

Synacor, Inc.
Form DEFC14A
March 27, 2015
Table of Contents

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

SYNACOR, INC.

(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box)

- 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:

Edgar Filing: Synacor, Inc. - Form DEFC14A

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

.. Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

SYNACOR, INC.

40 La Riviere Drive, Suite 300

Buffalo, NY 14202

March 30, 2015

Dear Stockholder:

I am pleased to invite you to attend Synacor, Inc.'s 2015 Annual Meeting of Stockholders, to be held on April 20, 2015 at The Embassy Suites Hotel, 200 Delaware Avenue, Buffalo, New York 14202. The meeting will begin promptly at 9:00 a.m., local time. If you wish to attend the meeting to vote in person and need directions, please contact Synacor Investor Relations at (716) 362-3309 or ir@synacor.com.

Enclosed are the following:

our Notice of Annual Meeting of Stockholders and Proxy Statement for 2015;

our Annual Report on Form 10-K for fiscal year 2014; and

a **WHITE** proxy card with a return envelope to record your vote.

Details regarding the business to be conducted at the Annual Meeting are more fully described in the accompanying Notice of Annual Meeting of Stockholders and Proxy Statement. We encourage you to read these materials, as well as our Annual Report on Form 10-K for fiscal year 2014, carefully.

Your vote is important. Whether or not you expect to attend, please complete, date, sign, and return your **WHITE** proxy card in the enclosed envelope, or vote via telephone or the Internet according to the instructions in the Proxy Statement, as soon as possible to ensure that your shares will be represented and voted at the Annual Meeting. If you attend the Annual Meeting, you may vote your shares in person even though you have previously voted by proxy if you follow the instructions in the Proxy Statement.

On behalf of the Board of Directors, thank you for your continued support and interest.

Sincerely,

/s/ Jordan Levy
JORDAN LEVY

Chairman of the Board

40 La Riviere Drive, Suite 300

Buffalo, NY 14202

T 716.853.1362 F 716.332.0081

<http://www.synacor.com>

YOUR VOTE IS EXTREMELY IMPORTANT

Please vote by telephone or Internet, or complete, date and sign the enclosed WHITE proxy card and return it at your earliest convenience in the enclosed postage-prepaid return envelope so that your shares may be voted.

Table of Contents

SYNACOR, INC.

40 La Riviere Drive, Suite 300

Buffalo, NY 14202

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On April 20, 2015

Dear Stockholder:

You are cordially invited to attend the 2015 Annual Meeting of Stockholders of Synacor, Inc., a Delaware corporation (the Company). The meeting will be held on April 20, 2015 at 9:00 a.m. local time at The Embassy Suites Hotel, 200 Delaware Avenue, Buffalo, New York 14202 for the following purposes:

1. To elect the three (3) members of the Board of Directors identified in the accompanying proxy statement to serve until the 2018 annual meeting of stockholders of the Company or until such persons' successors have been duly elected and qualified.
2. To ratify the appointment by the Audit Committee of the Board of Directors of Deloitte & Touche LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2015.
3. To ratify the Rights Agreement, dated as of July 14, 2014, between the Company and American Stock Transfer & Trust Company, LLC as rights agent.
4. To transact any other business properly brought before the meeting or any adjournment thereof.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

The record date for the 2015 Annual Meeting is March 23, 2015. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

The Company intends to commence mailing to all stockholders of record entitled to vote at the Annual Meeting a full set paper copy of the attached proxy statement together with our Annual Report on Form 10-K on or about March 30, 2015. Additionally, the Company intends to post our Annual Report on Form 10-K, the attached proxy statement and accompanying WHITE proxy card on the Internet at <http://investor.synacor.com> and <https://materials.proxyvote.com/871561> on or about March 30, 2015.

In selecting the director nominees that we are proposing for election in the attached proxy statement, our Board of Directors has focused on selecting a diverse group of experienced board candidates with strong credentials and relevant industry expertise who will work together constructively to execute our strategic plan for delivering long-term growth and stockholder value. Our Board of Directors is pleased to nominate for election as directors the three persons named in Proposal 1 in the attached proxy statement and on the enclosed WHITE proxy card.

Whether or not you plan to attend the 2015 Annual Meeting, please complete and sign the enclosed WHITE proxy card and return it in the enclosed addressed envelope (which is postage prepaid if mailed in the United States). Your promptness in returning the WHITE proxy card will assist in the expeditious and orderly processing of the proxy and will assure that you are represented at the annual meeting even if you cannot attend the meeting in person. You may also vote by telephone or Internet by following the instructions on the WHITE proxy card. If you return your WHITE proxy card or vote by telephone or Internet, you may nevertheless attend the annual meeting and vote your shares in person. Stockholders whose shares are held in the name of a broker or other nominee and who desire to vote in person at the 2015 Annual Meeting should bring with them a legal proxy.

Edgar Filing: Synacor, Inc. - Form DEFC14A

By Order of the Board of Directors

/s/ William J. Stuart
WILLIAM J. STUART

Chief Financial Officer and Corporate Secretary

Buffalo, New York

March 30, 2015

Table of Contents

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
STOCKHOLDER MEETING TO BE HELD ON APRIL 20, 2015.**

The Proxy Statement and Annual Report on Form 10-K are available at <https://materials.proxyvote.com/871561>.

If you have any questions, require assistance with voting your WHITE proxy card,

or need additional copies of the proxy materials, please contact:

The Proxy Advisory Group, LLC

888-55-PROXY

(888-557-7699)

Table of Contents

TABLE OF CONTENTS

	Page
<u>QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING</u>	1
<u>Why am I receiving these materials?</u>	1
<u>Who can vote at the Annual Meeting?</u>	1
<u>What am I voting on?</u>	2
<u>How do I vote?</u>	2
<u>How many votes do I have?</u>	2
<u>What if I return a proxy card but do not make specific choices?</u>	3
<u>Who are the participants in, and who is paying for, this proxy solicitation?</u>	3
<u>What does it mean if I receive more than one set of proxy materials?</u>	3
<u>Can I change my vote after submitting my proxy?</u>	3
<u>How are votes counted?</u>	4
<u>What is a broker non-vote ?</u>	4
<u>How many votes are needed to approve each proposal?</u>	4
<u>What are the Board's voting recommendations?</u>	4
<u>What is the quorum requirement?</u>	5
<u>How can I find out the results of the voting at the Annual Meeting?</u>	5
<u>How can stockholders submit a proposal for inclusion in our Proxy Statement for the 2016 Annual Meeting of Stockholders?</u>	5
<u>How can stockholders submit proposals to be raised at the 2016 Annual Meeting of Stockholders that will not be included in our Proxy Statement for the 2016 Annual Meeting of Stockholders?</u>	5
<u>What if the date of the 2016 Annual Meeting of Stockholders changes by more than 30 days from the anniversary of this year's Annual Meeting?</u>	5
<u>Does a stockholder proposal require specific information?</u>	6
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	7
<u>Information Regarding the Nominees</u>	7
<u>Information Regarding Other Directors Continuing in Office</u>	8
<u>Information Regarding Opposing Slate of Directors</u>	9
<u>CORPORATE GOVERNANCE</u>	11
<u>Independence of the Board of Directors</u>	11
<u>Board Leadership Structure</u>	11
<u>Risk Oversight Management</u>	11
<u>Information Regarding the Board of Directors and its Committees</u>	12
<u>Audit Committee</u>	12
<u>Compensation Committee</u>	13
<u>Compensation Committee Interlocks and Insider Participation</u>	13
<u>Corporate Governance and Nominating Committee</u>	14
<u>Meetings of the Board of Directors</u>	15
<u>Code of Business Conduct</u>	15
<u>Stockholder Communications with the Board of Directors</u>	15
<u>Compensation of Directors</u>	15
<u>PROPOSAL 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	17
<u>Independent Registered Public Accounting Firm's Fees</u>	17
<u>Pre-Approval Policies and Procedures</u>	18
<u>Audit Committee Report</u>	18
<u>PROPOSED 3 RATIFICATION OF THE RIGHTS AGREEMENT</u>	20
<u>Background</u>	20
<u>Description of the Rights Plan</u>	21

Table of Contents

	Page
<u>EXECUTIVE OFFICERS</u>	23
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	24
<u>SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>	27
<u>SUMMARY OF NAMED EXECUTIVE OFFICER COMPENSATION</u>	27
<u>Compensation Committee Report</u>	27
<u>Summary Compensation Table</u>	28
<u>Outstanding Equity Awards at Fiscal Year-End</u>	30
<u>Employment Agreements and Potential Payments upon Termination or Change of Control</u>	32
<u>Perquisites and Other Benefits</u>	35
<u>Securities Authorized For Issuance Under Equity Compensation Plans</u>	35
<u>TRANSACTIONS WITH RELATED PERSONS</u>	36
<u>Indemnification Agreements</u>	36
<u>Review, Approval or Ratification of Transactions with Related Persons</u>	36
<u>DELIVERY OF DOCUMENTS TO STOCKHOLDERS SHARING AN ADDRESS</u>	37
<u>OTHER MATTERS</u>	37
<u>APPENDIX A RIGHTS AGREEMENT</u>	
<u>APPENDIX B ADDITIONAL INFORMATION REGARDING PARTICIPANTS IN THE SOLICITATION</u>	

Table of Contents

SYNACOR, INC.

40 La Riviere Drive, Suite 300

Buffalo, NY 14202

PROXY STATEMENT

FOR THE 2015 ANNUAL MEETING OF STOCKHOLDERS

To Be Held On April 20, 2015 at 9:00 a.m., local time

QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING

Why am I receiving these materials?

We sent you these proxy materials because the Board of Directors (the Board of Directors or the Board) of Synacor, Inc. (sometimes referred to as we, the Company or Synacor) is soliciting your proxy to vote at the 2015 Annual Meeting of Stockholders (the Annual Meeting). You are invited to attend the Annual Meeting to vote on the proposals described in this Proxy Statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, date, sign and return the enclosed WHITE proxy card or follow the instructions below to submit your proxy by telephone or on the Internet.

The Company intends to commence mailing to all stockholders of record entitled to vote at the Annual Meeting a full set paper copy of this Proxy Statement together with our Annual Report on Form 10-K on or about March 30, 2015. Additionally, the Company intends to post our Annual Report on Form 10-K, this Proxy Statement and accompanying proxy card on the Internet at <http://investor.synacor.com> and <https://materials.proxyvote.com/871561> on or about March 30, 2015.

Who can vote at the Annual Meeting?

Only stockholders of record at the close of business on March 23, 2015 will be entitled to vote at the Annual Meeting. On the record date, there were 27,429,665 shares of Company common stock (Common Stock) outstanding. All holders of these outstanding shares are entitled to one vote for each share of Common Stock held by them as of March 23, 2015 at the Annual Meeting.

Stockholder of Record: Shares Registered in Your Name

If on March 23, 2015 your shares were registered directly in your name with Synacor's transfer agent, American Stock Transfer & Trust Company, LLC, then you are a stockholder of record with respect to those shares. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to complete, date, sign and return the enclosed WHITE proxy card or vote by proxy via telephone or the Internet as instructed on your proxy card to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on March 23, 2015 your shares were held in an account at a broker, bank or other similar organization, then you are the beneficial owner of shares held in street name, and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct that organization on how to vote the shares in your account. Please refer to the voting instructions provided by your bank or broker. Many organizations enable beneficial owners to give voting instructions via telephone or the Internet as well as in writing. You are also invited to attend the Annual Meeting, but you will need to bring a copy of a brokerage statement reflecting stock ownership as of the record date. Since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you provide a valid proxy (sometimes referred to as a legal proxy) from your broker, bank or other custodian.

Table of Contents

What am I voting on?

There are three matters scheduled for a vote:

Proposal No. 1: Election of the three (3) members of the Board of Directors identified in Proposal No. 1 to serve as Class I directors until the Company's 2018 Annual Meeting of Stockholders or until their successors are duly elected and qualified.

Proposal No. 2: Ratification of the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for the Company for the fiscal year ending December 31, 2015.

Proposal No. 3: Ratification of the Rights Agreement, dated as of July 14, 2014, between the Company and American Stock Transfer & Trust Company, LLC as rights agent (the "Rights Agreement").

How do I vote?

For Proposal 1, you may either vote **FOR** all the nominees to the Board of Directors listed in this proxy statement or you may withhold your vote from any nominee you specify. For Proposals 2 and 3, you may vote **FOR** or **Against** the proposal or abstain from voting. The procedures for voting are fairly simple:

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote by proxy using the enclosed WHITE proxy card, vote by proxy on the Internet or by telephone, or vote in person at the Annual Meeting. Regardless of whether you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person if you have already voted by proxy.

