

MARIN SOFTWARE INC  
Form DEF 14A  
March 21, 2019  
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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A**

**(Rule 14a-101**

**SCHEDULE 14A INFORMATION**

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

Filed by the Registrant                      Filed by a party other than the Registrant o  
Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☒ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- ☐ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☐ Soliciting Material under § 240.14a-12

**Marin Software Incorporated**  
**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement if Other Than The Registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

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

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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March 21, 2019

To our stockholders:

You are cordially invited to attend the 2019 Annual Meeting of Stockholders of Marin Software Incorporated (the Annual Meeting ). The Annual Meeting will be held as a virtual meeting on Wednesday, May 1, 2019, at 9:30 a.m. (Pacific Daylight Time) via a live interactive webcast on the Internet at [www.virtualshareholdermeeting.com/MRIN2019](http://www.virtualshareholdermeeting.com/MRIN2019).

The matters expected to be acted upon at the Annual Meeting are described in detail in the accompanying Notice of Annual Meeting of Stockholders and proxy statement. The Annual Meeting materials include the notice, proxy statement, our Annual Report on Form 10-K for the year ended December 31, 2018, and proxy card, each of which is enclosed.

Your vote is important to us. Whether or not you plan to attend the Annual Meeting, please cast your vote as soon as possible by Internet, telephone, or by completing and returning the enclosed proxy card in the postage-prepaid envelope to ensure that your shares will be represented. Your vote by written proxy will ensure your representation at the Annual Meeting regardless of whether or not you attend in person. Returning the proxy does not deprive you of your right to attend the Annual Meeting and to vote your shares in person.

If you attend the Annual Meeting via the live webcast, you will be able to vote and submit questions during the Annual Meeting by using the control number located on your proxy card.

We appreciate your continued support.

Sincerely,

Christopher Lien  
*Chief Executive Officer*

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**MARIN SOFTWARE INCORPORATED**

**123 Mission Street, 27<sup>th</sup> Floor  
San Francisco, California 94105**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

- Time and Date:** Wednesday, May 1, 2019 at 9:30 a.m. Pacific Daylight Time
- Place:** Virtual meeting via a live interactive webcast on the Internet at [www.virtualshareholdermeeting.com/MRIN2019](http://www.virtualshareholdermeeting.com/MRIN2019) (the Annual Meeting )
- Items of Business:**
1. Elect two Class III directors of Marin Software Incorporated, each to serve until the 2022 annual meeting of stockholders and until his successor has been elected and qualified or until his earlier resignation or removal.
  2. Ratify the appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019.
  3. Transact any other business as may properly come before the meeting or any adjournment or postponement of the Annual Meeting.
- Record Date:** Only stockholders of record at the close of business on March 19, 2019 are entitled to notice of, and to vote at, the Annual Meeting and any adjournments thereof.
- Proxy Voting:** Each share of common stock that you own represents one vote. For questions regarding your stock ownership, you may contact the Marin Software Investor Relations Department through our website at <http://investor.marinsoftware.com/contact-ir> or, if you are a registered holder, prior to March 29, 2019, our transfer agent, Computershare Trust Company, N.A., by email through their website at [www.computershare.com/contactus](http://www.computershare.com/contactus) or by phone at (800) 962-4284, or on March 29, 2019 and thereafter, our new transfer agent, Broadridge Corporate Issuer Solutions, Inc., by email through their website at [www.shareholder@broadridge.com](mailto:www.shareholder@broadridge.com) or by phone at (877) 830-4936.

This Notice of the Annual Meeting, proxy statement and form of proxy are being distributed and made available on or about March 21, 2019. **Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 1, 2019:** Our proxy statement and Annual Report on Form 10-K for the year ended December 31, 2018 are available at [www.proxyvote.com](http://www.proxyvote.com).

**Whether or not you plan to attend the Annual Meeting, we encourage you to vote and submit your proxy through the Internet or by telephone or request and submit your proxy card as soon as possible, so that your shares may be represented at the meeting.**

By Order of the Board of Directors,

Christopher Lien  
Chief Executive Officer

San Francisco, California  
March 21, 2019

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**MARIN SOFTWARE INCORPORATED**

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**MARIN SOFTWARE INCORPORATED**

**123 Mission Street, 27<sup>th</sup> Floor  
San Francisco, California 94105**

**PROXY STATEMENT FOR THE 2019 ANNUAL MEETING OF STOCKHOLDERS**

**March 21, 2019**

**GENERAL INFORMATION**

**Information about Solicitation and Voting**

The accompanying proxy is solicited on behalf of Marin Software Incorporated's board of directors (the "Board") for use at the 2019 Annual Meeting of Stockholders of Marin Software Incorporation ( "we," "our," "us" or the "Company") to be held on May 1, 2019, at 9:30 a.m. Pacific Daylight Time (the "Meeting"), and any adjournment or postponement thereof. This proxy statement and the accompanying form of proxy were first mailed to stockholders on or about March 21, 2019. Our Annual Report on Form 10-K for the year ended December 31, 2018 is enclosed with this proxy statement. An electronic copy of this proxy statement and Annual Report on Form 10-K for the year ended December 31, 2018 are available at [www.proxyvote.com](http://www.proxyvote.com).

**Information About the Meeting**

**Purpose of the Meeting**

You are receiving this proxy statement because the Board is soliciting your proxy to vote your shares of common stock at the Meeting with respect to the proposals described in this proxy statement. This proxy statement includes information that we are required to provide to you pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ( "SEC") and is designed to assist you in voting your shares.

**Record Date; Quorum**

Only holders of record of our common stock at the close of business on March 19, 2019 (the "Record Date"), will be entitled to vote at the Meeting. At the close of business on March 19, 2019, we had 5,953,601 shares of our common stock outstanding and entitled to vote. For 10 days prior to the Meeting, a complete list of the stockholders entitled to vote at the Meeting will be available for examination by any stockholder for any purpose relating to the Meeting during ordinary business hours at our headquarters.

The holders of a majority of the voting power of the shares of our common stock entitled to vote at the Meeting as of the Record Date must be present at the Meeting in order to hold the Meeting and conduct business. This presence is called a quorum. Your shares of our common stock are counted as present at the Meeting if you are present and vote in person at the Meeting or if you have properly submitted a proxy.

**Voting Rights; Required Vote**

In deciding all matters at the Meeting, each holder of shares of our common stock is entitled to one vote for each share of our common stock held at the close of business on the Record Date. We do not have cumulative voting rights for the election of directors. You may vote all shares of our common stock owned by you as of the Record Date, including (1) shares held directly in your name as the stockholder of record, and (2) shares held for you as the beneficial owner in street name through a broker, bank, trustee, or other nominee.

*Stockholder of Record: Shares Registered in Your Name.* If, on the Record Date, your shares of our common stock were registered directly in your name with our transfer agent, Computershare, then you are considered the stockholder of record with respect to those shares. As a stockholder of record, you may vote at the Meeting or vote by telephone or by Internet, or if you request or receive paper proxy materials by mail, by filling out and returning the proxy card.



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*Beneficial Owner: Shares Registered in the Name of a Broker or Nominee.* If, on the Record Date, your shares of our common stock were held in an account with a brokerage firm, bank, trustee or other nominee, then you are the beneficial owner of the shares held in street name. As a beneficial owner, you have the right to direct your nominee on how to vote the shares of our common stock held in your account, and it has enclosed or provided voting instructions for you to use in directing it on how to vote your shares. However, the organization that holds your shares of our common stock is considered the stockholder of record for purposes of voting at the Meeting. Because you are not the stockholder of record, you may not vote your shares of our common stock at the Meeting unless you request and obtain a valid proxy from the organization that holds your shares giving you the right to vote the shares at the Meeting.

Each director will be elected by a plurality of the votes cast for Proposal No. 1, which means that the two individuals nominated for election to our Board at the Meeting receiving the highest number of **FOR** votes will be elected. You may either vote **FOR** all of the nominees, **WITHHOLD** your vote with respect to all of the nominees, or **FOR** all of the nominees except for any of the nominees that you specify. Approval of Proposal No. 2 will be obtained if the number of votes cast **FOR** such proposal at the Meeting exceeds the number of votes **AGAINST** such proposal. Abstentions (i.e., shares of our common stock present at the Meeting and marked **abstain** ) are counted for purposes of determining whether a quorum is present, and have no effect on the outcome of the matters voted upon. Broker non-votes occur when shares of our common stock held by a broker, bank, trustee, or other nominee for a beneficial owner are not voted either because (i) the broker, bank, trustee, or other nominee did not receive voting instructions from the beneficial owner, or (ii) the broker, bank, trustee, or other nominee lacked discretionary authority to vote the shares. Broker non-votes are counted for purposes of determining whether a quorum is present, and have no effect on the outcome of the matters voted upon. Note that if you are a beneficial holder and do not provide specific voting instructions to your broker, bank, trustee, or other nominee, the broker, bank, trustee, or other nominee that holds your shares of our common stock will not be authorized to vote on the election of directors (Proposal No. 1). Accordingly, we encourage you to provide voting instructions to your broker, bank, trustee, or other nominee, whether or not you plan to attend the Meeting.

### **Recommendations of the Board of Directors on Each of the Proposals Scheduled to be Voted on at the Meeting**

The Board recommends that you vote **FOR** each of the Class III directors named in this proxy statement (Proposal No. 1) and **FOR** the ratification of the appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019 (Proposal No. 2). None of the directors or executive officers has any substantial interest in any matter to be acted upon, other than elections to office with respect to the directors so nominated.

### **Voting Instructions; Voting of Proxies**

If you are a stockholder of record, you may:

vote at the Meeting—by following the instructions at [www.virtualshareholdermeeting.com/MRIN2019](http://www.virtualshareholdermeeting.com/MRIN2019), where stockholders may vote and submit questions during the Meeting. The Meeting starts at 9:30 a.m. Pacific

- Daylight Time on May 1, 2019. Please have your 16-Digit Control Number to join the Meeting. Instructions on how to attend and participate via the Internet, including how to demonstrate proof of stock ownership, are posted at [www.proxyvote.com](http://www.proxyvote.com);
- vote via telephone or the Internet—in order to do so, please follow the instructions shown on your proxy card; or
- vote by mail—if you request or receive a paper proxy card and voting instructions by mail, simply complete, sign and date the enclosed proxy card and return it before the Meeting in the envelope provided.

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Votes submitted by telephone or Internet must be received by 11:59 pm Eastern Daylight Time on April 30, 2019. Submitting your proxy, whether via the Internet, by telephone or by mail if you request or received a paper proxy card, will not affect your right to vote in person should you decide to attend the Meeting. If you are not the stockholder of record, please refer to the voting instructions provided by your nominee to direct it how to vote your shares. For Proposal No. 1, you may either vote **FOR** all of the nominees, **WITHHOLD** your

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vote with respect to all nominees or **FOR** all nominees except for any of the nominees that you specify. For Proposal No. 2, you may vote **FOR** or **AGAINST** or **ABSTAIN** from voting. Your vote is important. Whether or not you plan to attend the Meeting, we urge you to vote by proxy to ensure that your vote is counted.

