall be elected annually by the Board of Directors at its first meeting following the annual meeting of stockholders. Other officers may be appointed by the Board of Directors at such meeting or at any other meeting.

3.3 Qualification. No officer need be a stockholder. Any two or more offices may be held by the same person.

3.4 Tenure. Except as otherwise provided by law, the Certificate of Incorporation or these By-Laws, each officer shall hold office until his successor is elected and qualified, unless a different term is specified in the vote choosing or appointing him, or until his earlier death, resignation or removal.

3.5 Resignation and Removal. Any officer may resign by delivering his written resignation to the corporation at its principal office or to the President or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event. The Board of Directors may remove any officer at any time, with or without cause.

3.6 Vacancies. The Board of Directors may fill any vacancy occurring in any office for any reason and may, in its discretion, leave unfilled for such period as it may determine any offices other than those of President, Treasurer and Secretary. Each such successor shall hold office for the unexpired term of his predecessor and until his successor is elected and qualified, or until his earlier death, resignation or removal.

3.7 Chairman of the Board and Vice Chairman of the Board. The Board of Directors may appoint a Chairman of the Board. If the Board of Directors appoints a Chairman of the Board, he shall perform such duties and possess such powers as are assigned to him by the Board of Directors. If the Board of Directors appoints a Vice Chairman of the Board, he shall, in the absence or disability of the Chairman of the Board, perform the duties and exercise the powers of the Chairman of the Board and shall perform such other duties and possess such other powers as may from time to time be vested in him by the Board of Directors.

3.8 President. The President shall, subject to the direction of the Board of Directors, have general charge and supervision of the business of the corporation. Unless otherwise provided by the Board of Directors, he shall preside at all meetings of the stockholders and, if he is a director, at all meetings of the Board of Directors. Unless the Board of Directors has designated the Chairman of the Board or another officer as Chief Executive Officer, the President shall be the Chief Executive Officer of the corporation. The President shall perform such other duties and shall have such other powers as the Board of Directors may from time to time prescribe.

3.9 Vice Presidents. Any Vice President shall perform such duties and possess such powers as the Board of Directors or the President may from time to time prescribe. In the event of the absence, inability or refusal to act of the President, the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board of Directors) shall perform the duties of the President and when so performing shall have all the powers of and be subject to all the restrictions upon the President. The Board of Directors may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board of Directors.

3.10 Secretary and Assistant Secretaries. The Secretary shall perform such duties and shall have such powers as the Board of Directors or the President may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of the Secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board of Directors, to attend all meetings of stockholders and the Board of Directors and keep a record of the proceedings, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board of Directors, the President or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the person presiding at the meeting shall designate a temporary secretary to keep a record of the meeting.

3.11 Treasurer and Assistant Treasurers. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned to him by the Board of Directors or the President. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of Treasurer, including without limitation the duty and power to keep and be responsible for all funds and securities of the corporation, to deposit funds of the corporation in depositories selected in accordance with these By-Laws, to disburse such funds as ordered by the Board of Directors, to make proper accounts of such funds and to render as required by the Board of Directors statements of all such transactions and of the financial condition of the corporation.

The Assistant Treasurers shall perform such duties and possess such powers as the Board of Directors, the President or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors) shall perform the duties and exercise the powers of the Treasurer.

3.12 Salaries. Officers of the corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board of Directors.

ARTICLE 4 — CAPITAL STOCK

4.1 Issuance of Stock. Unless otherwise voted by the stockholders and subject to the provisions of the Certificate of Incorporation, the whole or any part of any unissued balance of the authorized capital stock of the corporation or the whole or any part of any unissued balance of the authorized capital stock of the corporation held in its treasury may be issued, sold, transferred or otherwise disposed of by vote of the Board of Directors in such manner, for such consideration and on such terms as the Board of Directors may determine.

4.2 Certificates of Stock. The shares of the corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Every holder of stock represented by certificates shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman or Vice Chairman, if any, of the Board of Directors, or the President or a Vice President, and the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the corporation. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

4.3 Transfers. Subject to the restrictions, if any, stated or noted on the stock certificate, or otherwise in force, certificated shares of stock may be transferred on the books of the corporation by the surrender to the corporation or its transfer agent of the certificate therefor properly endorsed or accompanied by a written assignment and power of attorney properly executed, with necessary transfer stamps affixed, and with such proof of the authenticity of signature as the board of directors or the transfer agent of the corporation may reasonably require. Uncertificated shares of stock may be transferred on the books of the corporation upon receipt of proper transfer instructions from the registered owner of the uncertificated shares, an instruction from an approved source duly authorized by such owner or from an attorney lawfully constituted. Except as may be otherwise required by law, the Certificate of Incorporation or these By-Laws, the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to receive notice and to vote or to give any consent with respect thereto and to be held liable for such calls and assessments, if any, as may lawfully be made thereon, regardless of any transfer, pledge or other disposition of such stock until the shares have been properly transferred on the books of the corporation.