To vote using the proxy card, simply complete, sign and date the enclosed WHITE proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct.

To vote on the Internet, please go to www.proxyvote.com to complete an electronic proxy card. You will be asked to provide the company number and control number from the enclosed WHITE proxy card. Your vote must be received by 11:59 p.m. Eastern Time on April 19, 2015 to be counted.

To vote by telephone, please call 1-800-690-6903 using a touch-tone phone and follow the recorded instructions. You will be asked to provide the company number and control number from the enclosed WHITE proxy card. Your vote must be received by 11:59 p.m. Eastern Time on April 19, 2015 to be counted.

To vote in person, come to the Annual Meeting and we will give you a ballot when you arrive.

We provide Internet proxy voting to allow you to vote your shares online, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your Internet access, such as usage charges from Internet access providers.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

See *Who can vote at the Annual Meeting? Beneficial Owner: Shares Registered in the Name of a Broker or Bank* for voting instructions if you beneficially own shares held in street name.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of Common Stock you own as of the close of business on March 23, 2015.

Table of Contents

What if I return a proxy card but do not make specific choices?

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted **FOR** the election of each of the three nominees for director listed in this proxy statement, **FOR** ratification of Deloitte & Touche LLP as our independent registered public accounting firm and **FOR** ratification of the Rights Agreement. If any other matter is properly presented at the meeting, your proxy (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

Who are the participants in, and who is paying for, this proxy solicitation?

Synacor will pay for the entire cost of soliciting proxies in connection with this Proxy Statement. In addition to mailing these proxy materials, our agents, directors and executive officers may also solicit proxies in person, by telephone or by other means of communication. Appendix B sets forth information relating to such directors and executive officers who are considered participants in this proxy solicitation under the rules of the SEC by reason of their position or because they may be soliciting proxies on our behalf. Directors and executive officers will not be paid any additional compensation for soliciting proxies. We may reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners. In addition, we have engaged The Proxy Advisory Group to assist with the solicitation of proxies and will pay the fees and expenses associated with its services. We anticipate that we will pay The Proxy Advisory Group a fee of approximately \$75,000 plus expenses for these services, though the costs of this proxy solicitation process could be lower or higher than our estimate. Our aggregate expenses, including those of The Proxy Advisory Group, related to the solicitation in excess of those normally spent for an annual meeting as a result of the potential proxy contest and excluding salaries and wages of our officers and regular employees, are expected to be approximately \$250,000, of which approximately \$140,000 has been spent to date. Synacor has agreed to indemnify The Proxy Advisory Group against certain liabilities relating to, or arising out of, their engagement, subject to certain limitations.

What does it mean if I receive more than one set of proxy materials?

If you receive more than one set of proxy materials (including multiple copies of this Proxy Statement and multiple WHITE proxy cards), your shares are registered in more than one name or are registered in different accounts. Please complete, date, sign and return each WHITE proxy card to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the meeting.

If you are a stockholder of record, you may revoke your proxy in any one of the following ways:

You may submit another properly completed proxy card with a later date.

You may vote again on a later date via the Internet or by telephone.

You may send a written notice that you are revoking your proxy to the Corporate Secretary of the Company at Synacor, Inc., 40 La Riviere Drive, Suite 300, Buffalo, New York 14202.

You may attend the Annual Meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy. If you are a beneficial owner of shares held in street name, you may change your vote in any one of the following ways:

You may submit new voting instructions to your broker, trustee or nominee.

Edgar Filing: Synacor, Inc. - Form DEFC14A

If you have obtained a legal proxy from the broker, trustee or nominee that holds your shares giving you the right to vote the shares, by attending the Annual Meeting and voting in person.

Table of Contents

How are votes counted?

Votes will be counted by the inspector of election appointed for the meeting. With respect to Proposal 1, the inspector of elections will count **For** votes. Abstentions and broker non-votes will not affect the outcome of Proposal 1.

With respect to Proposals 2 and 3, the inspector of elections will count separately **For**, **Against** and **Abstain** votes and broker non-votes. For purposes of Proposals 2 and 3, **Abstain** votes will be counted towards the vote total for such proposal, and will have the same effect as **Against** votes. However, broker non-votes are not deemed to be votes cast and, therefore, are not included in the tabulation of voting results on Proposals 2 and 3.

See *How many votes are needed to approve each proposal?* for further details regarding the votes needed to approve each proposal.

What is a broker non-vote ?

Broker non-votes occur when a beneficial owner of shares held in street name does not give instructions to the broker or nominee holding the shares as to how to vote on matters deemed non-routine. Generally, if shares are held in street name, the beneficial owner of the shares is entitled to give voting instructions to the broker or nominee holding the shares. If the beneficial owner does not provide voting instructions, the broker or nominee can still vote the shares with respect to matters that are considered to be routine, but not with respect to non-routine matters. Under the rules and interpretations of the New York Stock Exchange (NYSE), there are no routine proposals in a contested proxy solicitation. Even though our Common Stock is listed on the NASDAQ Global Select Market, the NYSE rules apply to brokers who are NYSE members voting on matters being submitted to shareholders at the Annual Meeting. Should a dissident stockholder group commence a contested proxy solicitation, there will be no routine matters at the Annual Meeting for any broker accounts that are provided with proxy materials by such dissident stockholder group. We strongly encourage you to submit your WHITE proxy card and exercise your right to vote as a stockholder.

How many votes are needed to approve each proposal?

Proposal No. 1. Directors are elected by a plurality of the affirmative votes cast by those shares present in person, or represented by proxy, and entitled to vote at the Annual Meeting. The nominees for director receiving the highest number of affirmative votes will be elected. Stockholders may not cumulate votes in the election of directors. Abstentions and broker non-votes will not be counted toward a nominee's total.

Proposal No. 2. Ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2015 requires the affirmative vote of a majority of those shares present in person, or represented by proxy, and cast either affirmatively or negatively at the Annual Meeting. Abstentions will have the same effect as an **Against** vote. Broker non-votes will not be counted as having been voted on the proposal.

Proposal No. 3. Ratification of the Rights Agreement requires the affirmative vote of a majority of those shares present in person, or represented by proxy, and cast either affirmatively or negatively at the Annual Meeting. Abstentions will have the same effect as an **Against** vote. Broker non-votes will not be counted as having been voted on the proposal.

What are the Board's voting recommendations?

Proposal No. 1: **FOR** each of the nominees to the Board of Directors named in this proxy statement.

Proposal No. 2: **FOR** ratification of the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for the Company for the fiscal year ending December 31, 2015.

Table of Contents

Proposal No. 3: FOR ratification of the Rights Agreement, dated as of July 14, 2014, between the Company and American Stock Transfer & Trust Company, LLC as rights agent.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if a majority of all outstanding shares is represented by stockholders present at the meeting or by proxy. On the record date, there were 27,429,665 shares of Common Stock outstanding and entitled to vote. Thus, 13,714,833 shares must be represented by stockholders present at the meeting or by proxy to have a quorum. Your shares will be counted towards the quorum if you submit a valid proxy vote or vote at the meeting. Under the General Corporation Law of the State of Delaware, abstentions and broker non-votes will be counted as present for the purpose of determining the presence of a quorum.

How can I find out the results of the voting at the Annual Meeting?

Preliminary voting results will be announced at the Annual Meeting. Final voting results will be published in a Current Report on Form 8-K within four business days following the Annual Meeting. In the event we are unable to obtain the final voting results within four business days, we will file the preliminary voting results in a Current Report on Form 8-K within four business days following the Annual Meeting, and will file an amended Form 8-K with the final voting results within four business days after the final voting results are known.

How can stockholders submit a proposal for inclusion in our Proxy Statement for the 2016 Annual Meeting of Stockholders?

To be included in our Proxy Statement for the 2016 annual meeting of stockholders, stockholder proposals must comply with the requirements of Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the Exchange Act). Except as provided below, stockholder proposals must be received by our Corporate Secretary at our principal executive offices no later than December 1, 2015, or one hundred twenty (120) calendar days before the one-year anniversary of the date on which we first commenced mailing our proxy materials to stockholders in connection with this year's Annual Meeting.

How can stockholders submit proposals to be raised at the 2016 Annual Meeting of Stockholders that will not be included in our Proxy Statement for the 2016 Annual Meeting of Stockholders?

To be raised at the 2016 annual meeting of stockholders, stockholder proposals must comply with our amended and restated bylaws (the Bylaws). Under our Bylaws, a stockholder must give advance notice to our Corporate Secretary of any business, including nominations of directors for our Board, that the stockholder wishes to raise at the 2016 annual meeting of stockholders. Except as provided below, a stockholder's notice shall be delivered to our Corporate Secretary at our principal executive offices not less than forty-five (45) or more than seventy-five (75) days prior to the first anniversary of the date on which we first mailed our proxy materials for the preceding year's annual meeting of stockholders. Since we commenced mailing to all stockholders of record entitled to vote at the Annual Meeting on March 30, 2015, stockholder proposals must be received by our Corporate Secretary at our principal executive offices no earlier than January 15, 2016 and no later than February 14, 2016, in order to be raised at our 2016 annual meeting of stockholders. If a stockholder wishes only to recommend a candidate for consideration by the Corporate Governance and Nominating Committee as a potential nominee for director, see the procedures discussed in *Corporate Governance Corporate Governance and Nominating Committee*.

What if the date of the 2016 Annual Meeting of Stockholders changes by more than 30 days from the anniversary of this year's Annual Meeting?

Under Rule 14a-8 of the Exchange Act, if the date of the 2016 annual meeting of stockholders changes by more than 30 days from the anniversary of this year's Annual Meeting, to be included in our Proxy Statement, stockholder proposals must be received by us within a reasonable time before our solicitation is made. Under our

Table of Contents

Bylaws, for stockholder proposals that will not be included in our Proxy Statement, notice of such proposal must be received no later than the close of business on the later of (i) the 90th day prior to the 2016 annual meeting of stockholders or (ii) the 10th day following the day on which public announcement of the meeting is first made.

Does a stockholder proposal require specific information?

With respect to a stockholder's nomination of a candidate for our Board, the stockholder notice to our Corporate Secretary must contain certain information as set forth in our Bylaws about both the nominee and the stockholder making the nomination. With respect to any other business that the stockholder proposes, the stockholder notice must contain a brief description of such business and the reasons for conducting such business at the meeting, as well as certain other information as set forth in our Bylaws. If you wish to bring a stockholder proposal or nominate a candidate for director, you are advised to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations. Our current Bylaws may be found on our website at <http://www.synacor.com> in the Investor Relations section.

* * * * *

If you have any questions or require any assistance with voting your shares, please contact The Proxy Advisory Group, our proxy solicitor:

The Proxy Advisory Group, LLC

888-55-PROXY

(888-557-7699)

Table of Contents**PROPOSAL 1****ELECTION OF DIRECTORS**

The Company's amended and restated certificate of incorporation (the Charter) and Bylaws provide for a classified board of directors. There are three classes of directors, with each class of directors serving three-year terms that end in successive years. Synacor currently has authorized seven directors. The class of directors standing for election at the Annual Meeting currently consists of three directors. Three directors will be elected at the Annual Meeting to serve until the 2018 annual meeting of stockholders of Synacor or until their successors are duly elected and qualified. The directors being nominated for election to the Board of Directors (each, a Nominee), their ages as of March 1, 2015, their positions and offices held with Synacor and certain biographical information are set forth below.

The Board recommends that you vote on the WHITE proxy card or voting instruction form FOR the election of each of Messrs. Bhise, Kau and Levy to serve as directors of Synacor until the 2018 annual meeting of stockholders, or until their successors are elected and qualified.

The proxy holders intend to vote all proxies received by them in the accompanying form **FOR** the Nominees listed below unless otherwise instructed. In the event that any Nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee who may be designated by the current Board of Directors to fill the vacancy. As of the date of this Proxy Statement, each Nominee has consented to being named in this Proxy Statement and to serving as a director if elected. The three Nominees receiving the highest number of affirmative votes of the shares entitled to vote at the Annual Meeting will be elected directors of Synacor. Abstentions and broker non-votes will not be counted toward an individual's total. Proxies cannot be voted for more than three individuals. For further information about how votes will be counted, please refer above to the section entitled *How many votes are needed to approve each proposal*. There are no family relationships among any of our directors or executive officers.