All proxies will be voted in accordance with the instructions specified on the proxy card. If you sign a physical proxy card and return it without instructions as to how your shares of our common stock should be voted on a particular proposal at the Meeting, your shares of our common stock will be voted in accordance with the recommendations of our Board stated above.

If you do not vote and you hold your shares of our common stock in street name, and your broker, bank, trustee, or other nominee does not have discretionary power to vote your shares, your shares may constitute broker non-votes (as described above) and will not be counted in determining the number of shares necessary for approval of the proposals. However, shares of our common stock that constitute broker non-votes will be counted for the purpose of establishing a quorum for the Meeting.

If you receive more than one proxy card, your shares of our common stock are registered in more than one name or are registered in different accounts. To make certain all of your shares of our common stock are voted, please follow the instructions included on each proxy card and vote each proxy card by telephone or the Internet. If you requested or received paper proxy materials by mail, please complete, sign and return each proxy card to ensure that all of your shares are voted.

### **Expenses of Soliciting Proxies**

We will pay the expenses of soliciting proxies. Following the original mailing of the soliciting materials, the Company and its agents may solicit proxies by mail, electronic mail, telephone, facsimile, by other similar means, or in person. Our directors, officers, and other employees, without additional compensation, may solicit proxies personally or in writing, by telephone, email, or otherwise. Following the original mailing of the soliciting materials, we will request brokers, custodians, nominees and other record holders to forward copies of the soliciting materials to persons for whom they hold shares of our common stock and to request authority for the exercise of proxies. In such cases, we, upon the request of the record holders, will reimburse such holders for their reasonable expenses. If you choose to access the proxy materials through the Internet, you are responsible for any Internet access charges you may incur.

### **Revocability of Proxies**

Any person signing a proxy card in the form accompanying this proxy statement has the power to revoke it at any time before it is voted. Registered holders may revoke a proxy by (i) signing and returning a proxy card with a later date, (ii) delivering a written notice of revocation to Broadridge, 51 Mercedes Way, Edgewood, New York 11717, (iii) voting again by telephone or over the Internet or (iv) attending and voting at the Meeting (following the instructions at [www.virtualshareholdermeeting.com/MRIN2019](http://www.virtualshareholdermeeting.com/MRIN2019)). The mere presence at the Meeting of a stockholder who has previously appointed a proxy will not revoke the appointment. Please note, however, that if a stockholder's shares of our common stock are held of record by a broker, bank, trustee or other nominee and that stockholder wishes to revoke a proxy, the stockholder must contact that firm to revoke any prior voting instructions. In the event of multiple online or telephone votes by a stockholder, each vote will supersede the previous vote and the last vote cast will be deemed to be the final vote of the stockholder unless such vote is revoked at the Meeting.

### **Voting Results**

Voting results will be tabulated and certified by the inspector of elections appointed for the Meeting. The preliminary voting results will be announced at the Meeting and posted on our website at <http://investor.marinsoftware.com>. The

final results will be tallied by the inspector of elections and filed with the SEC in a Current Report on Form 8-K within four business days of the Meeting.

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### **BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD; CORPORATE GOVERNANCE STANDARDS AND DIRECTOR INDEPENDENCE**

We are strongly committed to good corporate governance practices. These practices provide an important framework within which our Board and management can pursue our strategic objectives for the benefit of our stockholders.

#### **Corporate Governance Guidelines; Share Pledging Policy**

Our Board has adopted Corporate Governance Guidelines that set forth our expectations for directors, director independence standards, Board committee structure and functions, and other policies regarding our corporate governance. Our Corporate Governance Guidelines are available on the Investor Relations section of our website, which is located at <http://investor.marinsoftware.com>, by clicking on Corporate Governance Guidelines, under Corporate Governance. Our nominating and corporate governance committee reviews the Corporate Governance Guidelines periodically, and changes are recommended to our Board with respect to changes as warranted.

#### **Board Leadership Structure**

Our Corporate Governance Guidelines provide that our Board shall be free to choose its chairman in any way that it considers in the best interests of the Company, and that the nominating and corporate governance committee shall periodically consider the leadership structure of our Board and make such recommendations related thereto to our Board with respect thereto as the nominating and corporate governance committee deems appropriate. Our Corporate Governance Guidelines also provide that, when the positions of chairman and chief executive officer are held by the same person, the independent directors shall designate a lead independent director. In cases in which the chairman and chief executive officer are the same person, the chairman schedules and sets the agenda for meetings of our Board, and the chairman, or if the chairman is not present, the lead independent director chairs such meetings. The responsibilities of the chairman or, if the chairman and the chief executive officer are the same person, the lead independent director, include: presiding at executive sessions; serving as a liaison between the chairman and the independent directors; and being available, under appropriate circumstances, for consultation and direct communication with stockholders.

Our Board believes that our stockholders and the Company are best served by having Christopher Lien, our Chief Executive Officer, serve as chairman of the Board and L. Gordon Crovitz serve as lead independent director. Our Board believes that the current Board leadership structure, coupled with a strong emphasis on Board independence, provides effective independent oversight of management while allowing the Board and management to benefit from Mr. Lien's extensive executive leadership and operational experience, including familiarity with our business as the Company's founder. Our independent directors bring experience, oversight and expertise from outside of the Company, while Mr. Lien brings Company-specific experience and expertise. Our Board believes that this governance structure provides strong leadership, creates clear accountability, and enhances our ability to communicate our message and strategy clearly and consistently to stockholders.

#### **Our Board of Directors Role in Risk Oversight**

Our Board, as a whole, has responsibility for risk oversight, although the committees of our Board oversee and review risk areas that are particularly relevant to them. The risk oversight responsibility of our Board and its committees is supported by our management reporting processes, which are designed to provide visibility to the Board and to our personnel who are responsible for risk assessment and information about the identification, assessment and management of critical risks and management's risk mitigation strategies. These areas of focus include, but are not limited to, competitive, economic, operational, financial (accounting, credit, liquidity, and tax), legal and compliance risks.

Each committee of the Board meets with key management personnel and representatives of outside advisors to oversee risks associated with their respective principal areas of focus. The audit committee reviews our major financial and legal compliance risk exposures and monitors the steps management has taken to mitigate and control such exposures, including our risk assessment and risk management policies and guidelines. The compensation committee reviews risks and exposures associated with compensation programs and arrangements, including incentive plans. The nominating and corporate governance committee reviews the leadership structure of our Board and management team.

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### **Independence of Directors**

Our Board determines the independence of our directors by applying the applicable rules, regulations and listing standards of The Nasdaq Stock Market LLC ( Nasdaq ) and relevant securities and other laws, rules and regulations regarding the definition of independent. These provide that a director is independent only if the Board affirmatively determines that the director does not have a relationship with the company which, in the opinion of the board of directors, would interfere with the exercise of his or her independent judgment in carrying out the responsibilities of a director.. They also specify various relationships that preclude a determination of director independence. Material relationships may include employment, commercial, accounting, family and other business, professional and personal relationships.

Applying these standards, our Board annually reviews the independence of our directors, taking into account all relevant facts and circumstances. In its most recent review, the Board considered, among other things, the relationships that each non-employee director has with the Company and all other facts and circumstances our Board deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director.

Based upon this review, our Board has determined that all of the members of our Board and nominees, other than Mr. Lien, are currently independent as determined under applicable rules, regulations and listing standards of Nasdaq. All members of our audit committee, compensation committee and nominating and corporate governance committee must be independent directors under the applicable rules, regulations and listing standards of Nasdaq. Members of the audit committee must also satisfy a separate SEC independence requirement, which provides that they may not (i) accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries other than their directors' compensation (including in connection with such member's service as a partner, member or principal of a law firm, accounting firm or investment banking firm that accepts consulting or advisory fees from the Company or any of its subsidiaries) or (ii) be an affiliated person of the Company or any of its subsidiaries. Members of the compensation committee also must satisfy a separate SEC independence requirement and a related Nasdaq listing standard relating to their affiliation with the Company and what advisory, consulting or other fees they may have received from us. Our Board has determined that all members of our audit committee, compensation committee and nominating and corporate governance committee are independent and all members of our audit committee satisfy the relevant SEC additional independence requirements for the members of such committee.

### **Committees of Our Board of Directors**

Our Board has established an audit committee, a compensation committee and a nominating and corporate governance committee. The composition and responsibilities of each committee are described below. Each of these committees has a written charter approved by the Board. Copies of the charters for each committee are available, without charge, upon request in writing to Marin Software Incorporated, 123 Mission Street, 27<sup>th</sup> Floor, San Francisco, California 94105, Attn: General Counsel or by clicking on Corporate Governance in the Investor Relations section of our website, <http://investor.marinsoftware.com>. Members serve on these committees until their resignations or until otherwise determined by our Board.

#### ***Audit Committee***

Our audit committee consists of Mr. Kinion, who is the chair of the audit committee, Mr. Crovitz, and Ms. Middleton. The composition of our audit committee meets the requirements for independence under current Nasdaq and SEC rules, regulations and listing standards. Each member of our audit committee is financially literate as required by Nasdaq listing standards. In addition, our board of directors has determined that each of Messrs. Kinion and Crovitz is an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act of

1933, as amended (the Securities Act ). Our audit committee is directly responsible for, among other things:

- selecting a firm to serve as the independent registered public accounting firm to audit our financial statements and overseeing their work;
- reviewing the continuing independence of the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and that firm, our interim and year-end operating results;



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- establishing procedures for employees and others to submit anonymously concerns about questionable accounting or audit matters;
- considering and reviewing the adequacy of our disclosure controls and internal controls over financial reporting;
- reviewing material related party transactions or those that require disclosure; and
- approving or, as permitted, pre-approving all audit and non-audit services to be performed by the independent registered public accounting firm.

### ***Compensation Committee***

Our compensation committee consists of Mr. Hutchison, who is the chair of the compensation committee, and Ms. Middleton. The composition of our compensation committee meets the requirements for independence under current Nasdaq and SEC rules, regulations and listing standards. Each member of this committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act ), an outside director, as defined pursuant to Section 162(m) of the Code and is independent as defined pursuant to applicable Nasdaq rules and Rule 10C-1 promulgated under the Exchange Act. The purpose of our compensation committee is to discharge the responsibilities of our board of directors relating to compensation of our executive officers. Our compensation committee is responsible for, among other things:

- reviewing and approving, or recommending that our Board approve, the compensation of our executive officers;
- reviewing and approving, or recommending to our Board the compensation of our directors;
- reviewing and approving, or recommending to our Board the terms of any compensatory agreements with our executive officers;
- administering our stock and equity incentive plans;
- reviewing and approving, or making recommendations to our Board with respect to, cash-based and equity-based incentive compensation; and
- reviewing our overall compensation strategy.

The compensation committee has the exclusive authority and responsibility to determine all aspects of executive compensation packages for executive officers, including the chief executive officer, and makes recommendations to our Board regarding the compensation of non-employee directors. The compensation committee may take into account the recommendations of the chief executive officer with respect to compensation of the other executive officers.

