

Synacor, Inc.
Form DEF 14A
April 05, 2013
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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.
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(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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SYNACOR, INC.

40 La Riviere Drive, Suite 300

Buffalo, NY 14202

April 5, 2013

Dear Stockholder:

I am pleased to invite you to attend Synacor, Inc.'s 2013 Annual Meeting of Stockholders, to be held on May 16, 2013 at The Buffalo Club, 388 Delaware Ave., Buffalo, New York 14202. The meeting will begin promptly at 11:00 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.

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 2012, carefully.

This year we are taking advantage of a U.S. Securities and Exchange Commission rule that allows companies to furnish their proxy materials over the Internet rather than in paper form. We believe that this delivery process will reduce our environmental impact and over time lower the costs of printing and distributing our proxy materials. We believe that we can achieve these benefits with no impact on our stockholders' timely access to this important information.

Your vote is important. Whether or not you expect to attend, please vote via telephone or the Internet according to the instructions in the Proxy Statement or the accompanying Notice of Internet Availability of Proxy Materials (the "Notice") or request a proxy card from us by email at ir@synacor.com and date, sign, and return your proxy card in the envelope provided, 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/ Ronald N. Frankel
RONALD N. FRANKEL

President and Chief Executive Officer

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

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Please vote by telephone or Internet as set forth in the Notice, or request a proxy card from us by email at ir@synacor.com and date and sign the proxy card and return it at your earliest convenience in the postage-prepaid return envelope provided so that your shares may be voted.

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SYNACOR, INC.

40 La Riviere Drive, Suite 300

Buffalo, NY 14202

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On May 16, 2013

Dear Stockholder:

You are cordially invited to attend the 2013 Annual Meeting of Stockholders of Synacor, Inc., a Delaware corporation (the "Company"). The meeting will be held on May 16, 2013 at 11:00 a.m. local time at The Buffalo Club, 388 Delaware Ave., Buffalo, New York 14202 for the following purposes:

1. To elect the two (2) members of the Board of Directors identified in the accompanying proxy statement to serve until the 2016 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, 2013.
3. To approve the Synacor, Inc. Special Purpose Recruitment Plan.
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 2013 Annual Meeting is March 26, 2013. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

By Order of the Board of Directors

/s/ William J. Stuart
WILLIAM J. STUART

Chief Financial Officer and Corporate Secretary

Buffalo, New York

April 5, 2013

You are cordially invited to attend the annual meeting in person. Whether or not you expect to attend the annual meeting, please vote over the telephone or the Internet as instructed in these materials, or request a proxy card from the Company by email at ir@synacor.com and complete, date, sign and return the proxy card in the envelope provided, in each case as promptly as possible in order to ensure your representation at the annual meeting. A return envelope (which is postage prepaid if mailed in the United States) will be provided to you if you email a request for a proxy card to the Company at ir@synacor.com. Even if you have voted by proxy, you may still vote in person if you attend the annual meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the annual meeting, you must obtain a proxy issued in your name from that record holder.

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**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
STOCKHOLDER MEETING TO BE HELD ON MAY 16, 2013.**

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

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SYNACOR, INC.

40 La Riviere Drive, Suite 300

Buffalo, NY 14202

PROXY STATEMENT

FOR THE 2013 ANNUAL MEETING OF STOCKHOLDERS

To Be Held On May 16, 2013 at 11:00 a.m., local time

QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING

Why am I receiving these materials?

We are making these proxy materials available 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 2013 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 follow the instructions below to submit your proxy by telephone or on the Internet or request a proxy card from us by email at ir@synacor.com, and complete, sign and return the proxy card in the envelope provided.

The Company intends to commence mailing to all stockholders of record entitled to vote at the Annual Meeting either the Notice of Internet Availability of Proxy Materials (the Notice) or a full set paper copy of this Proxy Statement together with our Annual Report on Form 10-K on or about April 5, 2013. 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 April 5, 2013.

Why did I receive a Notice in the mail regarding the Internet availability of proxy materials this year instead of a full set paper copy of this Proxy Statement and Fiscal Year 2012 Annual Report on Form 10-K?

This year we are taking advantage of a Securities and Exchange Commission (SEC) rule that allows companies to furnish their proxy materials over the Internet rather than in paper form. This rule allows a company to send its stockholders a Notice regarding Internet availability of proxy materials. Instructions on how to access the proxy materials over the Internet or how to request a paper copy of proxy materials may be found in the Notice. If you would prefer to receive proxy materials in printed form by mail or electronically by email on an ongoing basis, please follow the instructions contained in the Notice.