4.4 Lost, Stolen or Destroyed Certificates. The corporation may issue a new certificate of stock in place of any previously issued certificate alleged to have been lost, stolen or destroyed, upon such terms and conditions as the Board of Directors may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity as the Board of Directors may require for the protection of the corporation or any transfer agent or registrar.

4.5 Record Date. The Board of Directors may fix in advance a date as a record date for the determination of the stockholders entitled to notice of or to vote at any meeting of stockholders, or entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action. Such record date shall not be more than 60 nor less than 10 days before the date of such meeting, nor more than 60 days prior to any other action to which such record date relates. If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

4.6 Record Owner. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by law.

ARTICLE 5 — GENERAL PROVISIONS

5.1 Fiscal Year. Except as from time to time otherwise designated by the Board of Directors, the fiscal year of the corporation shall begin on the first day of January in each year and end on the last day of December in each year.

5.2 Corporate Seal. The corporate seal shall be in such form as shall be approved by the Board of Directors.

5.3 Notice; Waiver of Notice. If mailed, notice to a stockholder of the corporation shall be deemed given when deposited in the mail, postage prepaid, directed to a stockholder at such stockholder's address as it appears on the records of the corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders of the corporation may be given by electronic transmission in the manner provided in Section 232 of the General Corporation Law of the State of Delaware. Whenever any notice whatsoever is required to be given by law, the Certificate of Incorporation or these By-Laws, a waiver of such notice either in writing signed by the person entitled to such notice or such person's duly authorized attorney, or by telegraph, cable or any other available method, whether before, at or after the time stated in such waiver, or the appearance of such person or persons at such meeting in person or by proxy, shall be deemed equivalent to such notice.

5.4 Voting of Securities. Except as the directors may otherwise designate, the President or Treasurer may waive notice of, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for this corporation (with or without power of substitution) at, any meeting of stockholders or shareholders of any other corporation or organization, the securities of which may be held by this corporation.

5.5 Evidence of Authority. A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the corporation shall, as to all persons who rely on the certificate in good faith, be conclusive evidence of such action.

5.6 Certificate of Incorporation. All references in these By-Laws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the corporation, as amended or restated and in effect from time to time.

5.7 Transactions with Interested Parties. No contract or transaction between the corporation and one or more of the directors or officers, or between the corporation and any other corporation, partnership, association or other organization in which one or more of the directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or a committee of the Board of Directors which authorizes the contract or transaction or solely because his or their votes are counted for such purpose, if:

(1) The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum;

(2) The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or

(3) The contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee of the Board of Directors or the stockholders.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

5.8 Severability. Any determination that any provision of these By-Laws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these By-Laws.

5.9 Pronouns. All pronouns used in these By-Laws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

ARTICLE 6 — AMENDMENTS

6.1 By the Board of Directors. These By-Laws may be altered, amended or repealed, or new By-Laws may be adopted, by the affirmative vote of a majority of the directors present at any regular or special meeting of the Board of Directors at which a quorum is present.

6.2 By the Stockholders. These Bylaws may be altered, amended or repealed, or new By-Laws may be adopted, by the affirmative vote of the holders of at least seventy-five percent (75%) of the shares of the capital stock of the corporation issued and outstanding and entitled to vote generally in the election of directors, provided notice of such alteration, amendment, repeal or adoption of new By-Laws shall have been stated in the notice of any regular or special meeting called for such purpose.

Exhibit 31.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER

I, George F. Colony, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Forrester Research, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ GEORGE F. COLONY

George F. Colony
Chairman of the Board and Chief Executive Officer
(Principal executive officer)

Date: August 8, 2017

Exhibit 31.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER

I, Michael A. Doyle, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Forrester Research, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ MICHAEL A. DOYLE
Michael A. Doyle
Chief Financial Officer
(Principal financial officer)

Date: August 8, 2017

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Executive Officer of Forrester Research, Inc. (the “Company”), does hereby certify that to the undersigned’s knowledge:

1) the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, as filed with the Securities and Exchange Commission (the “10-Q Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

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

Dated: August 8, 2017

Exhibit 32.2

CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Chief Financial Officer of Forrester Research, Inc. (the "Company"), does hereby certify that to the undersigned's knowledge:

1) the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, as filed with the Securities and Exchange Commission (the "10-Q Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the 10-Q Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MICHAEL A. DOYLE
Michael A. Doyle
Chief Financial Officer

Dated: August 8, 2017