The compensation committee engaged an external compensation consultant, Compensia, Inc. ( Compensia ), a national compensation consulting firm, to evaluate our executive compensation program and practices and to provide advice and ongoing assistance on executive compensation matters for the fiscal year ended on December 31, 2018. Specifically, Compensia was engaged to:

- provide compensation-related data for a peer group of companies to serve as a basis for assessing competitive compensation practices;
- review and assess our current executive officer compensation policies and practices and equity profile relative to market practices; and
- review and assess our current executive compensation program relative to market to identify any potential changes or enhancements to be brought to the attention of the compensation committee.

During the year ended December 31, 2018 ( fiscal 2018 ), Compensia worked for the compensation committee (and not on behalf of management) to assist the committee in satisfying its responsibilities and undertook no projects for management without the committee's prior approval. The compensation committee has determined that none of the work performed by Compensia during fiscal 2018 raised any conflict of interest.

The compensation committee has delegated, in accordance with applicable law, rules and regulations and our certificate of incorporation and bylaws, to a plan grant administrator, the authority to make certain types of

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equity awards to service providers under our 2013 Plan pursuant to the terms of such plan and the equity award policy approved by our compensation committee. During fiscal 2018, the plan grant administrator consisted of the chief executive officer and the head of people. In accordance with our equity award policy, any equity award granted by the plan grant administrator that vests solely based on continuous service, shall vest as follows: (i) with respect to options as to the first twenty-five percent (25%) of the shares subject to the option after the recipient completes twelve (12) months of continuous service from the date of grant and as to an additional 1/48th of the total shares subject to the option when the recipient completes each month of continuous service thereafter and (ii) with respect to all other equity awards as to the first twenty-five percent (25%) of the shares or units awarded after the recipient completes twelve (12) months of continuous service from the date of grant and as to an additional twenty-five percent (25%) of the total shares or units awarded when the recipient completes each year of continuous service thereafter.

### ***Nominating and Corporate Governance Committee***

Our nominating and corporate governance committee consists of Mr. Crovitz, who is the chair of the nominating and corporate governance committee, and Ms. Middleton. The composition of our nominating and corporate governance committee meets the requirements for independence under current Nasdaq and SEC rules, regulations and listing standards. Our nominating and corporate governance committee is responsible for, among other things:

- identifying, evaluating, recruiting, and recommending candidates for membership on our Board;
- reviewing and recommending changes to our Corporate Governance Guidelines and Codes of Conduct and Business Ethics for Directors and for Employees;
- reviewing proposed waivers of the Code of Conduct for Directors;
- overseeing the process of evaluating the performance of our Board; and
- assisting our Board on corporate governance matters.

### **Compensation Committee Interlocks and Insider Participation**

The members of our compensation committee during 2018 were Mr. Hutchison and Allan Leinwand through July 26, 2018, and Mr. Hutchison and Ms. Middleton thereafter. None of the members of our compensation committee in 2018 were at any time during 2018 or at any other time an officer or employee of the Company or any of its subsidiaries, and none had or has any relationships with the Company that are required to be disclosed under Item 404 of Regulation S-K, except as provided under the Related Party Transactions section below. None of our executive officers has served as a member of the board of directors, or as a member of the compensation or similar committee, of any entity that has one or more executive officers who served on our Board or compensation committee during 2018.

### **Board and Committee Meetings and Attendance**

Our Board and its committees meet throughout the year on a set schedule, and also hold special meetings and act by written consent from time to time. During 2018:

- our Board held 11 meetings and acted by unanimous written consent five times;
- our audit committee held eight meetings and acted by unanimous written consent one time;
- our compensation committee held three meetings and acted by unanimous written consent two times; and
- our nominating and corporate governance committee did not hold any meetings and acted by unanimous written consent one time.

None of the directors attended fewer than 75% of the aggregate of the total number of meetings held by our Board and the total number of meetings held by all committees of the Board on which such director served (during the period that such director served on the Board and any committee thereof).



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### **Director Attendance at Annual Stockholders Meeting**

Our policy is to invite and encourage each director to be present at our annual meetings of stockholders. James Barrese (who resigned in July 2018), Allan Leinwand (who resigned in July 2018), and Messrs. Crovitz, Hutchison, Kinion, and Lien, and Ms. Middleton were present at our 2018 annual meeting of stockholders held on May 3, 2018.

### **Presiding Director of Non-Employee Director Meetings**

The non-employee directors meet in regularly scheduled executive sessions without management to promote open and honest discussion. Our lead independent director, currently Mr. Crovitz, is the presiding director at these meetings.

### **Communication with Directors**

Stockholders and interested parties who wish to communicate with our Board, non-management directors as a group, a committee of our Board or a specific director (including our chairman or lead independent director, if any) may do so by letters addressed to the attention of our Corporate Secretary or by sending an email to our Board at Board@marinsoftware.com.

All communications are reviewed by the Corporate Secretary and provided to the directors consistent with a screening policy providing that unsolicited items, sales materials, abusive, threatening or otherwise inappropriate materials and other routine items and items unrelated to the duties and responsibilities of our Board not be relayed on to directors. Any communication that is not relayed is recorded in a log and made available to our Board. The address for these communications is:

Marin Software Incorporated  
c/o Corporate Secretary  
123 Mission Street, 27<sup>th</sup> Floor  
San Francisco, California 94105

### **Codes of Business Conduct and Ethics**

We have adopted Codes of Business Conduct and Ethics that apply to all of our directors, officers and employees. Our Codes of Business Conduct and Ethics are posted on the Investor Relations section of our website located at <http://investor.marinsoftware.com> by clicking on Corporate Governance. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K regarding amendment to, or waiver from, a provision of our Codes of Business Conduct and Ethics by posting such information on our website at the address and location specified above.

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### **NOMINATIONS PROCESS AND DIRECTOR QUALIFICATIONS**

#### **Nomination to the Board of Directors**

Candidates for nomination to our Board are selected by our Board based on the recommendation of the nominating and corporate governance committee in accordance with the committee's charter, our certificate of incorporation and bylaws, our Corporate Governance Guidelines, and the criteria adopted by the Board regarding director candidate qualifications. In recommending candidates for nomination, the nominating and corporate governance committee considers candidates recommended by directors, officers, employees, stockholders and others, using the same criteria to evaluate all candidates. Evaluations of candidates generally involve a review of background materials, internal discussions and interviews with selected candidates as appropriate and, in addition, the committee may engage consultants or third-party search firms to assist in identifying and evaluating potential nominees.

Additional information regarding the process for properly submitting stockholder nominations for candidates for membership on our Board is set forth below under **Stockholder Proposals to Be Presented at Next Annual Meeting**.

#### **Director Qualifications**

With the goal of developing a diverse, experienced and highly-qualified Board, the nominating and corporate governance committee is responsible for developing and recommending to our Board the desired qualifications, expertise and characteristics of members of our Board, including the specific minimum qualifications that the committee believes must be met by a committee-recommended nominee for membership on our Board and any specific qualities or skills that the committee believes are necessary for one or more of the members of our Board to possess.

Since the identification, evaluation and selection of qualified directors is a complex and subjective process that requires consideration of many intangible factors, and will be significantly influenced by the particular needs of the Board from time to time, our Board has not adopted a specific set of minimum qualifications, qualities or skills that are necessary for a nominee to possess, other than those that are necessary to meet U.S. legal, regulatory and Nasdaq listing requirements and the provisions of our certificate of incorporation, bylaws, Corporate Governance Guidelines, and charters of the committees of our Board. In addition, neither our Board nor the nominating and corporate governance committee has a formal policy with regard to the consideration of diversity in identifying nominees. When considering nominees, the nominating and corporate governance committee may take into consideration many factors including, among other things, a candidate's independence, integrity, skills, financial and other expertise, breadth of experience, and knowledge about our business or industry and ability to devote adequate time and effort to responsibilities of the Board in the context of its existing composition. Through the nomination process, the nominating and corporate governance committee seeks to promote Board membership that reflects a diversity of business experience, expertise, viewpoints, personal backgrounds and other characteristics that are expected to contribute to the Board's overall effectiveness. The brief biographical description of each director and director nominee set forth in Proposal No. 1 below includes the primary individual experience, qualifications, attributes and skills of each of our directors that led to the conclusion that each director should serve as a member of our Board at this time.

TABLE OF CONTENTS**PROPOSAL NO. 1****ELECTION OF DIRECTORS**

Our Board currently consists of five directors and is divided into three classes. Each class serves for three years, with the terms of office of the respective classes expiring in successive years. Directors in Class III will stand for election at the Meeting. The terms of office of directors in Class II and Class I do not expire until the annual meetings of stockholders to be held in 2020 and 2021, respectively. At the recommendation of the nominating and governance committee, our Board proposes that the two Class III nominees named below, each of whom is currently serving as a director in Class III, be elected as a Class III director for a three-year term expiring at the 2022 annual meeting of stockholders and until such director's successor is duly elected and qualified or until such director's earlier resignation or removal. Allan Leinwand, a former Class II director, and James Barrese, a former Class III director, resigned from the Board in July 2018.

Shares of our common stock represented by proxies will be voted **FOR** the election of each of the two nominees named below, unless the proxy is marked to withhold authority to so vote. If any nominee for any reason is unable to serve or for good cause will not serve, the proxies may be voted for such substitute nominee as the proxy holder might determine. Each nominee has consented to being named in this proxy statement and to serve if elected.

**Nominees to the Board of Directors**

The nominees, and their ages, occupations and length of Board service as of February 15, 2019, are provided in the table below. Additional biographical descriptions of each nominee are set forth in the text below the table. These descriptions include the primary individual experience, qualifications, qualities and skills of each of our nominees that led to the conclusion that each director should serve as a director at this time.

<b>Name of Director/Nominee</b>	<b>Age</b>	<b>Principal Occupation</b>	<b>Director Since</b>
Brian Kinion <sup>(1)</sup>	52	CFO, Upwork	2017
Christopher Lien	52	Founder, CEO, Marin Software Incorporated	2006

(1) Member of audit committee.

*Brian Kinion.* Mr. Kinion has served as a member of our Board since June 2017. Mr. Kinion is currently the Chief Financial Officer at Upwork, since November 2017. From March 2016 to April 2017, Mr. Kinion was the chief financial officer at Marketo, a marketing software automation platform. Prior to that role, Mr. Kinion served as a Vice-President and Group Vice President of Finance at Marketo from June 2013 to March 2016. From June 2002 to June 2013, Brian held a variety of finance leadership roles at SuccessFactors, a SaaS human resources management platform acquired by SAP; CoTherix, Inc., a biopharmaceutical company acquired by Actelion Pharmaceuticals, ClearSwift, an information security company; and DigitalThink, an elearning enterprise solutions company acquired by Convergys Corporation. He began his career as an auditor at KPMG LLP. Mr. Kinion holds a B.S. in accounting and an M.B.A. from St. Mary's College of California. Mr. Kinion brings to our Board his 25 years of experience in leading finance organizations in public and private companies during periods of rapid growth and cash constraints, and expertise in SaaS and cloud business models, reporting and planning at high growth subscription businesses.