Why didn't I receive a Notice in the mail regarding the Internet availability of proxy materials?

We are providing stockholders who have previously requested to receive paper copies of the proxy materials with paper copies of the proxy materials instead of a Notice. If you would like to reduce the costs incurred by us in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via email or the Internet. To sign up for electronic delivery, please follow the instructions provided on your proxy card or voting instruction card.

Who can vote at the Annual Meeting?

Only stockholders of record at the close of business on March 26, 2013 will be entitled to vote at the Annual Meeting. On the record date, there were 27,302,344 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 26, 2013 at the Annual Meeting.

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Stockholder of Record: Shares Registered in Your Name

If on March 26, 2013 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 vote by proxy via telephone or the Internet as instructed on your proxy card or the Notice or to request a proxy card from us by email at ir@synacor.com and fill out and return the proxy card in the envelope provided to ensure your vote is counted.

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

If on March 26, 2013 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.

What am I voting on?

There are three matters scheduled for a vote:

Proposal No. 1: Election of the two (2) members of the Board of Directors identified in Proposal No. 1 to serve as Class II directors until the Company's 2016 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, 2013.

Proposal No. 3: Approval of the Synacor, Inc. Special Purpose Recruitment Plan.

How do I vote?

For Proposal 1, you may either vote **For** all the nominees to the Board of Directors or you may withhold your vote from any nominee you specify. You may not vote your proxy **For** the election of any persons in addition to the two named nominees. For Proposals 2 and 3, you may vote **For** or **Against** the proposal or abstain from voting.

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote by proxy using a proxy card, vote by proxy on the Internet or by telephone as set forth in the Notice, 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, request a proxy card from us by email at ir@synacor.com, and complete, sign and date the 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 follow the instructions provided on your proxy card or the Notice.

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To vote by telephone, please follow the instructions provided on your proxy card or the Notice.

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

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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 26, 2013.

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 two nominees for director, and **For** ratification of Deloitte & Touche LLP as our independent registered public accounting firm. 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 is paying for this proxy solicitation?

Synacor will pay for the entire cost of soliciting proxies. In addition to Synacor mailing these proxy materials and the Notice, Synacor's directors and employees may also solicit proxies in person, by telephone or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. Synacor may reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

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 proxy cards or multiple Notices), your shares are registered in more than one name or are registered in different accounts. Please complete, sign and return **each** 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 as set forth on the Notice.

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.

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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.

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.

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 other than Proposal 1, the inspector of elections will count separately **For**, **Against** and **Abstain** votes and broker non-votes. For purposes of proposals other than Proposal 1, **Abstain** votes will be counted towards the vote total for each 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 other than Proposal 1.

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 ?

If your shares are held by your broker, bank or other similar organization as your nominee (that is, in street name), you will need to follow the voting instructions provided by that organization on how to vote your shares. If you do not provide voting instructions, your shares may constitute broker non-votes. Generally, broker non-votes occur on a matter when a broker, bank, or other organization is not permitted to vote on that matter, including the election of directors, without instructions from the beneficial owner and instructions are not given.

In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal. Thus, while broker non-votes will be counted as present for the purpose of determining the presence of a quorum at the meeting, broker non-votes will **not** affect the outcome of any matter being voted on at the meeting.

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, 2013 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. Approval of the Synacor, Inc. Special Purpose Recruitment Plan 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.

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What are the Board's voting recommendations?

Proposal No. 1: **For** each of the nominees to the Board of Directors.

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, 2013.

Proposal No. 3: **For** approval of the Synacor, Inc. Special Purpose Recruitment Plan.

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 27,302,344 shares of Common Stock outstanding and entitled to vote. Thus 13,651,173 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 2014 Annual Meeting of Stockholders?

To be included in our Proxy Statement for the 2014 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 6, 2013, or one hundred twenty (120) calendar days before the one-year anniversary of the date on which we first commenced mailing our proxy materials and Notices to stockholders in connection with this year's Annual Meeting.

How can stockholders submit proposals to be raised at the 2014 Annual Meeting of Stockholders that will not be included in our Proxy Statement for the 2014 Annual Meeting of Stockholders?