Information Regarding the Nominees

Name	Age	Positions and Offices Held with the Company
Himesh Bhise	47	Director, President and Chief Executive Officer
Andrew Kau	53	Director
Jordan Levy	59	Director and Chairman of the Board

Himesh Bhise has been a member of our Board of Directors and our President and Chief Executive Officer since August 2014. From June 2012 until he joined Synacor, Mr. Bhise served as the Vice President of New Services & Platforms of the Comcast Cable unit of Comcast Corporation where he was responsible for incubating, launching and operating video, Internet and advertising growth businesses. From July 2010 to June 2012, Mr. Bhise was Managing Director at Activate, Inc., a strategy and technology consulting firm where he specialized in product development, marketing and partnering strategies to jumpstart growth. From June 2009 to June 2010, Mr. Bhise led products and growth strategy at Gerson Lehrman Group, Inc. From September 2005 to January 2009, Mr. Bhise was Vice President and general manager of the High Speed Internet business at Charter Communications, Inc., responsible for broadband, portal and multi-platform services. Before that, Mr. Bhise served as Vice President and General Manager of AOL Inc.'s mobile division from June 2003 to August 2005, and from 1996 to 2003 worked at McKinsey & Company in its telecom, mergers and acquisitions and marketing practices. Mr. Bhise received his M.B.A. from the Wharton School of the University of Pennsylvania. We believe it is appropriate and desirable for our Chief Executive Officer to serve on our Board, as it provides our Board with useful insights with respect to management and operations. Additionally, Mr. Bhise brings to our Board extensive experience as an operating executive in the broadband, multiscreen and mobile industries.

Table of Contents

Andrew Kau has been a member of our Board of Directors since December 2000. Prior to that period, Mr. Kau served as a director of MyPersonal.com, Inc., one of our predecessor companies, from September 1999 until its acquisition by Chek, Inc. to form Synacor. Mr. Kau has been a managing director at Walden International since 1994. From 1992 to 1994, Mr. Kau was President of Chemical Technologies Ventures. Mr. Kau was a management consultant at Strategic Planning Associates, LLC from 1991 to 1992 and at Booz, Allen and Hamilton Inc. from 1985 to 1987. From 1983 to 1985, Mr. Kau was a research scientist at Systems Planning Corporation. Mr. Kau holds a Sc.B. in Electrical Engineering from Brown University and an M.B.A. from the University of Virginia. We believe Mr. Kau's lengthy experience as a venture capital investor enables him to bring significant technology knowledge to our Board, as well as relationships with key industry contacts and potential strategic partners. Additionally, Mr. Kau's lengthy history on our Board enables him to provide essential leadership to the Board on corporate governance and operational matters.

Jordan Levy has been a member of our Board of Directors since October 2001 and has served as Chairman of the Board since October 2007. Mr. Levy has been a general partner at Softbank Capital since June 2005. In October 1999, Mr. Levy co-founded Seed Capital Partners LLC and was a managing partner there until May 2005. From July 2007 to March 2012, Mr. Levy served as Chairman of the Erie Canal Harbor Development Corporation. From 2004 through 2009, Mr. Levy served on the board of directors of Lorex Technology Inc., a publicly-held company. In April 2013, Mr. Levy joined the Federal Reserve Bank of New York's Upstate New York Regional Advisory Board. Mr. Levy holds a B.A. in Political Science from the State University of New York at Buffalo. We believe Mr. Levy's service on the boards of directors of other public companies and his lengthy history on our Board give him a strong understanding of his role as a member of our Board and enables him to provide essential strategic and corporate governance leadership to the Board. Additionally, Mr. Levy's experience as a venture capital investor, including at the seed stage, enables him to bring to our Board significant technology experience and insights in evaluating new businesses and products.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH NAMED NOMINEE.

Information Regarding Other Directors Continuing in Office

Set forth below is information regarding each of the continuing directors of Synacor, including his age as of March 1, 2015, the period during which he has served as a director, and certain information as to principal occupations and directorships held by him in corporations whose shares are publicly registered.

Class II Directors Term Ending in 2016

Marwan Fawaz, age 52, has been a member of our Board of Directors since December 2011. Since June 2011, Mr. Fawaz has served as Principal at Fawaz Consulting Services. In addition, from June 2012 to May 2013, Mr. Fawaz served as an Executive Vice President at Motorola Mobility LLC with responsibility for the Motorola Home Division. From August 2006 through March 2011, Mr. Fawaz was an Executive Vice President and Chief Technology Officer at Charter Communications, Inc. (Charter Communications), where he served as an executive officer during the pendency of its Chapter 11 cases in 2009. From March 2003 until July 2006, Mr. Fawaz served as Senior Vice President and Chief Technical Officer for Adelphia Communications Corporation, or Adelphia. Adelphia filed a petition under Chapter 11 of the Bankruptcy Code in June 2002. From April 2002 to March 2003, he served as Investment Specialist/Technology Analyst for Vulcan, Inc. Mr. Fawaz served as Regional Vice President of Operations for the Northwest Region for Charter Communications from July 2001 to March 2002. From July 2000 to December 2000, he served as Chief Technology Officer for Infinity Broadband. He served as Vice President Engineering and Operations at MediaOne, Inc. from January 1996 to June 2000. Mr. Fawaz received a B.S. degree in electrical engineering and a M.S. in telecom engineering from California State University Long Beach. We believe Mr. Fawaz's significant experience as an executive at broadband service providers enables him to bring a valuable customer perspective to our Board and provides our Board with insight into how prospective and existing customers value our product offering.

Table of Contents

Michael J. Montgomery, age 60, has been a member of our Board of Directors since December 2011. Mr. Montgomery served as president of Montgomery & Co., a media and technology investment bank, through June of 2013, where he also led the media practice. Prior to joining the predecessor company to Montgomery & Co. in 1999, Mr. Montgomery was the chief executive officer at Sega GameWorks, a joint venture between Sega, Universal Studios and DreamWorks Studios. Before that, Mr. Montgomery was a senior executive at DreamWorks Studios from 1995 until 1999. Before joining DreamWorks Studios, Mr. Montgomery spent approximately eight years with The Walt Disney Company and its affiliates, where he held a number of senior positions including managing director and chief financial officer of EuroDisney and treasurer of The Walt Disney Company. He has previously served on the boards of directors of Corus Pharma and Pathogenesis, a public pharmaceutical company that was acquired by Chiron Corporation in 2000. Mr. Montgomery received his M.B.A. from the Amos Tuck School at Dartmouth College, where he also received a B.A. degree as Rufus Choate Scholar with magna cum laude honors. Mr. Montgomery is currently a board member of and Chair of the Audit Committee for DreamWorks Animation SKG, Inc. We believe that Mr. Montgomery's experience overseeing a media and technology investment banking business gives him a unique and valuable insight regarding the Internet and other emerging media businesses. Additionally, we believe Mr. Montgomery's prior operational experience is valuable to our Board and his experience serving as the Chair of DreamWorks Animation's Audit Committee is, likewise, valuable to our Audit Committee.

Class III Directors Term Ending in 2017

Gary L. Ginsberg, age 52, has been a member of our Board of Directors since December 2011. Mr. Ginsberg has been the Executive Vice President of Corporate Marketing and Communications at Time Warner Inc. since February 2010. From 1999 through late 2009, Mr. Ginsberg served as the Executive Vice President in various capacities at News Corporation. Mr. Ginsberg has also been a managing director at the strategic consulting firm Clark & Weinstock, a senior editor and counsel at George, the magazine, a former Assistant Counsel to President Clinton, and an attorney with Simpson Thacher & Bartlett LLP. Mr. Ginsberg holds an A.B. from Brown University and a J.D. from Columbia University School of Law. Mr. Ginsberg is a member of the boards of directors of the John F. Kennedy Library Foundation, the Newseum, New Visions for Public Schools and New York Cares. He is also a member of the Council on Foreign Relations. In the past five years, Mr. Ginsberg has served on the boards of directors of Vringo, Inc. and Audible, Inc. and on the audit committee of Audible, Inc. We believe Mr. Ginsberg's significant and high-level experience in the media industry enables him to bring valuable operational and management experience to our Board and provides our Board with a unique insight into potential partnerships with companies in the media industry.

Scott Murphy, age 45, rejoined our Board of Directors in October 2014 after having previously served on our Board of Directors from October 2004 until April 2009, when he won a special election to serve as U.S. Representative of New York's 20th congressional district. After completing his congressional service in 2011, Mr. Murphy rejoined Advantage Capital Partners in 2012 as a managing director and chief investment officer. Mr. Murphy previously worked at Advantage Capital from 2001 to 2009, overseeing the firm's New York portfolio. Prior to his first tenure at Advantage Capital, Mr. Murphy co-founded three high-tech companies, including a game company that brought fantasy football and baseball to the Internet. Mr. Murphy also founded an online auction company that was sold to eBay, Inc. and a website-building company that was sold to iXL Enterprises Inc. Mr. Murphy received his A.B. magna cum laude from Harvard University. We believe Mr. Murphy's experience in investing, in entrepreneurship and in public service, along with his expertise in shareholder rights and corporate governance, enables him to bring unique insight, operational experience and financial experience to our Board.

Information Regarding Opposing Slate of Directors

Stichting Bewaarder Ratio Capital Partners and JEC II Associates, LLC (together with their affiliates and related parties, the JEC/Ratio Group) have notified the Company of their intent to nominate three individuals for election as directors at the Annual Meeting in opposition to the nominees recommended by our Board of

Table of Contents

Directors. Our Board does not endorse any JEC/Ratio Group nominees. If the JEC/Ratio Group proceeds with its alternative director nominations, you may receive proxy solicitation materials from or on behalf of the JEC/Ratio Group, including an opposition proxy statement and a blue proxy card. Synacor is not responsible for the accuracy of any information contained in any proxy solicitation materials used by the JEC/Ratio Group or any other statements that it may otherwise make.

Table of Contents

CORPORATE GOVERNANCE

Independence of the Board of Directors

The Board of Directors is currently composed of seven members. Messrs. Fawaz, Ginsberg, Kau, Levy, Montgomery and Murphy qualify as independent directors in accordance with the published listing requirements of the Nasdaq Stock Market, or Nasdaq. The Nasdaq independence definition includes a series of objective tests, such as that the director is not, and has not been for at least three years, one of our employees and that neither the director nor any of his family members has engaged in various types of business dealings with us. In addition, as further required by the Nasdaq rules, the Board of Directors has made a subjective determination as to each independent director that no relationships exist which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities as they may relate to us and our management. The directors hold office until their successors have been duly elected and qualified or their earlier death, resignation, retirement, disqualification or other removal.

Board Leadership Structure

We currently have separate individuals serving as Chairman of our Board of Directors and as our principal executive officer. Mr. Levy has served as Chairman of our Board of Directors since October 2007 and Mr. Bhise has served as our President and Chief Executive Officer since August 2014. Under our Corporate Governance Guidelines the positions of Chairman and Chief Executive Officer should be separate, and the Chairman should be selected from the non-employee directors. Separating the positions of Chief Executive Officer and Chairman of the Board of Directors allows our President and Chief Executive Officer to focus on our day-to-day business, while allowing the Chairman of the Board of Directors to lead the Board in its fundamental role of providing independent advice to and oversight of management. The Board believes that having an independent director serve as Chairman of the Board of Directors is the appropriate leadership structure for the Company at this time and demonstrates our commitment to good corporate governance. Because we have separate individuals serving as Chairman of our Board of Directors and as our principal executive officer, we do not have a lead independent director; the responsibilities of a lead independent director are discharged by the Chairman of our Board of Directors.

Risk Oversight Management

Risk is inherent with every business and we face a number of risks, including strategic, financial, operational, legal/compliance and reputational risks. Our management is responsible for the day-to-day management of the risks that we face. Our Board of Directors as a whole has responsibility for the oversight of enterprise risk management. Our Audit Committee is responsible for overseeing the process by which management assesses and manages our exposure to risk, as well as our major financial risk exposures and the steps management takes to monitor and control such exposures, based on consultation with our management and independent auditors. The Compensation Committee reviews processes related to, and steps taken to mitigate material risks related to our compensation programs. The Board's, Audit Committee's and Compensation Committee's oversight roles are supported by management reporting processes that are designed to provide the Board, the Compensation Committee and the Audit Committee visibility into the identification, assessment and management of critical risks.

Table of Contents**Information Regarding the Board of Directors and its Committees**

Our independent directors periodically meet in executive sessions at which only independent directors are present. The Board of Directors has an Audit Committee, a Compensation Committee and a Corporate Governance and Nominating Committee. The following table provides membership information for each of the Board committees as of March 1, 2015:

Name	Audit	Compensation	Corporate Governance and Nominating
Marwan Fawaz	X		
Gary L. Ginsberg		*X	
Andrew Kau		X	X
Jordan Levy (1)		X	*X
Michael J. Montgomery	*X		X
Scott Murphy (2)	X		

Notes:

* Denotes committee chair as of March 1, 2015.

(1) Mr. Levy served on the Audit Committee until October 28, 2014.

(2) Mr. Murphy was elected to the Board of Directors and appointed to the Audit Committee, in each case effective October 28, 2014.