*Christopher Lien.* Mr. Lien is our founder, Chief Executive Officer, and chairman of our Board. From May 2014 until September 2015, Mr. Lien served as executive chairman, and from the founding of the Company in 2006 to May 2014, he served as our Chief Executive Officer. Mr. Lien returned to serve as our Chief Executive Officer in August 2016. Mr. Lien has been a member of our Board since 2006. Previously, Mr. Lien served as Chief Operating Officer of Adteractive, Inc., an online performance marketing company, from 2004 to 2005. In 2001, Mr. Lien co-founded and served as Chairman and Chief Financial Officer of Sugar Media, Inc., a broadband services platform, until its

acquisition in 2003 by 2Wire, Inc., a leading supplier of DSL equipment and services, which was subsequently acquired by Pace plc in 2010. Prior to that, Mr. Lien served in various capacities at BlueLight.com, LLC, Kmart Corporation's e-commerce and Internet service provider subsidiary from 2000 to 2001, including as Chief Financial Officer and acting Chief Executive Officer. Prior to BlueLight.com, Mr. Lien spent 10 years at various investment banks, including Morgan Stanley and Evercore Partners, with his last role as Managing Director. Mr. Lien holds an A.B. from Dartmouth College, where he was



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elected as a member of Phi Beta Kappa, and an M.B.A. from the Stanford Graduate School of Business. Mr. Lien's presence as a director brings his thorough knowledge of our company into our Board's strategic and policy-making discussions. He brings his extensive experience in finance, digital marketing and executive roles in the information technology industry into deliberations regarding our strategy and operations.

**Continuing Directors**

The directors who are serving for terms that end following the Meeting, and their ages, occupations and length of Board service as of February 15, 2019, are provided in the table below. Additional biographical descriptions of each such director are set forth in the text below the table. These descriptions include the primary individual experience, qualifications, qualities and skills of each of our nominees that led to the conclusion that each director should continue to serve as a director at this time.

<b>Name of Director</b>	<b>Age</b>	<b>Principal Occupation</b>	<b>Director Since</b>
<b>Class I Directors:</b>			
L. Gordon Crovitz <sup>(1)(2)</sup>	60	Founder, Journalism Online;	2012
Daina Middleton <sup>(1)(2)(3)</sup>	53	CEO, Ansira	2014
<b>Class II Directors:</b>			
Donald Hutchison <sup>(3)</sup>	62	Investor	2006

(1) Member of audit committee.

(2) Member of nominating and corporate governance committee.

(3) Member of compensation committee.

*L. Gordon Crovitz.* Mr. Crovitz has served as a member of our Board since May 2012. In February 2018, Mr. Crovitz co-founded and currently serves as the co-CEO of NewsGuard Technologies, a provider of information about the news brands consumers access online. Between September 2016 and April 2017, Mr. Crovitz served as the Interim CEO of Houghton Mifflin Harcourt Company, a global learning company. In 2009, Mr. Crovitz became a partner at NextNews Ventures, which invests in early-stage news and information companies. Mr. Crovitz also co-founded Journalism Online, LLC, a provider of e-commerce solutions for publishers, in April 2009. From 2008 until April 2009, Mr. Crovitz was an active angel investor in, and advisor to, privately held media and technology companies. Prior to that, Mr. Crovitz worked at Dow Jones & Company, Inc. from 1980 until 2007 in a variety of positions, most recently as a publisher of The Wall Street Journal and executive vice president. Mr. Crovitz is a member of the boards of directors of Dun & Bradstreet, Inc., which he joined in 2014, and Houghton Mifflin Harcourt Company, which he joined in 2012. He is also a member of the boards of directors of Association of American Rhodes Scholars, Blurb, Inc., and Business Insider, Inc., each of which is a privately held entity. Mr. Crovitz holds an A.B. in Politics, Economics, Rhetoric and Law from the University of Chicago, a B.A. in Jurisprudence from the University of Oxford and a J.D. from Yale Law School. Mr. Crovitz brings to our Board a diversity of distinguished experiences and seasoned business acumen, particularly extensive experience in the media and publishing industries. His service on a number of boards of directors provides an important perspective on corporate governance matters, including best practices established at other companies.

*Daina Middleton.* Ms. Middleton has served on our Board since October 2014. Since January 2016, Ms. Middleton has been an organization effectiveness coach with the Larcen Consulting Group. Prior to this role, Ms. Middleton was the Head of Business Marketing at Twitter, Inc., a social media and communications platform, from May 2014 until January 2016. Before joining Twitter, she was Chief Executive Officer of Performics, Inc., a performance marketing agency, from January 2010 to May 2014. Prior to that, Ms. Middleton served as Senior Vice President at Moxie Interactive, an interactive marketing agency, from 2008 to 2010, and earlier in her career, she worked at

Hewlett-Packard for 16 years in advertising and marketing roles of increasing responsibility. Ms. Middleton received a B.S. in Technical Journalism from Oregon State University. Ms. Middleton brings to our Board her expertise in the digital marketing space built over more than 20 years in the industry as well as her experience in general management and executive leadership.

*Donald P. Hutchison.* Mr. Hutchison has served on our Board since April 2006. Since 2002, Mr. Hutchison's principal employment has been as an angel investor in start-up technology companies. From 2006 to 2008,

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Mr. Hutchison was the Co-Founder and Chairman of the Board of Directors of Recurrent Energy LLC, a solar energy provider. Prior to that, Mr. Hutchison served as the Chief Executive Officer and Chairman of the Board of work.com, a joint venture established by Dow Jones and Excite@Home. Mr. Hutchison previously served in senior positions at Excite@Home (At Home Corporate), a former Internet broadband provider acquired by Ask Jeeves, and NETCOM On-Line Communications Services, Inc., a former Internet services provider acquired by ICG Communications. Mr. Hutchison previously served as a member of the board of directors of many privately-held companies, including W&W Communications, Inc., a fabless semiconductor company, which was acquired by Cavium, Inc. Mr. Hutchison holds a B.A. in Economics from the University of California, Santa Barbara, and an M.B.A. in Finance and Organizational Development from Loyola Marymount University. Mr. Hutchison brings to our Board significant experience analyzing and investing in other technology companies, as well as management and leadership experience as a former founder and executive of technology companies.

There are no familial relationships among our directors and officers.

**Director Compensation**

The following table provides information for the fiscal year ended December 31, 2018 regarding all compensation awarded to, earned by or paid to each person who served as a non-employee director for some portion or all of fiscal 2018. Christopher Lien, our Chief Executive Officer, is not included in the table below as he is an employee and thus received no compensation for his services as a director for the fiscal year ended December 31, 2018. The compensation received by Mr. Lien as an employee is shown in the —Summary Compensation Table below.

Pursuant to our director compensation policy, on the date of the annual stockholder's meeting, non-employee directors are eligible to receive an option to purchase our common stock having an aggregate full grant date fair value of \$150,000, with such option vesting in full on the first anniversary of the date of grant. For fiscal 2018, to reduce the number of shares of our common stock issuable to directors given the trading price range of our common stock at that time, our compensation committee reduced the size of the grant to an option to purchase 8,572 shares of our common stock, which option had a grant date fair value of \$25,578 as indicated in the table below.

Name	Fees Earned or Paid in			Option Awards (\$) <sup>(1)</sup>	All Other Compensation (\$)	Total (\$)
	Cash (\$)					
James J. Barrese	—			25,578	—	25,578
L. Gordon Crovitz	—			25,578	—	25,578
Donald P. Hutchison	—			25,578	—	25,578
Brian Kinion	—			25,578	—	25,578
Allan Leinwand	—			25,578	—	25,578
Daina Middleton	—			25,578	—	25,578

Amounts shown in this column reflect the aggregate full grant date fair value calculated in accordance with ASC 718 for stock option awards granted during the fiscal year. The assumptions used in calculating the grant date fair value of the stock options reported in this column are set forth in Note 10 to the to the audited consolidated financial statements included in our Annual Report on Form 10-K for fiscal 2018 (the 2018 Form 10-K ). Note (1) that the amounts reported in this column reflect the accounting cost for these stock options, and do not correspond to the actual economic value that may be received by the non-employee directors from the options. For information regarding the number of stock options held by each non-employee director as of December 31, 2018, see the table below.



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Our non-employee directors held the following number of outstanding stock options as of December 31, 2018.

<b>Name</b>	<b>Grant Date</b>	<b>Option Awards<sup>(1)</sup></b>
James J. Barrese*	—	—
L. Gordon Crovitz	4/12/18 <sup>(2)</sup>	8,572
	5/8/17 <sup>(2)</sup>	8,572
	5/10/16 <sup>(2)</sup>	8,572
	4/22/15 <sup>(2)</sup>	6,943
	5/12/14 <sup>(2)</sup>	4,177
Donald P. Hutchison	4/12/18 <sup>(2)</sup>	8,572
	5/8/17 <sup>(2)</sup>	8,572
	5/10/16 <sup>(2)</sup>	8,572
	4/22/15 <sup>(2)</sup>	6,986
	5/12/14 <sup>(2)</sup>	4,220
	9/14/12 <sup>(3)</sup>	2,858
	1/31/13 <sup>(4)</sup>	4,286
	1/31/13 <sup>(5)</sup>	100
Brian Kinion	4/12/18 <sup>(2)</sup>	8,572
	8/15/17 <sup>(2)</sup>	7,444
Allan Leinwand*	—	—
Daina Middleton	4/12/18 <sup>(2)</sup>	8,572
	5/8/17 <sup>(2)</sup>	8,572
	5/10/16 <sup>(2)</sup>	8,572
	4/22/15 <sup>(2)</sup>	6,886
	10/13/14 <sup>(6)</sup>	4,286

James J. Barrese and Allan Leinwand each resigned from our Board in July 2018. Pursuant to the 2013 Equity

\* Incentive Plan (the 2013 Plan ), each of Mr. Barrese's and Mr. Leinwand's unexercised option grants expired in October 2018.

All stock options expire 10 years after the date of grant. These stock options also provide that, in the event of a change of control, all of the shares of our common stock subject to such stock option will immediately vest, and

(1) the right of repurchase with respect to any unvested shares shall lapse, in full as of the effectiveness of the change of control. All historic stock option awards listed in this table have been adjusted to reflect our 1-for-7 reverse stock split effectuated on October 5, 2017.

(2) The stock option was granted pursuant to the 2013 Plan and vested or will vest in its entirety on the first anniversary of the vesting commencement date.

The stock option was granted pursuant to the 2006 Equity Incentive Plan (the 2006 Plan ) and was immediately exercisable in full upon grant. In the event the grantee exercised unvested shares subject to the option, the unvested shares would be subject to a right of repurchase in our favor at the option exercise price. The stock option vests ratably each month over a 48-month period from the vesting commencement date.

(3) The stock option was granted pursuant to the 2006 Plan and was immediately exercisable in full upon grant. In the event the grantee exercised unvested shares subject to the option, the unvested shares would be subject to a right of repurchase in our favor at the option exercise price. The stock option vested over a three-year period with one-third vesting on each anniversary of the vesting commencement date and is fully vested.

(5) The stock option was granted pursuant to the 2006 Plan and was immediately exercisable in full upon grant. In the event the grantee exercised unvested shares subject to the option, the unvested shares would be subject to a right of repurchase in our favor at the option exercise price. The stock option vested in its entirety on the first anniversary of the vesting commencement date.