To be raised at the 2014 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 2014 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 of the preceding year's annual meeting of stockholders. Since the 2013 Annual Meeting will be held on May 16, 2013, stockholder proposals must be received by our Corporate Secretary at our principal executive offices no earlier than March 2, 2014 and no later than April 1, 2014, in order to be raised at our 2014 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*.

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What if the date of the 2014 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 2014 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 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 2014 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.

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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 six directors. The class of directors standing for election at the Annual Meeting currently consists of two directors. Two directors will be elected at the Annual Meeting to serve until the 2016 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 26, 2013, their positions and offices held with Synacor and certain biographical information are set forth below.

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, the Board of Directors is not aware that any Nominee is unable or will decline to serve as a director. The two 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 two 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 |
|-----------------------|------------|--|
| Marwan Fawaz | 50 | Director |
| Michael J. Montgomery | 58 | Director |

Marwan Fawaz has been a member of our Board of Directors since December 2011. Since June 2012, Mr. Fawaz has been an Executive Vice President at Motorola Mobility LLC (owned by Google Inc.) with responsibility for the Motorola Home Division. From June 2011 to May 2012, Mr. Fawaz served as Principal at Fawaz Consulting Services. From August 2006 through March 2011, Mr. Fawaz was an Executive Vice President and Chief Technology Officer at Charter, and served as an executive officer of Charter 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 Adelpia Communications Corporation, or Adelpia. Adelpia 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 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 Charter, one of our customers, 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.

Michael J. Montgomery has been a member of our Board of Directors since December 2011. Mr. Montgomery serves as a partner at Montgomery & Co., an investment bank in Media and Technology. 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

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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 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. 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 will be valuable to our Board and his experience serving as the Chair of Dreamworks Animation's Audit Committee will be valuable to our Audit Committee.

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 26, 2013, 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.

Continuing Directors Term Ending in 2014

Ronald N. Frankel, age 56, has served as a member of our Board of Directors and as our President and Chief Executive Officer since April 2001. Prior to joining us, Mr. Frankel served as Chief Executive Officer of Perks.com, Inc. from 1998 to 2001. From 1994 to 1998 Mr. Frankel served as President of MGM Interactive, the interactive division of Metro-Goldwyn-Mayer Studios Inc. From 1993 to 1994, Mr. Frankel served as Senior Vice President of Marketing and Sales at Kenfil Distribution. From 1988 to 1991, Mr. Frankel served in several executive positions at Softview, Inc., lastly as Senior Vice President of Marketing and Sales. Mr. Frankel attended the University of California at Berkeley and received a J.D. from the University of Southern California Law Center. We believe it is appropriate and desirable for our Chief Executive Officer to serve on our Board. Additionally, we believe Mr. Frankel's extensive leadership experience at the Company provides our Board with useful insights with respect to management and operations.

Gary L. Ginsberg, age 50, 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. 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.

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Continuing Directors Term Ending in 2015

Andrew Kau, age 51, 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 experience as a venture capital investor enables him to bring significant technology knowledge to our Board. 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, age 57, 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. In July 2007, he was appointed 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. 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 significant technology experience to our Board.

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CORPORATE GOVERNANCE

Independence of the Board of Directors

The Board of Directors is currently composed of six members. Messrs. Fawaz, Ginsberg, Kau, Levy and Montgomery 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 or her 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. Frankel has served as our President and Chief Executive Officer since April 2001. 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 because 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, and 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 Board's and Audit Committee's oversight roles are supported by management reporting processes that are designed to provide the Board 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 26, 2013:

| Name | Audit | Compensation | Corporate Governance and Nominating |
|---------------------------|-------|--------------|-------------------------------------|
| Marwan Fawaz (1) | X | | |
| Ronald N. Frankel | | | |
| Gary L. Ginsberg (2) | | X* | |
| Andrew Kau (3) | | X | X |
| Jordan Levy (4) | X | X | X* |
| Michael J. Montgomery (5) | X* | | X |

Notes:

* Denotes committee chair as of March 26, 2013.