Below is a description of each committee of the Board of Directors. The Board of Directors has determined that each member of each of the Audit, Compensation and Corporate Governance and Nominating Committees meets the applicable rules and regulations regarding independence and that each such member is free of any relationship that would interfere with his individual exercise of independent judgment with regard to Synacor. Each committee of the Board of Directors has a written charter approved by the Board of Directors. Copies of each charter are posted on our website at <http://www.synacor.com> in the Investor Relations section.

Audit Committee

The Audit Committee of our Board of Directors, which has been established in accordance with Section 3(a)(58)(A) of the Exchange Act, oversees our accounting practices, system of internal controls, audit processes and financial reporting processes. Among other things, our Audit Committee is responsible for reviewing our disclosure controls and procedures and the adequacy and effectiveness of our internal controls. It also discusses the scope and results of the audit with our independent registered public accounting firm, reviews with our management and our independent registered public accounting firm our interim and year-end operating results and, as appropriate, initiates inquiries into aspects of our financial affairs. Our Audit Committee has oversight for our code of business conduct and is responsible for establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, auditing matters, federal securities laws (including any rules or regulations thereunder), the disclosures we are required to make to our stockholders as a public company and any other securities matters related to our code of business conduct, and for the confidential, anonymous submission by our employees of concerns regarding questionable accounting, auditing or securities laws matters. In addition, our Audit Committee has sole and direct responsibility for the appointment, retention, compensation and oversight of the work of our independent registered public accounting firm, including approving services and fee arrangements. Our Audit Committee also is responsible for reviewing and approving all related party transactions in accordance with our related party transactions approval policy.

The current members of the Audit Committee are Messrs. Fawaz, Montgomery and Murphy, each of whom is independent for Audit Committee purposes under the rules and regulations of the SEC and the listing standards of Nasdaq. Mr. Montgomery currently chairs the Audit Committee. The Audit Committee met seven times during the fiscal year ended December 31, 2014.

Table of Contents

The Board of Directors has determined that Mr. Montgomery is an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K. The designation does not impose on Mr. Montgomery any duties, obligations or liability that are greater than are generally imposed on him as member of the Audit Committee and the Board of Directors.

Compensation Committee

The purpose of the Compensation Committee of our Board of Directors is to assist our Board of Directors with certain responsibilities relating to executive compensation policies and programs. Among other things, specific responsibilities of our Compensation Committee include evaluating the performance, and determining the compensation, of our Chief Executive Officer. In consultation with our Chief Executive Officer, it also determines the compensation of our other executive officers. In addition, our Compensation Committee administers our equity compensation plans and has the authority to grant equity awards and approve modifications of such awards under our equity compensation plans, subject to the terms and conditions of any equity award policy adopted by our Board of Directors. Our Compensation Committee also oversees the review process related to and steps taken to mitigate material risk associated with our compensation practices, oversees the process and reviews the results of any compensation-related matter presented for a stockholder vote, and reviews and approves various other compensation policies and matters.

The current members of our Compensation Committee are Messrs. Ginsberg, Kau and Levy. Mr. Ginsberg currently chairs the Compensation Committee. Each of Messrs. Ginsberg, Kau and Levy is an independent director under the applicable rules and regulations of Nasdaq, a non-employee director within the meaning of Rule 16b-3 of the Exchange Act, and an outside director, as that term is defined under Section 162(m) of the Internal Revenue Code of 1986. The Compensation Committee met thirteen times during the fiscal year ended December 31, 2014.

Our Chief Executive Officer does not participate in the determination of his own compensation or the compensation of directors. However, he makes recommendations to the Compensation Committee regarding the amount and form of the compensation of the other executive officers and key employees, and he often participates in the Compensation Committee's deliberations about their compensation. No other executive officers participate in the determination of the amount or form of the compensation of executive officers or directors.

The Compensation Committee has retained Frederic W. Cook & Co. as its independent compensation consultant. The consultant provides the committee with data about the compensation paid by a peer group of companies and other companies that may compete with us for executives, and develops recommendations for structuring our compensation programs. The consultant is engaged solely by the Compensation Committee and does not provide any services directly to the Company or its management.

The Compensation Committee has assessed the compensation policies and practices for our employees and concluded that they do not create risks that are reasonably likely to have a material adverse effect on the company.

Compensation Committee Interlocks and Insider Participation

During fiscal year 2014, Messrs. Ginsberg, Kau and Levy each served on the Compensation Committee of our Board of Directors. None of these individuals is currently or has been at any time one of our officers or employees. None of our executive officers has ever served as a member of the board of directors or compensation committee (or committee serving a similar function) of any other entity that has or has had one or more executive officers serving as a member of our Board of Directors or our Compensation Committee.

Table of Contents

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee of our Board of Directors oversees the nomination of directors, including, among other things, identifying, evaluating and making recommendations of nominees to our Board of Directors, and evaluates the performance of our Board of Directors and individual directors. Our Corporate Governance and Nominating Committee also is responsible for reviewing developments in corporate governance practices, evaluating the adequacy of our corporate governance practices and making recommendations to our Board of Directors concerning corporate governance matters.

The current members of our Corporate Governance and Nominating Committee are Messrs. Kau, Levy and Montgomery, each of whom is independent under the listing standards of Nasdaq. Mr. Levy currently chairs the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee met three times during the fiscal year ended December 31, 2014.

The Corporate Governance and Nominating Committee believes that members of the Board of Directors should have certain minimum qualifications, including having the highest professional and personal ethics and values, broad experience at the policy-making level in business, government, education, technology or public interest, a commitment to enhancing stockholder value, and sufficient time to carry out their duties and to provide insight and practical wisdom based on experience. The Corporate Governance and Nominating Committee also considers such other guidelines and various and relevant career experience, relevant skills, such as an understanding of the telecommunications and high-speed Internet provider industries, financial expertise, diversity and local and community ties. While we do not maintain a formal policy requiring the consideration of diversity in identifying nominees for director, diversity is, as noted above, one of the factors our Corporate Governance and Nominating Committee considers in conducting its assessment of director nominees. We view diversity expansively to include those attributes that we believe will contribute to a Board of Directors that, through a variety of backgrounds, viewpoints, professional experiences, skills, educational experiences and other such attributes, is best able to guide the Company and its strategic direction. Candidates for director nominees are reviewed in the context of the current make-up of the Board of Directors. The Corporate Governance and Nominating Committee conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of the Board of Directors. The Corporate Governance and Nominating Committee meets to discuss and consider such candidates' qualifications and then selects a nominee for recommendation to the Board of Directors.

In the case of incumbent directors whose terms of office are set to expire, the Corporate Governance and Nominating Committee also reviews such directors' overall performance during their term, including the number of meetings attended, level of participation, quality of performance, and any relationships or transactions that might impair such directors' independence.

The Corporate Governance and Nominating Committee will consider director candidates recommended by stockholders and evaluate them using the same criteria as candidates identified by the Board of Directors or the Corporate Governance and Nominating Committee for consideration. If a stockholder of the Company wishes to recommend a director candidate for consideration by the Corporate Governance and Nominating Committee, pursuant to the Company's Corporate Governance Guidelines, the stockholder recommendation should be delivered to the Secretary of the Company at the principal executive offices of the Company, and should include:

To the extent reasonably available, information relating to such director candidate that would be required to be disclosed in a proxy statement pursuant to Regulation 14A under the Exchange Act, in which such individual is a nominee for election to the Board of Directors;

The director candidate's written consent to (A) if selected, be named in the Company's proxy statement and proxy and (B) if elected, serve on the Board of Directors; and

Any other information that such stockholder believes is relevant in considering the director candidate.

Table of Contents

Meetings of the Board of Directors

The Board of Directors met twelve times during the fiscal year ended December 31, 2014. During the fiscal year ended December 31, 2014, each director then in office attended 75% or more of the aggregate of the meetings of the Board of Directors and of the committees on which he or she served, held during the period for which he or she was a director or committee member.

Code of Business Conduct

The Board of Directors has adopted a code of business conduct. The code of business conduct applies to all of our employees, officers and directors. The full text of our code of business conduct is posted on our website at <http://www.synacor.com> under the Investor Relations section. We intend to disclose future amendments to certain provisions of our code of business conduct, or waivers of these provisions, at the same location on our website identified above and also in public filings.

Stockholder Communications with the Board of Directors

Stockholders may communicate with our Board of Directors, either generally or with a particular director, by writing to the following address:

The Board of Directors

c/o Corporate Secretary

Synacor, Inc.

40 La Riviere Drive, Suite 300

Buffalo, NY 14202

Each such communication should set forth (i) the name and address of such stockholder, as they appear on the Company's books, and if the stock is held by a nominee, the name and address of the beneficial owner of the stock, and (ii) the class and number of shares of the Company's stock that are owned of record by such record holder and beneficially by such beneficial owner.

The person receiving such stockholder communication shall, in consultation with appropriate members of the Board of Directors as necessary, generally screen out communications from stockholders to identify communications that are (i) solicitations for products and services, (ii) matters of a personal nature not relevant for stockholders, or (iii) matters that are of a type that render them improper or irrelevant to the functioning of the Board of Directors and the Company.

Compensation of Directors

The compensation of our non-employee directors consists of an annual cash retainer (paid quarterly) and stock option grants (in addition to reimbursement for reasonable out-of-pocket expenses incurred in attending Board and committee meetings).

Under the cash compensation portion of our non-employee director compensation program, all non-employee directors are paid an annual cash retainer of \$35,000 for service on the Board. Additional annual cash retainer amounts are paid as follows:

Non-employee chairman of the Board: \$35,000;

Audit committee member: \$7,500;

Audit committee chair: \$15,000;

Compensation committee member: \$6,500;

Compensation committee chair: \$12,500;

Nominating and corporate governance committee member: \$3,500; and

Nominating and corporate governance committee chair: \$7,500.

Table of Contents

Under the equity compensation portion of our non-employee director compensation program, newly-elected non-employee directors receive an initial stock option grant of up to 50,000 shares, to be granted at the first Board meeting occurring on or following such director's initial election to our Board of Directors. Each non-employee director who is re-elected to the Board receives a stock option grant of up to 30,000 shares, to be granted at the first Board meeting occurring on or following such director's re-election to our Board of Directors, and an annual stock option grant of up to 15,000 shares granted at the time of our annual stockholders' meeting in each of the following two years if he or she continues to serve on our Board of Directors. All such options vest over four years of service, with 25% vesting after completion of one year of service and the remainder vesting monthly over an additional three years of service. In addition, in the event of our change of control or the director's death, disability or retirement at or after age 65, any unvested option shares will fully vest.

The following table sets forth the total compensation earned by each person who served as a director during the fiscal year ended December 31, 2014, other than a director who also served as a named executive officer.

Name	Fees Earned or Paid in Cash (\$ (1))	Option Awards (\$ (2) (3))	Total (\$)
Jordan Levy (7)	91,500	18,861(4)	110,361
Marwan Fawaz	42,500	18,861(4)	61,361
Gary L. Ginsberg	47,500	37,721(5)	85,221
Andrew Kau	45,000	18,861(4)	63,861
Michael J. Montgomery	53,500	18,861(4)	72,361
Scott Murphy (8)	7,391	49,417(6)	56,808

Notes:

- (1) The fees earned or paid in cash to our directors in fiscal 2014 are based on the compensation policy set forth above.
- (2) The amounts in this column represent the aggregate grant date fair value of option awards granted to the director in the applicable fiscal year computed in accordance with FASB ASC Topic 718. See Note 9 of the Notes to the Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 filed on March 12, 2015 for a discussion of the assumptions made by us in determining the grant date fair value of our equity awards.
- (3) As of December 31, 2014, the above-listed directors held outstanding options to purchase the following number of shares of our common stock: Jordan Levy (132,500), Marwan Fawaz (100,000), Gary L. Ginsberg (100,000), Andrew Kau (85,000), Michael J. Montgomery (100,000), and Scott Murphy (50,000).
- (4) Reflects an option to purchase 15,000 shares of our common stock granted to the director on May 22, 2014, at an exercise price of \$2.26 per share. The option vests over four years of service beginning on the date of grant, with 25% vesting upon completion of 12 months of service and the remainder vesting in 36 equal monthly installments thereafter. The option will vest in full upon a change of control, death, total and permanent disability or retirement at or after age 65.
- (5) Reflects an option to purchase 30,000 shares of our common stock granted to the director on May 22, 2014, at an exercise price of \$2.26 per share. The option vests over four years of service beginning on the date of grant, with 25% vesting upon completion of 12 months of service and the remainder vesting in 36 equal monthly installments thereafter. The option will vest in full upon a change of control, death, total and permanent disability or retirement at or after age 65.
- (6) Reflects an option to purchase 50,000 shares of our common stock granted to the director on October 29, 2014, at an exercise price of \$1.76 per share. The option vests over four years of service beginning on the date of grant, with 25% vesting upon completion of 12 months of service and the remainder vesting in 36 equal monthly installments thereafter. The option will vest in full upon a change of control, death, total and permanent disability or retirement at or after age 65.
- (7) Mr. Levy resigned from his position as a member of the Audit Committee on October 28, 2014.
- (8) Mr. Murphy was elected to the Board and was appointed to the Audit Committee, in each case on October 28, 2014.