(6) The stock option was granted pursuant to the 2013 Plan and vests over a three-year period with one-third vesting on each anniversary of the vesting commencement date.

*Cash Compensation.* We do not provide cash retainer fees to our non-employee directors for their services as a member of our Board or any committee thereof or any cash meeting fees for attendance at any meetings of our Board or committees thereof.

*Other Compensation.* Non-employee directors receive no other form of remuneration, perquisites or benefits, but are reimbursed for their expenses in attending meetings, including travel and other expenses.

**OUR BOARD OF DIRECTORS RECOMMENDS A VOTE *FOR* ELECTION  
OF EACH OF THE NOMINATED DIRECTORS**

TABLE OF CONTENTS**PROPOSAL NO. 2****RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Our audit committee has selected Grant Thornton LLP as our principal independent registered public accounting firm to perform the audit of our consolidated financial statements for fiscal year ending December 31, 2019. As a matter of good corporate governance, our audit committee has decided to submit its selection of its principal independent registered public accounting firm to stockholders for ratification. In the event that Grant Thornton LLP is not ratified by our stockholders, the audit committee will review its future selection of Grant Thornton LLP as our principal independent registered public accounting firm.

Grant Thornton LLP audited our financial statements for fiscal 2018. Representatives of Grant Thornton LLP are expected to be present at the Meeting, in which case they will be given an opportunity to make a statement at the Meeting if they desire to do so, and will be available to respond to appropriate questions.

**Principal Accountant Fees and Services**

We regularly review the services and fees from our independent registered public accounting firm. These services and fees are also reviewed with our audit committee annually. On July 5, 2018, we appointed Grant Thornton LLP as our independent registered public accounting firm and thereby dismissed PricewaterhouseCoopers LLP as of that same date.

PricewaterhouseCoopers LLP audited our financial statements and provided various other services during fiscal 2017 and a portion of fiscal 2018. Grant Thornton audited our financial statements and provided various other services during fiscal 2018. Our audit committee has determined that Grant Thornton LLP's provision of these services, which are described below, does not impair Grant Thornton's independence from the Company. During fiscal 2017 and fiscal 2018, fees for services provided by PricewaterhouseCoopers LLP and Grant Thornton were as follows:

<b>Fees Billed to Marin</b>	<b>Fiscal 2017</b>	<b>Fiscal 2018</b>
Audit fees <sup>(1)</sup>	\$ 1,032,339	\$ 982,500
Audit-related fees <sup>(2)</sup>	145,000	—
Tax fees <sup>(3)</sup>	73,500	75,200
Other fees <sup>(4)</sup>	3,900	3,900
Total fees	\$ 1,231,200	\$ 1,061,600

*Audit fees* include fees for audit services primarily related to the audit of our annual consolidated financial statements; the review of our quarterly consolidated financial statements; comfort letters, consents, and assistance (1) with and review of documents filed with the SEC; and other accounting and financial reporting consultation and research work billed as audit fees or necessary to comply with the standards of the Public Company Accounting Oversight Board (United States).

In fiscal 2017, *audit-related fees* included consulting services associated with Accounting Standards Update (2) (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606) compliance scoping. We did not have any *audit-related fees* during fiscal 2018.

*Tax fees* include fees for tax compliance and advice, and encompass a variety of permissible tax services, (3) including technical tax advice related to federal and state income tax matters, assistance with sales tax, and assistance with tax audits. In fiscal 2017, *tax fees* included Section 382 analysis related to the Company's net operating losses. In fiscal 2018, *tax fees* included analysis related to the Company's corporate tax structure.

(4) In fiscal 2017 and 2018, *other fees* included licensing fees for accounting research and disclosure software.



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**Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm**

Our audit committee's policy is to pre-approve all audit and permissible non-audit services provided by our independent registered public accounting firm, the scope of services provided by our independent registered public accounting firm and the fees for the services performed. These services may include audit services, audit-related services, tax services and other services. Pre-approval is detailed as to the particular service or category of services and is generally subject to a specific budget. Our independent registered public accounting firm and management are required to periodically report to the audit committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval, and the fees for the services performed to date.

All of the services relating to the fees described in the table above were approved by our audit committee.

**OUR BOARD OF DIRECTORS RECOMMENDS A VOTE *FOR* APPROVAL OF PROPOSAL NO. 2**

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

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of February 15, 2019, by:

- each stockholder known by us to be the beneficial owner of more than 5% of our common stock;
- each of our current directors or director nominees;
- each of our named executive officers during fiscal 2018; and
- all of our directors, director nominees and executive officers as a group.

Percentage ownership of our common stock is based on 5,940,342 shares of our common stock outstanding on February 15, 2019. We have determined beneficial ownership in accordance with the rules of the SEC, and thus it represents sole or shared voting or investment power with respect to our securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable. We have deemed shares of our common stock subject to options and restricted stock units that are currently exercisable or subject to settlement or that will become exercisable or subject to settlement within 60 days of February 15, 2019 to be outstanding and to be beneficially owned by the person or entity for the purpose of computing the percentage ownership of that person. We did not deem these as outstanding for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address of each of the individuals and entities named below that owns 5% or more of our common stock is c/o Marin Software Incorporated, 123 Mission Street, 27<sup>th</sup> Floor, San Francisco, California 94105.

<b>Name of Beneficial Owner</b>	<b>Number of Shares Beneficially Owned</b>	<b>Percent Owned</b>
<b>Directors and Named Executive Officers</b>		
L. Gordon Crovitz <sup>(1)</sup>	53,819	*
Donald P. Hutchison <sup>(2)</sup>	88,205	1.5
Brian Kinion <sup>(3)</sup>	16,016	*
Bradley Kinnish <sup>(4)</sup>	43,988	*
Christopher Lien <sup>(5)</sup>	326,584	5.4
Daina Middleton <sup>(6)</sup>	36,888	*
Wister Walcott <sup>(7)</sup>	102,504	1.7
All officers and directors as a group (7 persons) <sup>(8)</sup>	666,004	10.8
<b>5% or Greater Stockholders</b>		
Benchmark Capital Partners VI, L.P. <sup>(9)</sup>	553,502	9.3
Entities affiliated with DAG Ventures <sup>(10)</sup>	543,024	9.1
ESW Capital, LLC <sup>(11)</sup>	579,000	9.7

\* Represents beneficial ownership of less than 1% of our outstanding shares of common stock.

(1) Consists of (a) 16,982 shares of our common stock and (b) 36,837 shares of our common stock issuable upon exercise of stock options exercisable within 60 days of February 15, 2019.

(2) Consists of (a) 37,011 shares of our common stock held directly by the Hutchison Family Trust, of which Mr.

Hutchison is a co-trustee, (b) 7,028 shares of our common stock held by Glasgow Investments, LLC and (c) 44,166 shares of our common stock issuable to Mr. Hutchison upon exercise of stock options exercisable within 60 days of February 15, 2019. Mr. Hutchison is a managing member of Glasgow Investments, LLC and possesses the power to direct the voting and disposition of the shares held by Glasgow Investments, LLC and as such may be deemed to beneficially own the shares of our common stock held by Glasgow Investments, LLC.

- (3) Consists of 16,016 shares of our common stock issuable upon exercise of stock options exercisable within 60 days of February 15, 2019.

- Consists of (a) 1,936 shares of our common stock purchased through our 2013 ESPP, (b) 7,143 restricted stock  
(4) units subject to vesting within 60 days of February 15, 2019, and (c) 36,473 shares of our common stock issuable upon exercise of stock options exercisable within 60 days of February 15, 2019.

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- Consists of (a) 235,643 shares of our common stock held directly by the Lien Revocable Trust dated 7/8/2003, of which Mr. Lien is a co-trustee, (b) 3,658 shares of our common stock held individually by Mr. Lien, (c) 62,919
- (5) shares of our common stock issuable to Mr. Lien upon exercise of stock options exercisable within 60 days of February 15, 2019, (d) 12,182 shares of our common stock held by the Chris Lien 2013 Annuity Trust, and (e) 12,182 shares of our common stock held by the Rebecca Lien 2013 Annuity Trust.
- (6) Consists of 36,888 shares of our common stock issuable upon exercise of stock options exercisable within 60 days of February 15, 2019.
- Consists of (a) 70,033 shares of our common stock, (b) 21,221 shares of our common stock issuable upon
- (7) exercise of stock options exercisable within 60 days of February 15, 2019, and (c) 11,250 restricted stock units subject to vesting within 60 days of February 15, 2019.
- Includes (a) 40,022 shares issuable upon exercise of stock options exercisable within 60 days of February 15,
- (8) 2019, (b) 3,571 shares of our common stock subject to vesting of restricted stock unit awards within 60 days of February 15, 2019, and (c) 1,936 shares of our common stock purchased through our 2013 ESPP.
- Based on information contained in a Schedule 13G/A filed with the SEC by Benchmark Capital on February 11, 2019. Consists of (a) 456,916 shares of our common stock held by Benchmark Capital Partners VI, L.P. ( BCP VI ) and (b) 28,576 shares of our common stock held by Benchmark Founders' Fund VI, L.P. ( BFF VI ), (c) 18,754 shares held by Benchmark Founders' Fund VI-B L.P. ( BFF VI-B ) and (d) 49,256 shares of our common stock held
- (9) in nominee form for the benefit of persons associated with Benchmark Capital Management Co. VI, L.L.C. ( BCMC VI ). BCMC VI is the general partner of BCP VI, BFF VI and BFF VI-B and has sole voting and investment power over the shares. Certain individual members of BCMC VI, including Bruce W. Dunlevie, a member of our Board until February 2017, may be deemed to have shared voting and investment power over the shares held by BCP VI, BFF VI and BFF VI-B. The address for each Benchmark reporting entity is 2965 Woodside Road, Woodside, California 94062.
- Based on information contained in a Schedule 13G filed with the SEC by DAG Ventures IV-QP, L.P. and its affiliates on February 11, 2014 and adjusted here for the 1-for-7 reverse stock split effectuated on October 5, 2017. Consists of 444,674 shares of our common stock held by DAG Ventures IV-QP, L.P. ( DAVG IV-QP ), (b) 51,356 shares of our common stock held by DAG Ventures IV-A, LLC ( DAG IV-A ) and (c) 46,994 shares of our common stock held by DAG Ventures IV, L.P. ( DAG IV ). DAG Ventures Management IV, LLC ( DAG IV LLC ) serves as the general partner of DAG IV-QP and DAG IV. As such, DAG IV LLC possesses power to direct the voting and disposition of the shares of our common stock owned by DAG IV-QP and DAG IV and may be
- (10) deemed to have indirect beneficial ownership of the shares of our common stock held by DAG IV-QP and DAG IV. DAG IV LLC does not own any of our securities directly. R. Thomas Goodrich, John J. Caddo, Greg Williams, Young J. Chung and Nick Pianism are managing directors of DAG IV LLC and DAG IV-A and possess power to direct the voting and disposition of the shares owned by DAG IV-QP, DAG IV and DAG IV-A and may be deemed to have indirect beneficial ownership of the shares held by DAG IV-QP, DAG IV and DAG IV-A. The address for DAG IV-QP, DAG IV, DAG IV-A and DAG IV LLC is 251 Lytton Avenue, Suite 200, Palo Alto, CA 94301.
- Based on information contained in a Schedule 13G filed with the SEC by ESW Capital, LLC ( ESW ) on
- (11) December 28, 2018. ESW owns 579,000 shares. Joseph A. Liemandt is the sole voting member of ESW and may be deemed to have indirect beneficial ownership of the shares held by ESW. The address for ESW and Mr. Liemandt is 401 Congress Avenue, Suite 2650, Austin, TX 78701.