- (1) Mr. Fawaz was appointed to the Audit Committee effective immediately prior to the consummation of our initial public offering.
- (2) Mr. Ginsberg was appointed to the Compensation Committee effective immediately prior to the consummation of our initial public offering. Mr. Ginsberg was appointed chair of the Compensation Committee effective as of February 13, 2013.
- (3) Mr. Kau resigned as chair of the Corporate Governance and Nominating Committee effective immediately prior to the consummation of our initial public offering, but continues to serve as a member of the Corporate Governance and Nominating Committee. Mr. Kau resigned as chair of the Compensation Committee effective as of February 13, 2013, but continues to serve as a member of the Compensation Committee.
- (4) Mr. Levy was appointed chair of the Corporate Governance and Nominating Committee effective immediately prior to the consummation of our initial public offering, but served as a member of the Corporate Governance and Nominating Committee prior to being appointed chair.
- (5) Mr. Montgomery was appointed to the Audit Committee as chair and was appointed to the Corporate Governance and Nominating Committee as a member, in each case effective immediately prior to the consummation of our initial public offering.

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 or her 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

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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, Levy and Montgomery, 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 six times during the fiscal year ended December 31, 2012.

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 of our Chief Executive Officer and, subject to review by the Board, determining our Chief Executive Officer's compensation. In consultation with our Chief Executive Officer, it also, subject to review by the Board, 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 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. Additionally, we believe that each of Messrs. Ginsberg, Kau and Levy will qualify as an independent director under the rules and regulations of Nasdaq which will become effective in 2014. The Compensation Committee met ten times during the fiscal year ended December 31, 2012.

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.

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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 2012, Messrs. Ginsberg, Kau, Levy and Tzeng each served on the Compensation Committee of our Board of Directors; however Mr. Tzeng resigned from the Board of Directors and all committee memberships effective immediately prior to the consummation of our initial public offering. 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.

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 one time during the fiscal year ended December 31, 2012.

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.

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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.

Meetings of the Board of Directors

The Board of Directors met ten times during the fiscal year ended December 31, 2012. During the fiscal year ended December 31, 2012, 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.

Table of Contents**Attendance at Annual Meeting of Stockholders by the Board of Directors**

We do not have a formal policy regarding attendance by members of the Board of Directors at our annual meeting of stockholders. Directors are encouraged, but not required, to attend the annual meeting of stockholders. Messrs. Levy and Frankel attended our 2012 Annual Meeting of Stockholders in person.

Compensation of Directors

Prior to our initial public offering in February 2012, our directors received no compensation, except that we paid Mr. Levy \$25,000 per year in cash (pro-rated for the period prior to our initial public offering). In November 2011, our Board of Directors approved a non-employee director compensation program to be effective following the closing of our initial public offering that consisted 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 stock option portion of the program, non-employee directors received 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, as well as a stock option grant of 5,000 shares to be granted at our annual meeting. 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 annual cash retainer amounts payable to our non-employee directors for service after our initial public offering are as follows:

Board member: \$35,000;

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.

The following table sets forth the total compensation earned by each person who served as a director during the fiscal year ended December 31, 2012, other than a director who also served as a named executive officer.

| Name | Fees Earned or | Option | Total |
|--------------|----------------|---------------|---------|
| | Paid in Cash | Awards | |
| | (\$)(1) | (\$)(2)(3)(4) | (\$) |
| Jordan Levy | 84,375 | 31,900 | 116,275 |
| Marwan Fawaz | 37,947 | 31,900 | 69,847 |

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| | | | |
|-----------------------|--------|--------|--------|
| Gary L. Ginsberg | 37,054 | 31,900 | 68,954 |
| Andrew Kau | 45,536 | 31,900 | 77,436 |
| Thomas W. Keaveney | | | |
| Michael J. Montgomery | 47,768 | 31,900 | 79,668 |
| Mark Morrisette | | | |
| Joseph Tzeng | | | |

Notes:

- (1) The fees earned or paid in cash to our directors in fiscal 2012 are based on the compensation policy set forth above, pro-rated for the number of days during which we were a publicly traded company (and, for

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- Mr. Levy, for the period prior to our initial public offering). Messrs. Keaveney, Morrissette and Tzeng resigned immediately prior to the consummation of our public offering and did not receive any compensation in connection with their service during fiscal 2012.
- (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 filed on March 26, 2013 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, 2012, the above-listed directors held outstanding options to purchase the following number of shares of our common stock: Jordan Levy (102,500), Marwan Fawaz (55,000), Gary Ginsberg (55,000), Andrew Kau (55,000), Thomas W. Keaveney (0), Michael Montgomery (55,000), Mark Morrissette (0), and Joseph Tzeng (0). As described above, Messrs. Keaveney, Morrissette and Tzeng resigned immediately prior to the consummation of our public offering and did not receive any compensation in connection with their service during fiscal 2012.
 - (4) Reflects an option to purchase 5,000 shares of our common stock granted the director on May 24, 2012, at an exercise price of \$11.14 per share. The option vests over four years of service beginning June 1, 2012, with 25% upon completion of 12 months of service and 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.