Table of Contents**PROPOSAL 2****RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED****PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors has selected Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015 and has further directed that management submit the appointment of the independent registered public accounting firm for ratification by the stockholders at the Annual Meeting. Deloitte & Touche LLP has audited our financial statements since Synacor's fiscal year 2006. Representatives of Deloitte & Touche LLP are expected to be present at the Annual Meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Neither our Bylaws nor other governing documents or law require stockholder ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm. However, the Board of Directors is submitting the appointment of Deloitte & Touche LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the appointment, the Audit Committee will reconsider whether or not to retain that firm. Even if the appointment is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and our stockholders.

The affirmative vote of the holders of a majority of the shares present in person, or represented by proxy, and cast either affirmatively or negatively at the Annual Meeting will be required to ratify the appointment of Deloitte & Touche LLP. Abstentions will be counted toward the tabulation of votes cast on proposals presented to the stockholders and will have the same effect as negative votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been approved. For further information about how votes will be counted, please refer above to the section entitled *How many votes are needed to approve each proposal*.

Independent Registered Public Accounting Firm's Fees

The following table sets forth the aggregate fees we paid to Deloitte & Touche LLP, our independent registered public accounting firm, for professional services provided during our fiscal years ended December 31, 2014 and December 31, 2013:

	Fiscal 2014	Fiscal 2013
	(In thousands)	
Audit fees (1)	\$ 369	\$ 400
Audit-related fees (2)		8
Tax fees		
All other fees	13	77
Total fees	\$ 382	\$ 485

Notes:

- (1) Audit fees consist of fees incurred for professional services rendered for the audit of our annual financial statements and review of the quarterly financial statements that are normally provided by Deloitte & Touche LLP in connection with regulatory filings or engagements.
- (2) Audit-related fees relate to assurance and related services that are reasonably related to the audit or review of our financial statements.

Table of Contents

Pre-Approval Policies and Procedures

The Audit Committee's policy is to pre-approve all audit and permissible non-audit services rendered by Deloitte & Touche LLP, our independent registered public accounting firm. The Audit Committee can pre-approve specified services in defined categories of audit services, audit-related services and tax services up to specified amounts, as part of the Audit Committee's approval of the scope of the engagement of Deloitte & Touche LLP or on an individual case-by-case basis before Deloitte & Touche LLP is engaged to provide a service. All audit, audit-related and tax services were pre-approved by the Audit Committee. The Audit Committee has determined that, subject to reasonable limits, the rendering of the services other than audit services by Deloitte & Touche LLP is compatible with maintaining the independent registered public accounting firm's independence.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS SYNACOR'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR ITS FISCAL YEAR ENDING DECEMBER 31, 2015.

Audit Committee Report

The Audit Committee of the Board of Directors currently consists of the three non-employee directors named below. The Board of Directors annually reviews the Nasdaq listing standards' definition of independence for Audit Committee members and has determined that each member of the Audit Committee meets that standard. The Board of Directors has also determined that Mr. Montgomery is an audit committee financial expert as described in applicable rules and regulations of the SEC.

The principal purpose of the Audit Committee is to assist the Board of Directors in its general oversight of the Company's accounting practices, system of internal controls, audit processes and financial reporting processes. The Audit Committee is responsible for appointing and retaining our independent registered public accounting firm and approving the audit and non-audit services to be provided by the independent registered public accounting firm. The Audit Committee's function is more fully described in the Audit Committee Charter, which the Board of Directors has adopted and which the Audit Committee reviews on an annual basis.

The Company's management is responsible for preparing our financial statements and ensuring they are complete and accurate and prepared in accordance with generally accepted accounting principles. Deloitte & Touche LLP, our independent registered public accounting firm, is responsible for performing an independent audit of our financial statements and expressing an opinion on the conformity of those financial statements with generally accepted accounting principles.

The Audit Committee has reviewed and discussed with our management the audited financial statements of the Company included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (10-K).

The Audit Committee has also reviewed and discussed with Deloitte & Touche LLP the audited financial statements in the 10-K and the audit results. In addition, the Audit Committee discussed with the Company's independent registered public accounting firm the matters required to be discussed by PCAOB AU Section 380, *Communication with Audit Committees*, Rule 2-07, *Communication with Audit Committees*, of Regulation S-X, and other PCAOB Rules and Standards. In addition, we received from and discussed with Deloitte & Touche LLP the written disclosures and the letter required by Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committees* and discussed Deloitte & Touche LLP's independence with them. Upon completing these activities, the Audit Committee concluded that Deloitte & Touche LLP is independent from the Company and its management.

Table of Contents

Based upon the review and discussions described above, the Audit Committee recommended to the Board of Directors, and the Board of Directors approved, that the audited financial statements be included in the Company's 10-K and filed with the Securities and Exchange Commission.

Submitted by the Audit Committee of the Board of Directors:

Marwan Fawaz

Michael J. Montgomery

Scott Murphy

Table of Contents

PROPOSAL 3

RATIFICATION OF THE RIGHTS AGREEMENT

We are asking our stockholders to ratify the Rights Agreement that we entered into on July 14, 2014. If our stockholders ratify the Rights Agreement, it will stay in effect until July 14, 2017. If, however, our stockholders fail to ratify the Rights Agreement, it will terminate on July 14, 2015.

Background

On July 14, 2014, our Board of Directors declared a dividend of one preferred share purchase right (a *Right*) for each outstanding share of our common stock, par value \$0.01 per share, and adopted a stockholder rights plan (the *Rights Plan*). The dividend was payable on July 14, 2014 to the stockholders of record at the close of business on that date.

Purpose of the Rights Plan

Our Board of Directors adopted the Rights Plan to prevent the accumulation of shares of Synacor and the acquisition of actual or practical control of Synacor by any party or group in a manner that undermines stockholder value and corporate policy and effectiveness by, among other things, bypassing negotiation with our Board of Directors, disregarding our business plan and long-term corporate goals and otherwise coercively or unfairly promoting an inadequately-priced takeover of Synacor.

The Rights Plan is intended to give our stockholders adequate time to properly assess a takeover bid and to lessen the pressure on stockholders in the case of a takeover bid. In general terms, the Rights Plan makes it more costly or time-consuming to acquire control of Synacor without the approval of our Board of Directors.

Importantly, the Rights Plan will not interfere with any merger or other business combination approved by our Board of Directors.

The Rights Agreement

To implement the Rights Plan, we entered into a Rights Agreement dated as of July 14, 2014 (the *Rights Agreement*) with American Stock Transfer & Trust Company, LLC as rights agent (the *Rights Agent*). The Rights Agent serves as transfer agent with respect to our common stock and has also been appointed transfer agent with respect to the Series A Junior Participating Preferred Stock, par value \$0.01 per share, that may be issued pursuant to the exercise of Rights under the Rights Plan, if any.

The Rights will expire automatically on July 14, 2017. However, if our stockholders have not ratified the Rights Agreement by July 14, 2015, the Rights will expire on that date. We are seeking your ratification of the Rights Agreement.

Vote Required to Ratify the Rights Agreement

The affirmative vote of the holders of a majority of the shares present in person, or represented by proxy, and cast either affirmatively or negatively at the Annual Meeting will be required to ratify the Rights Agreement. Abstentions will be counted toward the tabulation of votes cast on proposals presented to the stockholders and will have the same effect as negative votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been approved. For further information about how votes will be counted, please refer above to the section entitled *How many votes are needed to approve each proposal*.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICATION OF THE RIGHTS AGREEMENT.

Table of Contents

Description of the Rights Plan

What is the Rights Plan?

The Rights Plan is an effort by our Board of Directors to give our stockholders adequate time to properly assess a takeover bid and to lessen the pressure on them in the case of a takeover bid. In general terms, the Rights Plan makes it more costly or time-consuming to acquire control of Synacor without the approval of our Board of Directors.

If the Rights Plan is triggered, each Right entitles its holder to purchase from us one one-hundredth of a share of Series A Junior Participating Preferred Stock (Preferred Share) for \$10. This portion of a Preferred Share will give the stockholder approximately the same dividend, voting, and liquidation rights as would one share of our common stock.

The Rights Agreement for which we are seeking approval implements the Rights Plan.

What triggers the Rights Plan?

The Rights Plan is triggered when a person or group (an Acquiring Person) acquires 10% or more of our outstanding common stock without the approval of our Board of Directors. When a Rights Plan is triggered and Rights are exercised, the Acquiring Person generally may not exercise Rights under the Rights Plan, resulting in dilution of the Acquiring Person.

Shares held by affiliates and associates of an Acquiring Person, and notional or other shares related to derivatives interests of an Acquiring Person, will be deemed to be beneficially owned by the Acquiring Person. Certain synthetic interests in securities created by derivative positions whether or not such interests are considered to be ownership of the underlying common stock or are reportable for purposes of Regulation 13D of the Securities Exchange Act are treated as beneficial ownership of (i) the notional or other number of shares of our common stock to be acquired upon exercise or settlement of such instrument or as the basis upon which the value or settlement amount of such instrument is to be calculated, or (ii) if no such number of shares is specified in the relevant documentation of such instrument, that number of shares of our common stock determined by the Board in its sole discretion to be the number of such shares to which such instrument relates.

If a stockholder's beneficial ownership of our common stock as of July 14, 2014 was at or above 10% (including through entry into certain derivative positions), that stockholder's then existing ownership percentage would be grandfathered, but the stockholder would become an Acquiring Person if the stockholder increases its ownership percentage by 0.001% or more.

What happens after a person or group becomes an Acquiring Person?

If a person or group becomes an Acquiring Person, all holders of Rights except the Acquiring Person may, for \$10, purchase shares of our common stock with a market value of \$20, based on the market price of the common stock prior to the Acquiring Person's acquisition. Any Rights held by an Acquiring Person after the Distribution Date are null and void and may not be exercised. The Distribution Date is the date that is 10 days after the public announcement that a person or group has become an Acquiring Person.

If we are acquired in a merger or similar transaction after the Distribution Date, all holders of Rights except the Acquiring Person may, for \$10, purchase shares of the acquiring corporation with a market value of \$20 based on the market price of the acquiring corporation's stock, prior to such merger.

What are the terms of the Rights?

The Rights. The Rights currently trade with, and are inseparable from, our common stock. The Rights are evidenced only by certificates (or book entries) that represent shares of our common stock. New Rights will accompany any new shares of common stock we issue after July 14, 2014, until the Distribution Date or the earlier expiration of the Rights Agreement in accordance with its terms.

Table of Contents

Until the Distribution Date, any transfer of shares of common stock will constitute a transfer of Rights. After the Distribution Date, the Rights will separate from the common stock and be evidenced by book-entry credits or by Rights certificates that we will mail to all eligible holders of common stock.

Exercise Price. Each Right entitles its holder to purchase from us one one-hundredth of a Preferred Share for \$10, once the Rights become exercisable. This portion of a Preferred Share will give the stockholder approximately the same dividend, voting, and liquidation rights as would one share of our common stock. Prior to exercise, the Right does not give its holder any dividend, voting, or liquidation rights.

Exercisability. The Rights will not be exercisable until the Distribution Date. Any Rights held by an Acquiring Person after the Distribution Date are null and void and may not be exercised.

What are the terms of the Preferred Shares underlying the Rights?

Each one one-hundredth of a Preferred Share, if issued:

Will not be redeemable at the option of the holder;

Will entitle holders to quarterly dividend payments of \$0.01 per share, or an amount equal to the dividend paid on one share of common stock, whichever is greater;

Will entitle holders upon liquidation either to receive \$1.00 per share, or an amount equal to the payment made on one share of common stock, whichever is greater;

Will have the same voting power as one share of common stock; and

If shares of our common stock are exchanged via merger, consolidation, or a similar transaction, will entitle holders to a per share payment equal to the payment made on one share of common stock.

The value of a one one-hundredth interest in a Preferred Share approximates the value of one share of common stock.

Are there any other important terms?

Redemption. Our Board may redeem the Rights for \$0.01 per Right at any time before any person or group becomes an Acquiring Person. If our Board redeems any Rights, it must redeem all of the Rights. Once the Rights are redeemed, the only right of the holders of Rights will be to receive the redemption price of \$0.01 per Right. The redemption price will be adjusted if we have a stock split or stock dividends of our common stock.