TABLE OF CONTENTS**EXECUTIVE OFFICERS**

The names of our executive officers, their ages as of February 15, 2019, and their positions are shown below.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Christopher Lien	52	Chief Executive Officer
Bradley Kinnish	44	Chief Financial Officer
Wister Walcott	52	EVP, Product and Technology

Our Board chooses executive officers, who then serve at the board's discretion. There is no familial relationship between any of the directors or executive officers and any other director or executive officer of the Company.

For information regarding Mr. Lien, please refer to the Continuing Directors section of Proposal No. 1 – Election of Directors, above.

*Bradley Kinnish.* Prior to joining the Company and since 2010, Mr. Kinnish served in various roles in the Technology Investment Banking division of Deutsche Bank, a global banking and financial services company, most recently as its Managing Director, Co-Head of Americas Software Investment Banking. From 2006 to 2010, Mr. Kinnish served in various roles at Thomas Weisel Partners, an investment banking firm, including as a Director from 2009 to 2010. From 2003 to 2006, he served in various roles in the Technology Investment Banking division of Delafield Hambrecht, an investment banking firm, including as Vice President from 2004 to 2006. From 2000 to 2003, he served in various roles in the Technology Investment Banking division of Credit Suisse, a multinational financial services company, including as an Associate from 2001 to 2003. From 1997 to 2000, he held various roles in Audit and Assurance Services at Ernst & Young LLP. Mr. Kinnish is a licensed Certified Public Accountant (inactive) and holds a B.A. in Business Administration from the University of Washington.

*Wister Walcott.* Mr. Walcott has served as our Executive Vice President, Product and Technology since September 2016. From February 2015 to July 2016, Mr. Walcott was a principal at Proxita, advising technology companies on product and marketing strategy. From 2006 to March 2012, Mr. Walcott served as our Vice President of Products and Platform, and from March 2012 to January 2015, he served as our Executive Vice President of Products and Platform. From 2004 to 2005, Mr. Walcott was the Vice President of Marketing at Composite Software, an enterprise data integration software provider. Prior to that, Mr. Walcott served as Senior Director of Product Management at Siebel Systems, a CRM software provider, from 1999 to 2004, when it was acquired by Oracle Corporation, an enterprise software company. Prior to Siebel, from 1996 to 1999, Mr. Walcott was the Vice President of Marketing at Pilot Network Services, Inc., an Internet security provider. From 1993 to 1995, and from 1988 to 1991, Mr. Walcott worked at Oracle Corporation, where he held a variety of technical and management positions. Mr. Walcott holds a B.S. in Computer Science (with honors) from Harvard University and an M.B.A. from Harvard Business School.

TABLE OF CONTENTS**EXECUTIVE COMPENSATION****Overview**

This section provides an overview of the material components of our executive compensation program for each person who served as our principal executive officer and our two executive officers (other than our principal executive officer) who were our most highly-compensated executive officers during fiscal 2018 and who we refer to as our named executive officers.

Our named executive officers for fiscal 2018 were:

- Christopher Lien, our founder and Chief Executive Officer;
- Bradley Kinnish, our Chief Financial Officer; and
- Wister Walcott, our Executive Vice President, Product and Technology.

The compensation earned or paid to our named executive officers for fiscal 2017 and fiscal 2018 is set forth in detail in the Summary Compensation Table and other tables that follow this section, as well as the accompanying footnotes and narratives relating to those tables.

**Summary Compensation Table**

The following table provides information regarding each unexercised stock option and outstanding restricted stock units held by our named executive officers as of December 31, 2018.

The following table provides information regarding all plan and non-plan compensation awarded to, earned by or paid to each of our named executive officers for all services rendered in all capacities during fiscal 2017 and fiscal 2018:

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) <sup>(1)</sup>	Option Awards (\$) <sup>(2)</sup>	Non-Equity Incentive		All Other Compensation (\$)	Total (\$)
						Plan Compensation (\$) <sup>(3)</sup>			
Christopher Lien	2018	400,000	—	—	—	288,000		32,617 <sup>(4)</sup>	720,617
<i>Founder, Chief Executive Officer</i>	2017	400,000	—	—	—	200,000		33,603 <sup>(5)</sup>	633,603
Bradley Kinnish	2018	275,000	—	—	238,651	99,000		9,016 <sup>(6)</sup>	621,667
<i>Chief Financial Officer</i>	2017	186,461	—	190,004	182,778	41,806		7,139 <sup>(7)</sup>	608,188
Wister Walcott	2018	300,000	—	297,000	—	108,000		2,837 <sup>(8)</sup>	707,837
<i>EVP, Product &amp; Technology</i>	2017	300,000	—	—	—	112,500		3,862 <sup>(9)</sup>	416,362

The amount shown in this column represents the grant date fair value of restricted stock units ( RSUs ) granted, as computed in accordance with ASC 718. For fiscal 2017, the assumptions used in calculating the grant date fair value are set forth in Note 11 to the audited consolidated financial statements included in our Annual Report on

- (1) Form 10-K for the year ended December 31, 2017 (the 2017 Form 10-K ). For fiscal 2018, the assumptions used in calculating the grant date fair value are set forth in Note 10 to the audited consolidated financial statements included in our 2018 Form 10-K. Note that the amount reported in this column reflects the accounting cost for these RSUs and do not correspond to the actual economic value that may be received.

(2) The amounts shown in this column represent the grant date fair value of the stock options granted to the named executive officers during 2017 and 2018, as computed in accordance with ASC 718. For fiscal 2017, the assumptions used in calculating the grant date fair value are set forth in Note 11 to the audited consolidated financial statements included in the 2017 Form 10-K. For fiscal 2018 amounts, the assumptions used in calculating the grant date fair value are set forth in Note 10 to the audited consolidated financial statements included in our 2018 Form 10-K. Note that the amounts reported in this column reflect the accounting cost for these stock options, and do not correspond to the actual economic value that may be received by the named executive officers from the options.

(3) The amounts in this column represent total performance-based bonuses earned for services rendered in fiscal 2017 and fiscal 2018 pursuant to the terms of our Executive Bonus Plan. For fiscal 2017, our Executive Bonus Plan funded at 0% attainment based on our revenue and adjusted EBITDA performance. To assist with retention, the compensation committee funded the bonus plan on a discretionary basis at (i) 75% of the target level of funding for Messrs. Kinnish and Walcott and (ii) 50% of the target level of funding for Mr. Lien. As a result, Mr. Walcott received a cash bonus amount equal to 75% of his target level of annual bonus; Mr. Kinnish received a cash bonus amount equal to 75% of his target level of annual bonus, prorated based on the partial year of service during fiscal 2017; and Mr. Lien received a cash bonus amount equal to 50% of his target level of annual bonus. Each of these bonuses was paid in fiscal 2018. For fiscal 2018, our Executive Bonus Plan funded at 72% attainment based on our revenue and end of year cash balance performance. As a result, Messrs. Lien, Kinnish, and Walcott received cash bonus amounts equal to 72% of their respective target level of annual bonus. Each of these bonuses was paid in fiscal 2019.

(4) Includes \$27,777 in medical insurance premiums coverage that we paid on Mr. Lien's behalf, \$2,460 in parking reimbursement, and \$2,381 in premiums paid by us for long-term disability benefits.

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- (5) Includes \$28,762 in medical insurance premiums coverage that we paid on Mr. Lien's behalf, \$2,460 in parking reimbursement, and \$2,381 in premiums paid by us for long-term disability benefits.
- (6) Includes \$7,753 in medical insurance premiums coverage that we paid on Mr. Kinnish's behalf, \$540 in premiums paid by us for life insurance, and \$723 in premiums paid by us for long-term disability benefits.
- (7) Includes \$6,188 in medical insurance premiums coverage that we paid on Mr. Kinnish's behalf, \$408 in premiums paid by us for life insurance, and \$542 in premiums paid by us for long-term disability benefits.
- (8) Includes \$456 in reimbursement for travel expenses incurred by Mr. Walcott and \$2,381 in premiums paid by us for long-term disability benefits.
- (9) Includes \$1,481 in reimbursement for travel expenses incurred by Mr. Walcott and \$2,381 in premiums paid by us for long-term disability benefits.

The following table provides information regarding each unexercised stock option and outstanding restricted stock units held by our named executive officers as of December 31, 2018.

**Outstanding Equity Awards as of December 31, 2018**

Name	Option Awards			Stock Awards		
	Number of Securities Underlying Unexercised Options (#) <sup>(1)</sup>		Option Exercise Price (\$)	Option Expiration Date	Number of restricted stock units that have not vested (#)	Market Value of restricted stock units that have not vested (\$) <sup>(2)</sup>
	Exercisable	Unexercisable				
Christopher Lien	7,143	—	68.18	5/11/24	—	—
	10,211	217 <sup>(3)</sup>	45.36	3/8/25	—	—
	8,572	—	15.05	5/9/26	—	—
	36,776	—	49.35	5/7/22	—	—
Bradley Kinnish	13,096	15,476 <sup>(4)</sup>	13.30	4/6/27	10,714 <sup>(5)</sup>	56,891
	19,229	51,771 <sup>(6)</sup>	7.40	3/6/28		
Wister Walcott	19,852	13,006 <sup>(7)</sup>	17.15	9/6/26	45,000 <sup>(8)</sup>	238,950

Outstanding equity awards granted prior to March 21, 2013 were granted under our 2006 Plan. Outstanding equity awards granted after March 21, 2013 were granted under our 2013 Plan. All stock options expire 10 years

- (1) after the date of grant. In general, the unvested shares subject to a stock option will expire prior to the stock option's stated expiration date in the event of the optionee's termination of employment. See *Potential Payments upon Employment Termination and Change in Control Events* for additional information.

- (2) The market value of the unvested shares subject to the RSU award was computed using \$5.31, which was the closing price of our common stock on the Nasdaq Stock Market on December 31, 2018.

- (3) The stock option award was granted in March 2015. 25% of the shares of our common stock subject to the stock option vested on March 9, 2016, with the remaining shares subject to the stock option vesting each month thereafter over the following three years, such that the shares subject to the stock option will be fully vested on March 9, 2019.

- (4) The stock option award was granted in April 2017 with a vesting commencement date of April 7, 2017. 25% of the shares of our common stock subject to the stock option will vest on April 7, 2018 with the remaining shares subject to the stock option vesting monthly over the following three years, such that the shares subject to the stock



option will be fully vested on April 7, 2020.