On March 11th, 2013 our Board of Directors approved a change in the equity compensation portion of our non-employee director compensation program. The equity compensation award to newly-elected directors remains unchanged (as described above, 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). Effective immediately following our annual stockholders meeting in 2013, each non-employee director who is reelected to the Board, will receive 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 reelection, 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. No change was made to the cash portion of our director compensation program or our policy of reimbursing our directors for their reasonable out-of-pocket expenses incurred in attending Board and committee meetings. Our Board of Directors based its decision to change the equity compensation portion of our non-employee director compensation program on a recommendation from its compensation committee, which itself considered, among other matters, a report from the compensation consulting firm of Frederic W. Cook that concluded that the value of the equity compensation received by our non-employee directors was below the median for companies in our peer group.

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, 2013 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, 2012 and December 31, 2011:

| | Fiscal 2012 | Fiscal 2011 |
|------------------------|----------------|---------------|
| | (In thousands) | |
| Audit fees (1) | \$ 375 | \$ 258 |
| Audit-related fees (2) | 4 | 593 |
| Tax fees | | |
| All other fees | | |
| Total fees | \$ 379 | \$ 851 |

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. The amount for fiscal 2011 includes fees for services rendered related to our initial public offering.

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

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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, 2013.

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, 2012 (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.

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

Jordan Levy

Michael J. Montgomery

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PROPOSAL 3

APPROVAL OF THE SYNACOR, INC. SPECIAL PURPOSE RECRUITMENT PLAN

We are asking our stockholders to approve a new stock plan, the Special Purpose Recruitment Plan (the Recruitment Plan), from which we would grant equity compensation awards to newly-hired employees. Our Board of Directors approved, subject to stockholder approval, the Recruitment Plan in April 2013 and reserved 1,000,000 shares of our common stock for issuance. The Recruitment Plan will supplement our existing 2012 Equity Incentive Plan, from which we grant awards to our employees, directors and consultants.

Background. We provide equity compensation to our employees as an incentive to increase long-term stockholder value. We believe that equity awards should be a key part of employee compensation, that equity awards promote employee attention to the importance of running the business with a focus on revenue growth and profitability, and that equity awards enable us to compete effectively for the best talent in the industry.

We currently provide stock-based compensation to our employees, directors and consultants under our 2012 Equity Incentive Plan (the 2012 Plan), previously approved by our Board of Directors and stockholders. We typically grant stock options to new employees as part of their compensation packages at the time we hire them, and we expect to grant equity awards each year to continuing employees as part of our annual compensation cycle. As of March 26, 2013, there are 1,156,236 shares of our Common Stock available for grants under the 2012 Plan.¹ While we anticipate that the number of shares available under the 2012 Plan is sufficient for our periodic equity incentive awards, it does not fully account for the equity awards we intend to grant to new hires over the next two years due to changes in our hiring needs.

Our Board of Directors believes that our future success depends in part on our ability to attract, retain and motivate highly qualified employees, and that our ability to provide equity-based incentive awards is critical to achieving this success. Due to the expansion of our business, our hiring needs have changed beyond what was anticipated when the 2012 Plan was approved and shares were reserved under the 2012 Plan. In particular, we need a greater number of developers, programmers and technology experts. It has been difficult to find the necessary number of these candidates in Buffalo, New York. As a result, we plan to hire them in our offices in Boston, Massachusetts and Toronto, Ontario, where there is a greater number of these candidates, but where the competition among employers to hire them is also greater. We would be at a competitive disadvantage, and our efforts to expand and recruit high caliber employees would be hindered, if we could not use equity-based awards to recruit and compensate these new employees. For these reasons, among others, our Board of Directors has determined that adopting a special purpose recruitment plan to support these business initiatives is in the best interests of the Company and our stockholders, and in order to provide for these equity awards, our Board of Directors, in adopting the Recruitment Plan, reserved 1,000,000 shares for issuance pursuant to the Recruitment Plan. A copy of the Recruitment Plan is attached to this Proxy Statement as Appendix A.