Exchange. After a person or group becomes an Acquiring Person, but before an Acquiring Person owns 50% or more of our outstanding common stock, our Board may extinguish the Rights by exchanging one share of common stock or an equivalent security for each Right, other than Rights held by the Acquiring Person.

Edgar Filing: Synacor, Inc. - Form DEFC14A

Anti-Dilution Provisions. Our Board may adjust the purchase price of the Preferred Shares, the number of Preferred Shares issuable and the number of outstanding Rights to prevent dilution that may occur from a stock dividend, a stock split, a reclassification of the Preferred Shares or common stock. No adjustments to the exercise price of less than 1% will be made.

Amendments. The terms of the Rights Agreement may be amended by our Board without the consent of the holders of the Rights. After a person or group becomes an Acquiring Person, our Board may not amend the agreement in a way that adversely affects holders of the Rights.

This description is only a summary, and is not complete, and should be read together with the Rights Agreement. A copy of the Rights Agreement is available free of charge from the Company upon request and is attached to this Proxy Statement as Appendix A.

Table of Contents

EXECUTIVE OFFICERS

The names of the executive officers of Synacor who are not also directors of Synacor and certain information about each of them as of March 1, 2015 are set forth below:

William J. Stuart, age 63, has served as our Chief Financial Officer since August 2011. From 2006 to 2011, Mr. Stuart served as Senior Vice President of Finance, Chief Financial Officer, Treasurer and Secretary for Avici Systems, Inc. (now Soapstone Networks, Inc.), or Soapstone, a publicly-held company. He also served as Soapstone's President and on Soapstone's board of directors from 2009 to 2011. From 2001 to 2006, Mr. Stuart was a partner at Still River Fund, a Boston-based venture capital firm. He has previously served as chief financial officer of the publicly-held Telco Systems (acquired by World Access, Inc.) as well as three privately-held technology companies. Mr. Stuart has a B.A. from Boston College and an M.B.A. from Northeastern University.

George G. Chamoun, age 40, has served as our President of Sales and Marketing since November 2014. Mr. Chamoun also served as our Executive Vice President of Sales and Marketing from June 2009 to November 2014. Mr. Chamoun was co-founder of our predecessor company, Chek, Inc. (Chek) and served as its President from January 1998 until the acquisition of MyPersonal.com, Inc. in December 2000 to form Synacor, Inc. Mr. Chamoun then served as Senior Vice President of Client Services from December 2000 to June 2009. Mr. Chamoun holds a B.A. in Political Science from the State University of New York at Buffalo.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information known to us regarding beneficial ownership of our Common Stock as of March 1, 2015 by:

each person known by us to be the beneficial owner of more than 5% of any class of our voting securities;

our named executive officers;

each of our directors; and

all current executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC, and generally includes voting power and/or investment power with respect to the securities held. Shares of common stock subject to options currently exercisable or exercisable within 60 days of March 1, 2015 are deemed outstanding and beneficially owned by the person holding such options for purposes of computing the number of shares and percentage beneficially owned by such person, but are not deemed outstanding for purposes of computing the percentage beneficially owned by any other person. Except as indicated in the footnotes to this table and subject to applicable community property laws, to our knowledge the persons or entities named have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them. Percentage beneficially owned is based on 27,429,665 shares of common stock outstanding on March 1, 2015 plus shares of common stock otherwise deemed outstanding under applicable SEC rules. The table below is based upon information supplied by officers, directors and principal stockholders and Schedules 13G filed with the SEC.

Unless otherwise indicated, the mailing address of each of the stockholders below is c/o Synacor, Inc., 40 La Riviere Drive, Suite 300, Buffalo, New York 14202.

Name of Beneficial Owner	Beneficial Ownership	
	Number	Percent
Directors and Named Executive Officers		
Himesh Bhise (1)	2,016,438	6.8%
Marwan Fawaz (2)	100,000	0.4%
Gary L. Ginsberg (3)	100,000	0.4%
Andrew Kau (4)	3,960,138	14.4%
Jordan Levy (5)	311,713	1.1%
Michael J. Montgomery (6)	160,000	0.6%
Scott Murphy (7)	118,700	0.4%
William J. Stuart (8)	492,800	1.8%
George Chamoun (9)	843,405	3.0%
All current directors and executive officers as a group (9 persons) (10)	8,103,194	26.1%
Other 5% Stockholders		
Ronald N. Frankel (11)	1,432,201	5.1%
Entities associated with Walden International (12)	3,884,965	14.2%
Entities associated with Advantage Capital (13)	2,180,971	8.0%
K. Peter Heiland and entities associated with JEC Capital Partners and Ratio Capital Management B.V. (14)	2,698,700	9.8%

Notes:

- (1) Represents 2,016,438 shares issuable upon exercise of stock options issued to Mr. Bhise and exercisable within 60 days of March 1, 2015, 2,011,438 of which shares remained subject to vesting as of March 1, 2015.

Edgar Filing: Synacor, Inc. - Form DEFC14A

- (2) Represents 100,000 shares issuable upon exercise of stock options issued to Mr. Fawaz and exercisable within 60 days of March 1, 2015, 42,813 of which shares remained subject to vesting as of March 1, 2015.

Table of Contents

- (3) Represents 100,000 shares issuable upon exercise of stock options issued to Mr. Ginsberg and exercisable within 60 days of March 1, 2015, 49,376 of which shares remained subject to vesting as of March 1, 2015.
- (4) Includes 85,000 shares issuable upon exercise of stock options issued to Mr. Kau and exercisable within 60 days of March 1, 2015, 25,001 of which shares remained subject to vesting as of March 1, 2015. See footnote (12) regarding Mr. Kau's relationship with Walden International. The address for Mr. Kau is c/o Walden International, One California Street, Suite 2800, San Francisco, California 94111.
- (5) Represents 179,213 shares held or beneficially owned by Mr. Levy and 132,500 shares issuable upon exercise of stock options issued to Mr. Levy and exercisable within 60 days of March 1, 2015, 25,001 of which shares remained subject to vesting as of March 1, 2015.
- (6) Represents 60,000 shares held or beneficially owned by Mr. Montgomery and 100,000 shares issuable upon exercise of stock options issued to Mr. Montgomery and exercisable within 60 days of March 1, 2015, 43,855 of which shares remained subject to vesting as of March 1, 2015.
- (7) Includes 68,700 shares held or beneficially owned by Mr. Murphy and 50,000 shares issuable upon exercise of stock options issued to Mr. Murphy and exercisable within 60 days of March 1, 2015, all of which shares remained subject to vesting as of March 1, 2015. The address for Mr. Murphy is c/o Advantage Capital Partners, 909 Poydras Street, Suite 2230, New Orleans, LA 70112.
- (8) Represents 15,000 shares held or beneficially owned by Mr. Stuart and 477,800 shares issuable upon exercise of stock options issued to Mr. Stuart and exercisable within 60 days of March 1, 2015, 209,155 of which shares remained subject to vesting as of March 1, 2015.
- (9) Represents 315,505 shares held or beneficially owned by Mr. Chamoun and 527,900 shares issuable upon exercise of stock options issued to Mr. Chamoun and exercisable within 60 days of March 1, 2015, 272,797 of which shares remained subject to vesting as of March 1, 2015.
- (10) Includes 3,589,638 shares issuable upon exercise of stock options exercisable within 60 days of March 1, 2015, 2,729,436 of which shares remained subject to vesting as of March 1, 2015.
- (11) Represents 705,518 shares held or beneficially owned by Mr. Frankel and 726,683 shares issuable upon exercise of stock options issued to Mr. Frankel and exercisable within 60 days of March 1, 2015, none of which shares remained subject to vesting as of March 1, 2015.
- (12) Represents 70,846 shares held by Pacven Walden Ventures IV Associates Fund, L.P. (Pacven IV Associates Fund), 3,804,292 shares held by Pacven Walden Ventures IV, L.P. (Pacven IV) and 9,827 shares held by Lip-Bu Tan and Ysa Loo Trust dated 2/3/1992, of which Lip-Bu Tan is a trustee. The general partner of Pacven IV Associates Fund and Pacven IV is Pacven Walden Management II, L.P. (Pacven Management II). The general partner of Pacven Management II is Pacven Walden Management Co., Ltd. (Pacven Walden Management). Lip-Bu Tan is the sole director of Pacven Walden Management and he shares voting and investment power with respect to the shares held by Pacven IV and Pacven IV Associates Fund with the other members of the investment committee of Pacven Walden Management. Each of Lip-Bu Tan, Andrew Kau (who is also a member of our Board of Directors) and Brian Chiang is a member of the investment committee of Pacven Walden Management. The address for entities associated with Walden International is One California Street, Suite 2800, San Francisco, CA 94111.
- (13) Represents 1,759,841 shares held by Advantage Capital New York Partners I, L.P. (Advantage I) and 421,130 shares held by Advantage Capital New York Partners II, L.P. (Advantage II). The sole general partner of Advantage I is Advantage Capital New York GP-I, LLC (Advantage GP I), and the sole general partner of Advantage II is Advantage Capital New York GP-II, LLC (Advantage GP II). Advantage GP I and Advantage GP II, in their respective capacities as general partner of Advantage I and Advantage II, exercise investment discretion and control of the shares beneficially owned by Advantage I and Advantage II. Steven T. Stull holds all of the voting interests of Advantage GP I and, therefore, may be deemed to have voting and investment power with respect to the shares held of record by Advantage I. Steven T. Stull and Maurice E. Doyle hold all of the ownership interests, including voting interests, of Advantage GP II and, therefore, may be deemed to have voting and investment power with respect to the shares held of record by Advantage II. The address for entities associated with Advantage Capital Partners is 909 Poydras Street, Suite 2230, New Orleans, LA 70112.
- (14) Represents 50,000 shares held by Klaus-Peter Heiland, 1,303,400 shares held by JEC II Associates, LLC (JEC) and 1,345,300 shares held by Stichting Bewaarder Ratio Capital Partners (RCP). JEC Capital

Table of Contents

Partners, LLC (Capital Partners) serves as investment advisor to JEC. Mr. Heiland is the managing partner of Capital Partners and a member of JEC. Each of Capital Partners and Mr. Heiland may be deemed to have shared voting and dispositive power with respect to the 1,353,400 shares beneficially owned by JEC, of which 500 shares are owned of record. The address for Mr. Heiland, JEC and Capital Partners (the JEC Affiliates) is 68 Mazzeo Drive, Randolph, MA 02368. The manager of RCP is Ratio Capital Management B.V. (RCM). RCM has sole voting and dispositive power with respect to the 1,345,300 shares owned by RCP, of which 500 shares are held of record. The address for RCM and RCP is Herengracht 208, 1016BS Amsterdam. These amounts are based on the Schedule 13D filed on June 17, 2014 by RCM and the JEC Affiliates as most recently amended on February 23, 2015.

Table of Contents

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The members of the Board of Directors, the executive officers of the Company and persons who hold more than 10% of our outstanding common stock are subject to the reporting requirements of Section 16(a) of the Exchange Act, which require them to file reports with respect to their ownership of our common stock and their transactions in our common stock.

The Company believes that all requirements under Section 16(a) of the Securities and Exchange Act of 1934 applicable to directors and executive officers of the Company were complied with by such persons during the last fiscal year. In making this disclosure, the Company has relied on written representations by or on behalf of its directors and executive officers and copies of reports filed.

SUMMARY OF NAMED EXECUTIVE OFFICER COMPENSATION

Synacor is an emerging growth company, as defined in Section 101(a)(19)(C) of the Jumpstart Our Business Startups Act of 2012. As an emerging growth company, under SEC rules, we are not required to include a Compensation Discussion and Analysis section in this proxy statement and have elected to comply with the reduced disclosure requirements applicable to emerging growth companies.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Summary of Named Executive Officer Compensation set forth below with our management. Based on its review and discussions, the committee recommended to the Board of Directors that the Summary of Named Executive Officer Compensation be included in this Proxy Statement.