- (5) The shares of our common stock subject to the restricted stock unit ( RSU ) award vest as to 25% of the shares subject to the RSU award on April 7, 2018 and the remaining shares subject to the RSU award vest each quarter thereafter over the next three years, such that the RSU award will be fully vested on April 7, 2020.

- (6) The stock option award was granted in March 2018 with a vesting commencement date of March 7, 2018. 25% of the shares of our common stock subject to the stock option will vest on March 7, 2019 with the remaining shares subject to the stock option vesting monthly over the following three years, such that the shares subject to the stock option will be fully vested on April 7, 2020.

- (7) The stock option award was granted in September 2016 with a vesting commencement date of September 7, 2016. 25% of the shares of our common stock subject to the stock option will vest on April 7, 2017 with the remaining shares subject to the stock option vesting monthly over the following three years, such that the shares subject to the stock option will be fully vested on September 7, 2019.

- (8) The shares of our common stock subject to the restricted stock unit ( RSU ) award vest as to 25% of the shares subject to the RSU award on April 12, 2019 and the remaining shares subject to the RSU award vest each quarter thereafter over the next three years, such that the RSU award will be fully vested on April 12, 2021.

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### **Offer Letters and Arrangements**

We have entered into employment offer letters with each of our named executive officers.

*Christopher Lien.* We entered into an offer letter agreement with Mr. Lien, our Chief Executive Officer, in August 2016. Pursuant to the offer letter, Mr. Lien's initial base salary was established at \$400,000 per year. He was eligible to receive a bonus targeted at 100% of his base salary, prorated for the portion of fiscal 2016 that he was employed at the Company. Mr. Lien's employment is at will and may be terminated at any time, with or without cause.

*Bradley Kinnish.* We entered into an offer letter agreement with Mr. Kinnish, our Chief Financial Officer, in March 2017. Pursuant to the Offer Letter, Mr. Kinnish was to serve as the Vice President of Finance and Acting Chief Financial Officer with an initial base salary established at \$240,000 per year. In addition, Mr. Kinnish was eligible to receive a bonus targeted at 30% of his annual base salary, prorated for the portion of fiscal 2017 that he was employed at the Company. On April 7, 2017, in accordance with the terms of his offer letter, Mr. Kinnish was granted a stock option to purchase 28,572 shares of our common stock at an exercise price of \$13.30 per share, which was equal to the fair market value of our common stock on the date the option was granted as determined by our board of directors. This option is subject to vesting, with 25% of the shares of our common stock vesting on the first anniversary of the vesting commencement date and the remainder vesting monthly over the remaining three years, such that the shares subject to the option would be fully vested in August 2021. In addition, on April 7, 2017, Mr. Kinnish was granted 14,286 RSUs, which are subject to vesting, with 25% of the RSUs vesting on each anniversary of the vesting commencement date, such that the RSUs would be fully vested on April 7, 2021. In June 2017, our Board appointed Mr. Kinnish to serve as our Chief Financial Officer. In December 2017, the compensation committee resolved to increase Mr. Kinnish's base salary to \$275,000 per year with eligibility to receive a bonus targeted at 50% of his base salary. Mr. Kinnish's employment is at will and may be terminated at any time, with or without cause.

*Wister Walcott.* We entered into an offer letter agreement with Mr. Walcott, our Executive Vice President, Product and Technology, in August 2016. Pursuant to the offer letter, Mr. Walcott's initial base salary was established at \$300,000 per year. He was eligible to receive a bonus targeted at 50% of his base salary, prorated for the portion of fiscal 2016 that he was employed at the Company. On September 7, 2016, in accordance with the terms of his offer letter, Mr. Walcott was granted a stock option to purchase 32,858 shares of our common stock at an exercise price of \$17.15 per share, which was equal to the fair market value of our common stock on the date the option was granted as determined by our board of directors. This option is subject to vesting, with 25% of the shares vesting on the first anniversary of the vesting commencement date and the remainder vesting monthly over the remaining three years, such that the shares subject to the option would be fully vested in October 2020. Mr. Walcott's employment is at will and may be terminated at any time, with or without cause, subject to the severance obligations described below.

### **Potential Payments upon Employment Termination and Change in Control Events**

Messrs. Lien, Kinnish, and Walcott are each party to Severance and Change in Control Agreements with the Company that provide for potential payments and benefits in the event of employment termination.

Mr. Lien's Severance and Change in Control Agreement provides as follows:

- **Term:** Pursuant to its terms, such agreement became effective on April 12, 2018 and terminates upon the earlier of April 12, 2021 or the date Mr. Lien's employment is terminated for a reason other than a qualifying termination. A qualifying termination is defined as (1) a change in control qualifying termination, or a separation occurring within three months preceding or 12 months following a change in control resulting from termination of Mr. Lien's employment for any reason other than cause or Mr. Lien voluntarily resigning his employment for good reason; or (2) a separation that is not a change in control qualifying termination

resulting from termination of Mr. Lien's employment for any reason other than cause or Mr. Lien voluntarily resigning his employment for good reason.

Termination other than in connection with a change in control. In the event of a termination without cause other than in connection with a change in control, Mr. Lien would be entitled to receive severance benefits equal to nine months of his then current annual base salary, 75% of his annual target bonus at the then-current rate, and the monthly benefits premium under COBRA for nine months.

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Termination in connection with a change in control. In the event of a qualifying termination, following a change in control (as defined in the severance agreement) of our Company, Mr. Lien would be entitled to receive severance benefits equal to 18 months of his then-current annual base salary, 150% of his annual target bonus at the then-current rate, and the monthly benefits premium under COBRA for 18 months. In addition, the shares underlying all unvested equity awards held by him or her immediately prior to such termination will become vested and exercisable in full.

Messrs. Kinnish's and Walcott's Severance and Change in Control Agreements provide as follows:

Term: Pursuant to its terms, each such agreement was effective on April 12, 2018 and terminates upon the earlier of April 12, 2021 or the date employment is terminated for a reason other than a qualifying termination. A qualifying termination is defined as (1) a change in control qualifying termination, or a separation occurring within three months preceding or 12 months following a change in control resulting from termination of the individual's employment for any reason other than cause or the individual voluntarily resigning his employment for good reason; or (2) a separation that is not a change in control qualifying termination resulting from termination of the individual's employment for any reason other than cause or the individual voluntarily resigning his employment for good reason.

Termination other than in connection with a change in control. In the event of a termination without cause other than in connection with a change in control, the executive would be entitled to receive severance benefits equal to six months of his then current annual base salary, 50% of the executive's annual target bonus at the then-current rate, and the monthly benefits premium under COBRA for six months.

Termination in connection with a change in control. In the event of a qualifying termination, following a change in control (as defined in the severance agreement) of our Company, the executive would be entitled to receive severance benefits equal to 12 months of his then-current annual base salary, 100% of the executive's annual target bonus at the then-current rate, and the monthly benefits premium under COBRA for 12 months. In addition, the shares underlying all unvested equity awards held by him immediately prior to such termination will become vested and exercisable in full.

We believe that these protections assisted us in attracting these individuals to join our Company. We also believe that these protections serve our executive retention objectives by helping the named executive officers maintain continued focus and dedication to his responsibilities to maximize stockholder value, including in the event that there is a potential transaction that could involve a change in control of our Company. The terms of these agreements were determined after review by our Board or the compensation committee, as applicable, of our retention goals for each executive officer.

The table below presents estimated payments and benefits that would have been provided to Messrs. Lien, Kinnish, and Walcott, assuming their respective qualifying terminations as of December 31, 2018. As a condition of receiving any severance benefits in connection with the change in control agreements, each named executive officer must execute a full waiver and release of all claims in our favor. In addition to the benefits described in the tables below, upon termination of employment each executive officer may be eligible for other benefits that are generally available to all salaried employees, such as life insurance, long-term disability, and 401(k) benefits.

	Chris Lien	Brad Kinnish	Wister Walcott
<b>Termination after Change of Control:</b>			
Cash Severance <sup>(1)</sup>	\$ 1,200,000	\$ 412,000	\$ 450,000
Post-termination COBRA Reimbursement <sup>(2)</sup>	45,783	8,560	—
Acceleration of Stock Options and RSUs <sup>(3)</sup>	—	56,891	238,950
<b>Total</b>	<b>\$ 1,245,783</b>	<b>\$ 477,451</b>	<b>\$ 638,950</b>

**Termination not in connection with Change of Control:**

Cash Severance <sup>(4)</sup>	\$ 600,000	\$ 206,000	\$ 225,000
Post-termination COBRA reimbursement <sup>(5)</sup>	22,892	4,280	—
<b>Total</b>	<b>\$ 622,892</b>	<b>\$ 210,530</b>	<b>\$ 225,000</b>

- (1) Mr. Lien would receive 18 months of base salary and 150% of his annual target bonus; Messrs. Kinnish and Walcott would receive 12 months of base salary and 100% of their respective target bonuses.

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- (2) Mr. Lien would receive 18 months of COBRA benefits reimbursement and Mr. Kinnish would receive 12 months of COBRA benefits reimbursement. Mr. Walcott elected not to receive benefits from the Company that would be eligible for continuation under COBRA. As a result, Mr. Walcott would not be eligible for post-termination COBRA benefits reimbursement.

- As of December 31, 2018, Mr. Kinnish held a stock option with 15,476 unvested shares subject to such option with an exercise price of \$13.30 per share; Mr. Kinnish held a stock option with 51,771 unvested shares subject to such option with an exercise price of \$7.40 per share; Mr. Walcott held a stock option with 13,006 unvested shares subject to such option with an exercise price of \$17.15 per share. The exercise price of each of these stock options is greater than \$5.31, the closing price of our common stock on The Nasdaq Global Market as of December 31, 2018. As of December 31, 2018, Mr. Kinnish had 10,714 unvested RSUs and Mr. Walcott had 45,000 unvested RSUs.

- (4) Mr. Lien would receive nine months of base salary and 75% of his annual target bonus; Messrs. Kinnish and Walcott would receive six months of base salary and 50% of their respective target bonuses.

- (5) Mr. Lien would receive nine months of COBRA benefits reimbursement and Mr. Kinnish would receive six months of COBRA benefits reimbursement. Mr. Walcott elected not to receive benefits from the Company that would be eligible for continuation under COBRA. As a result, Mr. Walcott would not be eligible for post-termination COBRA benefits reimbursement.

In addition to the arrangements described above, upon a termination of employment Mr. Walcott is eligible to receive any benefits accrued under our broad-based benefit plans in accordance with those plans and policies.

### **Other Compensation Policies**

#### *Stock Ownership Guidelines*

Currently, we have not implemented a policy regarding minimum stock ownership requirements for our executive officers, including the named executive officers.

#### *Compensation Recovery Policy*

Currently, we have not implemented a policy regarding retroactive adjustments to any cash or equity-based incentive compensation paid to our executive officers and other employees where the payments were predicated upon the achievement of financial results that were subsequently the subject of a financial restatement. We intend to adopt a general compensation recovery (clawback) policy covering our annual and long-term incentive award plans and arrangements after the SEC adopts final rules implementing the requirement of Section 954 of the Dodd-Frank Act.

#### *Derivatives Trading and Hedging Policy*

Our insider trading policy prohibits the use of puts, calls or shorts related to our shares by our directors, officers and employees.

#### *Share Pledging Policy*

Our insider trading policy provides that no employee, officer or director may purchase Company securities on margin, borrow against any account in which Company securities are held, or pledge Company securities as collateral for a loan. Notwithstanding the foregoing, an employee who is not an officer or director may pledge Company securities as collateral for a loan (not including margin debt) if such employee can clearly demonstrate the financial capacity to repay the loan without resort to the pledged securities. An employee who is not an officer or director wishing to pledge Company securities as collateral for a loan must: (i) submit a request for pre-clearance to our compliance officer at least two weeks prior to the proposed execution of documents evidencing the proposed pledge and (ii)

provide evidence of the financial capacity to repay the loan without resort to the pledged securities. Our compliance officer, in his or her sole discretion, shall make the determination as to whether the necessary financial capacity has been demonstrated.

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The following table presents information as of December 31, 2018 with respect to compensation plans under which shares of our common stock may be issued. The category Equity compensation plans approved by security holders in the table below consists of the 2006 Equity Incentive Plan (the 2006 Plan ), 2013 Equity Incentive Plan (the 2013 Plan ) and 2013 Employee Stock Purchase Plan (the 2013 ESPP ).

<b>Plan category</b>	<b>Number of securities to be issued upon exercise of outstanding options and restricted stock units(#)</b> <b>(a)</b>	<b>Weighted-average exercise price of outstanding options (\$)</b> <b>(b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a))(#)</b> <b>(c)</b>
Equity compensation plans approved by security holders	1,270,169 <sup>(1)</sup>	29.58 <sup>(2)</sup>	1,049,220 <sup>(3)</sup>
Equity compensation plans not approved by security holders	—	—	—
Total	1,270,169	29.58	1,049,220

(1) Excludes purchase rights accruing under the 2013 ESPP.

(2) The weighted average exercise price relates solely to shares subject to outstanding stock options, as shares subject to restricted stock units have no exercise price.

(3) Consists of 153,499 shares that remain available for purchase under the 2013 ESPP and 895,721 shares of common stock that remain available for grant under the 2013 Plan. Any such shares of common stock that are subject to outstanding awards under the 2006 Plan that are issuable upon the exercise of options that expire or become unexercisable for any reason without having been exercised in full will be forfeited and will be available for future grant and issuance under the 2013 Plan. In addition, the number of shares reserved for issuance under our 2013 Plan will increase automatically on the first day of January of each of 2020 through 2023 by the number of shares equal to the lesser of 5% of the total outstanding shares of our common stock as of the immediately preceding December 31<sup>st</sup> and a number of shares approved by our Board. Similarly, the number of shares reserved for issuance under our 2013 ESPP will increase will increase automatically on the first day of January of each of 2020 through 2023 by the number of shares equal to the lesser of 1% of the total outstanding shares of our common stock as of the immediately preceding December 31<sup>st</sup> (rounded down to the nearest whole share) and a number of shares approved by our Board or our compensation committee.



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**RELATED PARTY TRANSACTIONS**

Other than compensation arrangements, including employment, termination of employment and severance and change in control arrangements, since January 1, 2018, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we were or will be a party in which the amount involved exceeds \$120,000 and in which any director, nominee for director, executive officer, holder of more than 5% of our common stock, or any member of their immediate family had or will have a direct or indirect material interest.

**Review, Approval or Ratification of Transactions with Related Parties**

Our Board has adopted a written related person transactions policy. Under this policy, the audit committee reviews transactions that may be related-person transactions, which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed \$120,000 and in which a related person has or will have a direct or indirect material interest. For purposes of the policy, a related person is a director, executive officer, nominee for director, or greater than 5% beneficial owner of our common stock, in each case since the beginning of the most recently completed fiscal year, and their immediate family members. The audit committee has adopted a related party transactions policy to set forth the procedures for the identification, review, consideration and approval or ratification of these transactions.

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**REPORT OF THE AUDIT COMMITTEE**

*The information contained in the following report of our Audit Committee is not considered to be soliciting material, filed or incorporated by reference in any past or future filing by the Company under the Exchange Act or the Securities Act unless and only to the extent that we specifically incorporate it by reference.*

The Audit Committee has reviewed and discussed with our management and Grant Thornton LLP our audited consolidated financial statements for the year ended December 31, 2018. The Audit Committee also has discussed with Grant Thornton LLP the matters required to be discussed by Auditing Standard No. 1301, Communications with Audit Committees issued by the Public Company Accounting Oversight Board.

The Audit Committee has received and reviewed the written disclosures and the letter from Grant Thornton LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and has discussed with Grant Thornton LLP its independence from us.

Based on the review and discussions referred to above, the Audit Committee recommended to the board of directors that our audited consolidated financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2018 for filing with the Securities and Exchange Commission.

**Submitted by the Audit Committee**

Brian Kinion, Chair  
L. Gordon Crovitz  
Daina Middleton

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**ADDITIONAL INFORMATION**

**Stockholder Proposals to be Presented at Next Annual Meeting**

Our bylaws provide that, for stockholder nominations to the board of directors or other proposals to be considered at an annual meeting, the stockholder must give timely notice thereof in writing to the Corporate Secretary at Marin Software Incorporated, 123 Mission Street, 27<sup>th</sup> Floor, San Francisco, California 94105, Attn: Corporate Secretary.

To be timely for the 2020 annual meeting, a stockholder's notice must be delivered to or mailed and received by our Corporate Secretary at our principal executive offices not earlier than 5:00 p.m. Pacific Time on January 17, 2020 and not later than 5:00 p.m. Pacific Time on February 16, 2020. A stockholder's notice to the Corporate Secretary must set forth as to each matter the stockholder proposes to bring before the annual meeting the information required by our bylaws.

Stockholder proposals submitted pursuant to Rule 14a-8 under the Exchange Act and intended to be presented at our 2020 annual meeting must be received by us not later than November 21, 2019 in order to be considered for inclusion in our proxy materials for that meeting.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our directors, executive officers and any persons who own more than 10% of our common stock, to file initial reports of ownership and reports of changes in ownership with the SEC. Such persons are required by SEC regulation to furnish us with copies of all Section 16(a) forms that they file. Based solely on its review of the copies of such forms furnished to us and written representations from the directors and executive officers, we believe that all Section 16(a) filing requirements were timely met in 2018, except for (1) a late Form 4 filed for Wister Walcott on February 20, 2018 to report the acquisition of 2,000 shares of common stock on January 25, 2018 and the acquisition of 2,000 shares of common stock on February 15, 2018, (2) a late Form 4 filed for Mr. Walcott on August 21, 2018 to report the acquisition of 2,000 shares of common stock on August 15, 2018, (3) a Form 4 transaction that was reported late on a Form 5 filed for Mr. Walcott on February 14, 2019 to report the acquisition of 2,000 shares of common stock on April 16, 2018, (4) a late initial report of ownership on Form 3 filed for Brian Kinion on April 26, 2018 following Mr. Kinion's appointment to our Board of Directors on June 26, 2017, and (5) a late Form 4 filed for Mr. Kinion on April 26, 2018 to report the acquisition of (i) a stock option to purchase 7,444 shares of common stock on August 15, 2017 and (ii) a stock option to purchase 8,572 shares of common stock on April 12, 2018.

**Available Information**

We will mail without charge, upon written request, a copy of our Annual Report on Form 10-K for the year ended December 31, 2018, including the financial statements and list of exhibits, and any exhibit specifically requested. Requests should be sent to:

**Marin Software Incorporated  
123 Mission Street, 27<sup>th</sup> Floor  
San Francisco, California 94105  
Attn: Investor Relations**

**Electronic Delivery of Stockholder Communications**

We encourage you to help us conserve natural resources, as well as significantly reduce printing and mailing costs, by signing up to receive your stockholder communications electronically via e-mail. With electronic delivery, you will be notified via e-mail as soon as future Annual Reports and proxy statements are available on the Internet, and you can submit your stockholder votes online. Electronic delivery also can eliminate duplicate mailings and reduce the amount of bulky paper documents you maintain in your personal files. To sign up for electronic delivery:

*Registered Owner* (you hold our common stock in your own name through our transfer agent, Computershare, or you are in possession of stock certificates): through March 28, 2019, visit [www.computershare.com/investor](http://www.computershare.com/investor) to enroll; on March 29, 2019 and thereafter, please visit [www.shareholder@broadridge.com](mailto:www.shareholder@broadridge.com).

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*Beneficial Owner* (your shares are held by a brokerage firm, a bank, a trustee or a nominee): If you hold shares beneficially, please follow the instructions provided to you by your broker, bank, trustee, or nominee. Your electronic delivery enrollment will be effective until you cancel it. Prior to March 29, 2019, stockholders who are record owners of shares of our common stock may call Computershare at (800) 733-5001 or visit [www-us.computershare.com/investor/Contact](http://www-us.computershare.com/investor/Contact) with questions about electronic delivery. On March 29, 2019 and thereafter, stockholders who are record owners of shares of our common stock may call our new transfer agent Broadridge Corporate Issuer Solutions, Inc. at (877) 830-4936 or visit [www.shareholder@broadridge.com](mailto:www.shareholder@broadridge.com).

### **Householding —Stockholders Sharing the Same Last Name and Address**

The SEC has adopted rules that permit companies and intermediaries (such as brokers) to implement a delivery procedure called householding. Under this procedure, multiple stockholders who reside at the same address may receive a single copy of our 2018 Form 10-K and proxy materials, unless the affected stockholder has provided contrary instructions. This procedure reduces printing costs and postage fees, and helps protect the environment as well.

This year, a number of brokers with account holders who are our stockholders will be householding our 2018 Form 10-K for and proxy materials. A set of our 2018 Form 10-K and other proxy materials will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that it will be householding communications to your address, householding will continue until you are notified otherwise or until you revoke your consent. Stockholders may revoke their consent at any time by contacting Broadridge, either by calling toll-free (800) 542-1061, or by writing to Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York, 11717.

Upon written or oral request, we will promptly deliver a proxy statement, proxy card, our 2018 Form 10-K and other proxy materials to any stockholder at a shared address to which a single copy of any of those documents was delivered. To receive a separate copy of the proxy statement, proxy card, 2018 Form 10-K and other proxy materials at no charge, you may write our Investor Relations department at 123 Mission Street, 27<sup>th</sup> Floor, San Francisco, California 94105, Attn: Investor Relations, visit <http://investor.marinsoftware.com/contact-ir> or call (415) 906-8179.

Any stockholders who share the same address and currently receive multiple copies of our 2018 Form 10-K and other proxy materials who wish to receive only one copy in the future can contact their bank, broker or other holder of record to request information about householding or our Investor Relations department at the address or telephone number listed above.

### **OTHER MATTERS**

Our Board does not presently intend to bring any other business before the Meeting and, so far as is known to our board of directors, no matters are to be brought before the Meeting except as specified in the notice of the Meeting. As to any business that may arise and properly come before the Meeting, however, it is intended that proxies, in the form enclosed, will be voted in respect thereof in accordance with the judgment of the persons voting such proxies.

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