Submitted by the Compensation Committee of the Board of Directors:

Gary L. Ginsberg

Andrew Kau

Jordan Levy

Table of Contents**Summary Compensation Table**

The following table provides information concerning the compensation paid to our principal executive officer and our next two most highly compensated executive officers during our 2014 and 2013 fiscal years. We refer to these individuals as our named executive officers.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$) (1)	All Other Compensation (\$)	Total (\$)
Himesh Bhise (2) <i>President & Chief Executive Officer</i>	2014	165,128	40,000(3)	2,647,652(4)	166,667		3,019,447
William J. Stuart <i>Chief Financial Officer</i>	2014	310,000			100,750		410,750
	2013	310,000		92,958			402,958
George G. Chamoun <i>President of Sales and Marketing</i>	2014	302,163		251,475(4)	143,325		696,963
	2013	300,000		92,958			392,958
Ronald N. Frankel (5) <i>Former President & Chief Executive Officer</i>	2014	350,000		108,444(6)	79,625	64,317(7)	602,386
	2013	350,000		258,215		25,739	633,954
Scott Bailey (8) <i>Former Chief Operating Officer</i>	2014	275,625				221,346(9)	496,971

Notes:

- (1) Represents amounts paid pursuant to our annual cash incentive program in the fiscal year following the year in which the payment is reported and services were provided.
- (2) Mr. Bhise joined the Company as President and Chief Executive Officer on August 4, 2014.
- (3) Represents a signing bonus paid in connection with the commencement of Mr. Bhise's employment.
- (4) Represents the aggregate grant date fair value of option awards granted to the officer in the applicable fiscal year computed in accordance with FASB ASC Topic 718. See Note 9 of the Notes to the Financial Statements included in our Annual Report on Form 10-K filed on March 12, 2015 for a discussion of the assumptions made by us in determining the grant date fair value of our equity awards.
- (5) Mr. Frankel resigned as our President and Chief Executive Officer effective August 4, 2014.
- (6) Represents the incremental fair value of option awards modified in the applicable fiscal year computed in accordance with FASB ASC Topic 718. See Note 9 of the Notes to the Financial Statements included in our Annual Report on Form 10-K filed on March 12, 2015 for a discussion of the assumptions made by us in determining the grant date fair value of our equity awards.
- (7) Represents \$27,298 in medical benefits paid to or on behalf of Mr. Frankel and payout of \$37,019 for accrued vacation time.
- (8) Mr. Bailey resigned as Chief Operating Officer of the Company on September 30, 2014.
- (9) Represents severance payments paid to Mr. Bailey in connection with his resignation.

Narrative Disclosure to Summary Compensation Table

Our executive compensation program consists of four components:

Base salary,

Annual cash incentive bonuses,

Equity compensation in the form of stock options, and

Certain employment termination- and change of control-related benefits.

Table of Contents

Base Salaries. Our Board of Directors has established base salaries for our chief executive officer and other named executive officers based upon historical company compensation practices, the officer's position, the scope of the officer's responsibilities within the position, and general survey information about the market compensation for that position. Base salaries are reviewed annually and adjusted as and when the Board determines appropriate. Salary adjustments have been, and we expect will continue to be, determined by the Board or the compensation committee in its discretion, based on competitive conditions, individual performance, our overall financial and business performance, changes in job duties and responsibilities, and our overall budget for base salary increases. In November 2014, we increased Mr. Chamoun's salary from \$300,000 to \$315,000, but we did not change the base salaries of our other continuing named executive officers. Mr. Bhise's salary was established as part of the negotiation of his overall compensation package in connection with his hiring in 2014.

Annual Incentive Compensation. Our annual cash incentive bonus program for executive officers is designed to drive toward achievement of our annual objectives and reward individual performance in connection with achievement of those shorter-term objectives. Each year, the compensation committee of our Board establishes certain financial and corporate performance objectives which it later evaluates in light of full-year performance in determining the amount of bonus payments for our executive officers. Each named executive officer has a target bonus opportunity expressed as a percentage of his base salary as in effect at the end of the fiscal year. For fiscal year 2014, the bonus targets for our named executive officers were as follows: Messrs. Frankel and Chamoun, 70%, and Messrs. Stuart and Bailey, 50%. In connection with the negotiation of his overall compensation package the Board established Mr. Bhise target bonus at 100% of his base salary. The bonus program provides an opportunity for greater-than-target payout upon overachievement, as determined by the compensation committee in its discretion, up to a maximum of two times the officer's target bonus amount.

In 2014, 75% of each executive's bonus target was based on performance relative to Company-wide revenue and adjusted EBITDA goals and 25% was based on non-financial goals. Based on achievement relative to revenue, our financial performance and each named executive officer's individual performance, our named executive officers received bonuses as set forth on the Summary Compensation Table above.

In connection with Mr. Frankel's resignation as President and Chief Executive Officer, he was eligible to receive a bonus equal to 50% of the annual bonus he would otherwise be entitled to receive. Mr. Frankel's bonus was paid as set forth on the Summary Compensation Table above.

Long-Term Incentive Compensation. Our equity incentive plans were established to provide our employees, including our executive officers, with incentives to support our long-term success and growth. Our long-term equity incentive compensation has historically been awarded in the form of options to acquire shares of our common stock, because we believe that stock options offer our employees the opportunity to earn a more significant portion of equity than would other equity award instruments and, therefore, provide the greatest incentive for our management to drive toward increasing the value of our business. From time to time our compensation committee also considers other forms of equity awards, such as restricted stock or restricted stock units. However, in 2014 we granted only stock options to our named executive officers.

An executive officer typically receives a significant stock option grant in the year he or she commences employment. Thereafter, option grants may be made at varying times and in varying amounts at the discretion of our compensation committee or our Board of Directors. We do not have any program or obligation that requires us to grant equity compensation to any executive officer on specified dates, nor do we have any policy or practice with regard to granting options or equity awards in relation to the release of corporate information. Stock options are typically granted on the first compensation committee meeting following a new employee's date of hire. For options granted to newly-hired employees, the vesting commencement date applicable to their options is typically the first day of the month following the month in which they commence employment, whereas for options granted to current employees, the vesting commencement date is typically the first day of the month following the month in which the grant is made.

Table of Contents

On May 22, 2014, we granted options to purchase 200,000 shares of our common stock to Mr. Chamoun. The options are immediately exercisable when they were granted, but shares under the options are subject to repurchase by us until they were vested. The option shares vest over 4 years of service from June 1, 2014 (the first day of the month following the month in which the grant was made), with 25% vesting upon completion of 12 months of service from the above date, and the remainder vesting in 36 equal monthly installments thereafter. Mr. Chamoun's option may vest on an accelerated basis in connection with a change in control of Synacor and certain terminations of Mr. Chamoun's employment with us, as further described below. For information regarding the vesting acceleration provisions applicable to the options held by our named executive officers, please see the section titled *Employment Agreements and Potential Payments upon Termination or Change of Control* below.

On August 4, 2014, we granted options to purchase 2,001,338 shares of our common stock to Mr. Bhise in connection with, and as an inducement to, the commencement of his employment with us. The options are immediately exercisable when they are granted, but shares under the options are subject to repurchase by us until they are vested. The option shares vest over 4 years of service from August 4, 2014, with 25% vesting upon completion of 12 months of service from the above date, and the remainder vesting in 36 equal monthly installments thereafter. Mr. Bhise's option may vest on an accelerated basis in connection with a change in control of Synacor and certain terminations of Mr. Bhise's employment with us, as further described below. For information regarding the vesting acceleration provisions applicable to the options held by our named executive officers, please see the section titled *Employment Agreements and Potential Payments upon Termination or Change of Control* below.

In addition to the option grants described above, in connection with our search for a successor to Mr. Frankel, we entered into a transition agreement with Mr. Frankel in March 2014. Under the terms of this transition agreement, vesting under Mr. Frankel's outstanding options to purchase shares of the Company's common stock accelerated on August 4, 2014, the effective date of his resignation as President and Chief Executive Officer, such that the number of option shares that would have vested in the 24 months following the effective date of his resignation (which is the term of Mr. Frankel's employment as a non-executive employee under the transition agreement) immediately vested. Mr. Frankel's options thereafter ceased vesting and will remain exercisable until August 4, 2017 (or 10 years after the option's date of grant, if earlier). For information regarding the material employment terms and severance benefits in Mr. Frankel's transition agreement, please see the section titled *Employment Agreements and Potential Payments upon Termination or Change of Control* below.

In connection with the end of Mr. Bailey's employment, he became vested in an additional number of shares under each option then held by him as if he had provided an additional 12 months of service to us after his last day of employment. For information regarding the material severance benefits in Mr. Bailey's separation agreement, please see the section titled *Employment Agreements and Potential Payments upon Termination or Change of Control* below.

Outstanding Equity Awards at Fiscal Year-End

The following table provides information concerning each unexercised option held by our named executive officers as of December 31, 2014.

Table of Contents

Except as indicated in the footnotes below, options granted to our named executive officers are generally immediately exercisable with respect to all of the option shares (whether vested or unvested), subject to our repurchase right in the event that the executive's service terminates before vesting in such shares. For information regarding the vesting acceleration provisions applicable to the options held by our named executive officers, please see the section titled *Employment Agreements and Potential Payments upon Termination or Change of Control* below.

Name	Grant Date	Vesting Commencement Date	Option Awards		Option Exercise Price (\$)	Option Expiration Date
			Number of Securities Underlying Unexercised Options (#) Vested	Number of Securities Underlying Unexercised Options (#) Unvested		
Himesh Bhise	6/10/09	6/10/09	5,000(5)		2.52	6/09/19
Himesh Bhise	8/04/14	8/04/14		2,001,338(1)	2.38	8/03/24
William J. Stuart	8/16/11	9/01/11	122,362(3)	28,238(3)	3.32	8/15/21
William J. Stuart	8/16/11	9/01/11	80,762(1)	18,638(1)	3.32	8/15/21
William J. Stuart	9/27/12	10/01/12	27,083(1)	22,917(1)	7.61	9/26/22
William J. Stuart	5/16/13	6/01/13	16,875(1)	28,125(1)	3.68	5/15/23
George G. Chamoun	9/14/07	2/01/08	75,000(1)		2.52	9/13/17
George G. Chamoun	8/16/11	9/01/11	81,250(4)	18,750(4)	3.32	8/15/21
George G. Chamoun	4/16/12	4/01/12	66,666(1)	33,334(1)	7.10	4/15/22
George G. Chamoun	5/16/13	6/01/13	16,875(1)	28,125(1)	3.68	5/15/23
George G. Chamoun	5/22/14	6/01/14		200,000(1)	2.26	5/21/24
Ronald N. Frankel	4/03/07	4/03/07	172,725(1)(6)		0.926666	4/02/17
Ronald N. Frankel	9/14/07	2/01/08	105,000(1)(6)		2.52	8/04/17
Ronald N. Frankel	8/16/11	9/01/11	175,000(2)(6)		3.32	8/04/17
Ronald N. Frankel	4/16/12	4/01/12	175,000(1)(6)		7.10	8/04/17
Ronald N. Frankel	5/16/13	6/01/13	98,958(1)(6)		3.68	8/04/17

Notes:

- (1) The option was immediately exercisable for all shares. The shares underlying the option vest over 4 years of service after the Vesting Commencement Date, with 25% upon completion of 12 months of service and in 36 equal monthly installments thereafter.
- (2) 84,640 of the option shares in the original grant were immediately exercisable, with an additional 30,120 of the option shares becoming exercisable at any time after each of December 31, 2011, 2012, and 2013. The shares underlying the option vest over 4 years of service after the Vesting Commencement Date, with 25% upon completion of 12 months of service and in 36 equal monthly installments thereafter.
- (3) 30,120 of the option shares were immediately exercisable, with an additional 30,120 of the option shares becoming exercisable at any time after each of December 31, 2011, 2012, 2013 and 2014. The shares underlying the option vest over 4 years of service after the Vesting Commencement Date, with 25% upon completion of 12 months of service and in 36 equal monthly installments thereafter.
- (4) 30,120 of the option shares were immediately exercisable, with an additional 30,120 of the option shares becoming exercisable at any time after each of December 31, 2011 and 2012, with the remaining 9,640 option shares becoming exercisable after December 31, 2013. The shares underlying the option vest over 4 years of service after the Vesting Commencement Date, with 25% upon completion of 12 months of service and in 36 equal monthly installments thereafter.
- (5) The option became exercisable based upon the satisfaction of certain performance criteria prior to June 10, 2010. 100% of the shares subject to the option vested upon the first anniversary of the vesting commencement date.
- (6) In connection with Mr. Frankel's resignation as President and Chief Executive Officer on August 4, 2014, the vesting of the shares subject to the option was accelerated as if Mr. Frankel had provided an additional 24 months of service.

Table of Contents

Employment Agreements and Potential Payments upon Termination or Change of Control

We have entered into letter agreements with each of our named executive officers that provide severance benefits in certain circumstances, including in connection with a change of control. Our Board of Directors believes that it is appropriate to provide such benefits to our named executive officers in order to keep them focused on achieving corporate objectives in the context of at-will employment and the possibility of significant corporate events that could disrupt our employment relationships with our executive officers.

A summary of the material terms of the employment agreements and offer letters with our named executive officers, as well as other arrangements providing benefits in connection with such officers' termination of employment or in connection with our change of control, is below.

Himesh Bhise

We entered into a letter agreement with Mr. Bhise in July 2014. The agreement provides Mr. Bhise with severance protection in certain circumstances. If Mr. Bhise's employment is terminated by the Company without cause or if he terminates his employment for good reason and Mr. Bhise signs a release of claims against the Company, then he will be entitled to the following severance: (i) continued payment of his then-annual base salary for twelve months, (ii) payment of any earned but unpaid bonus for the year preceding the year in which his employment is terminated and (iii) payment of the monthly premium for continued group health insurance coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA) for Mr. Bhise and his dependents for twelve months. In addition, if such termination of employment occurs within 12 months following a change of control, then the Company will also pay Mr. Bhise an amount equal to his annual target bonus for the year in which the termination occurs.

Good reason under Mr. Bhise's employment agreement means one of the following occurs without Mr. Bhise's consent: a material diminution of his authority, duties, responsibilities or title, a reduction in his then current salary or bonus target, the Company's material breach of his employment agreement, the requirement that Mr. Bhise relocate his family or primary residence or non-renewal of Mr. Bhise's employment agreement by the Company. Mr. Bhise's authority, duties, responsibilities and title are defined to include serving on the Board of Directors and reporting directly to the Board. Thus, if Mr. Bhise is not reelected to our Board of Directors at the Annual Meeting, good reason will exist for him to terminate his employment, in which he will be entitled to receive the severance provisions described above.

Change of control under Mr. Bhise's employment agreement means our merger or consolidation with or into another corporation; a sale of our assets; a change in the majority of our Board of Directors; or any transaction as a result of which any person acquires beneficial ownership of at least 50% of the total voting power of our then-outstanding voting securities.

Options granted to Mr. Bhise in 2014 have the following vesting acceleration if the Company undergoes a change of control before his service with the Company terminates and, within twelve months after such change of control the Company (or the surviving corporation) terminates Mr. Bhise's employment for any reason other than cause or his permanent disability or Mr. Bhise terminates his employment for good reason. If the change of control occurs prior to August 4, 2015, the vested portion of Mr. Bhise's option shall be determined by adding 36 months to his actual service. If the change of control occurs on or after August 4, 2015, then 100% of Mr. Bhise's option will vest. In addition, if the Company terminates Mr. Bhise's employment for any reason other than cause or his permanent disability or Mr. Bhise terminates his employment for good reason, in each case prior to a change of control, then the vested portion of Mr. Bhise's option will be determined by adding 12 months to his actual service. Good reason and change of control in Mr. Bhise's stock option are defined as they are in his employment agreement.

Table of Contents

Ronald N. Frankel

In connection with our search for a successor to Mr. Frankel, we entered into a transition agreement with Mr. Frankel in March 2014, which superseded and replaced the letter agreement and change of control severance agreement we had previously entered into with Mr. Frankel. The transition agreement provides that Mr. Frankel would remain President and Chief Executive Officer of the Company until the Board appointed his successor or asked him to step down. Mr. Frankel resigned as President and Chief Executive Officer effective August 4, 2014 (the Transition Date). From the Transition Date through the second anniversary of the Transition Date, Mr. Frankel will remain a non-executive employee of the Company to assist with transition matters (unless earlier terminated). During Mr. Frankel's employment as a non-executive employee, his current annual base salary remains unchanged. In addition, Mr. Frankel was eligible to participate in the Company's annual cash incentive bonus plan for 2014 on a reduced basis.

Vesting under Mr. Frankel's outstanding options to purchase shares of the Company's common stock accelerated on the Transition Date, such that the number of option shares that would have vested in the 24 months following the Transition Date (i.e., the term of his employment as a non-executive employee) immediately vested. Mr. Frankel's options thereafter ceased vesting and will remain exercisable until the third anniversary of the Transition Date (or 10 years after the option's date of grant, if earlier).

If, prior to the first anniversary of the Transition Date, Mr. Frankel resigns from the Company to become an employee of another entity (including if he resigns and later becomes an employee of another entity) or in the event of his death, Mr. Frankel (or his estate) will be entitled to continued payment of his base salary through the first anniversary of the Transition Date (subject to his entry into a release of claims against the Company). If, after the first anniversary of the Transition Date, Mr. Frankel resigns from the Company to become an employee of another entity or in the event of his death, Mr. Frankel (or his estate) will be entitled to receive his base salary and benefits through his last day of employment. If Mr. Frankel's employment terminates for any reason other than (i) his death, (ii) for cause, (iii) resignation by Mr. Frankel to become an employee of another entity or (iv) resignation by Mr. Frankel for any reason on or after the first anniversary of the Transition Date, he will be entitled to payment of his base salary and benefits through the second anniversary of the Transition Date.

In exchange for the above benefits, Mr. Frankel signed a release of claims he may have against the Company, as of the date of the transition agreement.

William J. Stuart

We entered into a letter agreement with Mr. Stuart in August 2011. In addition, we entered into a change of control severance agreement with Mr. Stuart that became effective as of the effective date of our initial public offering (described below under *Change of Control Severance Benefits*). Pursuant to our letter agreement with Mr. Stuart, as amended, if we terminate his employment for any reason other than cause or permanent disability, we will continue to pay Mr. Stuart his base salary and will pay Mr. Stuart an amount equal to the COBRA premium for himself and his eligible dependents for a period of up to 12 months following such termination. Cause under Mr. Stuart's letter agreement is defined as his unauthorized use or disclosure of our confidential information or trade secrets; material breach of any agreement with us; material failure to comply with our written policies or rules; conviction of or plea of guilty or no contest to a felony; gross negligence or willful misconduct; continuing failure to perform assigned duties; or failure to cooperate in good faith with a governmental or internal investigation of us, our directors, officers or employees, if we have requested his cooperation.

The options granted to Mr. Stuart in September 2011 have the following vesting acceleration: In the event of our change of control, 100% of the unvested options will vest if the acquirer or successor does not assume such options, if Mr. Stuart's compensation is reduced below his rate of compensation as of immediately prior to the change in control or if there is a material reduction in Mr. Stuart's duties and responsibilities as a result of or within 12 months after such change in control. All options granted to Mr. Stuart have accelerated vesting if Mr. Stuart is subject to an involuntary termination in connection with or within 12 months following our change of control, as described below under *Change of Control Severance Agreements*.

Table of Contents***George G. Chamoun***

We entered into an employment agreement with Mr. Chamoun in December 2000, which is subject to our policy applicable to severance benefits. In addition, we entered into a change of control severance agreement with Mr. Chamoun that became effective as of the effective date of our initial public offering (described below under *Change of Control Severance Agreements*). Pursuant to our employment agreement with Mr. Chamoun, if he resigns for good reason, or if he is terminated by us for any reason other than for cause (including a termination in contemplation of our change of control), we will continue to pay Mr. Chamoun his base salary for a period of six months following such termination.

All options granted to Mr. Chamoun have accelerated vesting if Mr. Chamoun is subject to an involuntary termination in connection with or within 12 months following a change of control, as described below under *Change of Control Severance Agreements* .

Scott Bailey

On September 30, 2014, Mr. Bailey's employment with the Company ended. In connection with the end of his employment and in exchange for Mr. Bailey's release of any claims he may have against the Company, we agreed to pay Mr. Bailey (1) continued base salary payments for twelve months after the end of his employment, (2) the pro rata portion of his target bonus for 2014 and (3) an amount equal to the monthly premium paid by the Company for Mr. Bailey's and his dependents' medical and dental coverage for twelve months.

Change of Control Severance Agreements

In connection with our initial public offering in 2012, our Board of Directors approved change of control severance agreements with Messrs. Frankel, Stuart, Bailey and Chamoun, who were each then named executive officers. Under these agreements, if a named executive officer is subject to an involuntary termination in connection with or within 12 months following our change of control, he will receive severance equal to 12 months of his then-current base salary plus his then-annual target bonus amount, payable over a 12-month period. In addition, we will pay the executive an amount equal to the executive's COBRA premium for up to 12 months, and each executive will be eligible for 12 months' additional vesting with respect to any of our equity granted to such executive. All such benefits are contingent on the executive signing a general release of all claims against us. If the executive has an existing agreement that provides for severance benefits, such executive will receive benefits under whichever agreement provides the greater benefits (but not both). As described above under *Employment Agreements and Potential Payments upon Termination or Change of Control*, the transition agreement between Mr. Frankel and the Company supersedes his change of control severance agreement. Change of control under our change of control agreement means our merger or consolidation with or into another corporation; a sale of our assets; a change in the majority of our Board of Directors; or any transaction as a result of which any person acquires beneficial ownership of at least 50% of the total voting power of our then-outstanding voting securities. Involuntary termination means the following: our termination of the executive's service without cause or his voluntary resignation during a specific period of time following a material reduction in his job responsibilities; relocation of more than 50 miles; or a reduction in his then-current base salary by at least 10%, other than pursuant to a generally applicable salary reduction. Cause means the executive's willful failure substantially to perform his duties and responsibilities or deliberate violation of a Company policy; the executive's commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company; the executive's unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom the executive owes an obligation of nondisclosure as a result of his relationship with the Company; or the executive's willful breach of any of his obligations under any written agreement or covenant with the Company.

Change-of-Control Benefits under our Stock Plans

In addition to the benefits described above, in the event of our change of control, options granted under our 2000 Stock Plan (that is, options granted in or prior to 2006) terminate if not assumed or substituted by the

Table of Contents

surviving entity. In addition, unless a stock option agreement provides otherwise, options granted under our 2006 Stock Plan and 2012 Equity Incentive Plan (that is, options granted after 2006) that are not continued, assumed or substituted by the surviving entity will be cancelled in exchange for a payment equal to the difference between the fair market value of the shares subject to such options and the exercise price per share applicable to such award. Such payments may be made in installments and paid pursuant to a vesting schedule at least as favorable as that which would otherwise have applied had such options remained outstanding pursuant to their terms.

Perquisites and Other Benefits

We generally do not provide perquisites or similar benefits to our named executive officers. However, in connection with the negotiation of Mr. Bhise's overall compensation package in connection with his hiring, the Company agreed to pay a stipend of \$2,000 per month to Mr. Bhise for living expenses in Buffalo, New York and to reimburse Mr. Bhise for reasonable travel expenses to the Company's headquarters. In addition, we paid for medical benefits for Mr. Frankel and his dependents.

We have established a 401(k) tax-deferred savings plan, which permits participants, including our named executive officers, to make contributions by salary deduction pursuant to Section 401(k) of the Internal Revenue Code. We are responsible for administrative costs of the 401(k) plan. We may, in our discretion, make matching contributions to the 401(k) plan. No employer contributions have been made to date.

Securities Authorized For Issuance Under Equity Compensation Plans

The following table sets forth information as of December 31, 2014 with respect to shares of common stock that may be issued under our existing equity compensation plans.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (2)	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by security holders	5,588,240	\$ 3.07	3,621,780
Equity compensation plans not approved by security holders	2,001,338(1)	\$ 2.38	
Total	7,589,578	\$ 2.86	3,621,780

- (1) Reflects an option to purchase shares of our common stock granted to Himesh Bhise as an inducement material to his entering into employment with the Company in accordance with NASDAQ Listing Rule 5635(c)(4).
- (2) The weighted average exercise price is calculated based solely on the outstanding stock options. It does not take into account the shares issuable upon vesting of outstanding RSUs, which have no exercise price.

Table of Contents

TRANSACTIONS WITH RELATED PERSONS

Other than the compensation arrangements with directors and executive officers, there have been no transactions since January 1, 2014 (and there are no currently proposed transactions) in which:

we have been or are to be a participant;

the amount involved exceeds \$120,000; and

any of our directors, executive officers or holders of more than 5% of our capital stock, or any immediate family member of or person sharing the household with any of these individuals (other than tenants or employees), had or will have a direct or indirect material interest.

Indemnification Agreements

In connection with our initial public offering and thereafter, we entered into an indemnification agreement with each of our directors and executive officers. The agreement provides that we will indemnify him or her against any and all expenses that he or she incurs because of his or her status as one of our directors or executive officers to the fullest extent permitted by Delaware law, our amended and restated certificate of incorporation and our Bylaws, except in a proceeding initiated by that person without the approval of our Board of Directors. In addition, the agreement provides that, to the fullest extent permitted by Delaware law, we will advance all expenses incurred by him or her in connection with a legal proceeding.

Review, Approval or Ratification of Transactions with Related Persons

Our Board of Directors has adopted certain written policies and procedures with respect to related person transactions. These policies and procedures require that certain transactions, subject to specified exceptions and other than one that involves compensation, between us and any of our directors, executive officers or beneficial owners of more than 5% of our capital stock, or any immediate family member of, or person sharing the household with, any of these individuals, be consummated only if (i) approved or ratified by our Audit Committee and