When considering the amount of shares of Common Stock to reserve for issuance pursuant to the Recruitment Plan, the Board of Directors considered a number of factors, including: our anticipated future hiring requirements to support our business needs; the number of shares available now and in the future under the 2012 Plan relative to our annual compensation needs; and our historical equity grant practices. The Compensation Committee engaged our outside consultant Frederic W. Cook to complete a study of our option needs over the next two years to support our business initiatives. Based on our expected recruitment needs over the next two years, they determined that we would need approximately one million shares in addition to those available under

¹ In addition, the number of shares reserved for issuance under the 2012 Plan is increased automatically on January 1 of each fiscal year by a number equal to the smallest of (a) 4% of the shares of Common Stock outstanding at that time, (b) 1,250,000 shares of our Common Stock or (c) a lesser number of shares determined by our Board of Directors. The 2012 Plan also provides that shares subject to awards outstanding under our 2000 Stock Plan or 2006 Stock Plan (3,334,609 shares as of March 26, 2013) that are forfeited or lapse without shares being issued will be available for future awards granted under the 2012 Plan.

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the 2012 Plan over the next two years for awards to current employees, directors and consultants and the anticipated future employees. In addition, in approving the Recruitment Plan, our Board of Directors considered the fact that the issuance of shares of Common Stock upon vesting of equity awards granted pursuant to this new plan could have a dilutive impact on our earnings per share and book value per share. The Board of Directors also considered alternative means of obtaining sufficient shares for making equity grants to support our changing business needs, but ultimately determined that adopting the Recruitment Plan to supplement our existing 2012 Plan was currently the best means for granting equity-based incentives to new hires.

Approval of the Recruitment Plan requires the affirmative vote of the holders of a majority of the shares of our Common Stock that are present in person or by proxy and entitled to vote at the Annual Meeting. 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*.

If stockholders do not approve the Recruitment Plan, our ability to attract, retain, motivate and reward new hires, a key component of increasing long-term stockholder value, will be severely limited, and we will have to find alternate methods of attracting, compensating and motivating new employees, including by increasing cash compensation and/or by granting equity awards without stockholder approval under the exception to Nasdaq's stockholder approval requirements for inducement awards to new employees.

Summary of the Recruitment Plan

The following paragraphs provide a summary of the principal features of the Recruitment Plan. This summary does not purport to be complete and is subject to, and qualified in its entirety by, the provisions of the Recruitment Plan, which is attached hereto as Appendix A. Capitalized terms that are not defined have the meanings set forth in the Recruitment Plan.

Purpose of the Recruitment Plan

The purpose of the Recruitment Plan is to promote our long-term success and the creation of stockholder value by attracting and retaining newly-hired employees with exceptional qualifications, encouraging newly-hired employees to focus on critical long-range corporate objectives and more directly linking the interests of our newly-hired employees to our stockholders' interests through increased stock ownership. Without the Recruitment Plan, our Board of Directors believes that our ability to compensate all of our employees, both newly-hired and current, might be constrained and we might not be able to continue to hire and retain the high caliber talent our business needs.

Types of Award. Our Recruitment Plan provides for the following types of awards (Awards):

incentive and nonstatutory stock options to purchase shares of our Common Stock;

stock appreciation rights;

restricted shares of our Common Stock; and

stock units.

Administration. Our Board of Directors appointed the compensation committee of our Board of Directors to administer the Recruitment Plan. The committee has the complete discretion to make all decisions relating to the plan and outstanding awards.

Eligibility. If the Recruitment Plan is approved by our stockholders, newly-hired employees, including officers and employees of our subsidiaries, will be eligible for a one-time award under our Recruitment Plan in connection with the commencement of their employment with us.

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Share Reserve. We have reserved 1,000,000 shares of our Common Stock for issuance under the Recruitment Plan. This amount was reserved after consideration of the factors described in the *Background* section of this Proposal 3. We intend for this share reserve to be sufficient for awards to newly-hired employees over a period of approximately two years. To the extent that options, stock appreciation rights or stock units issued under the Recruitment Plan are forfeited or expire before being exercised or settled in full, the shares of stock subject to such award will again be available for issuance under the Recruitment Plan. If stock appreciation rights are exercised or stock units settled, then only the number of shares (if any) actually issued to the participant in settlement of such stock appreciation rights or stock units will reduce the number available under the Recruitment Plan and the balance shall again become available for issuance under the Recruitment Plan. If shares issued upon the exercise of options are reacquired by us pursuant to a forfeiture provision, repurchase right or for any other reason prior to the shares having become vested, then such shares will again be available for issuance under the Recruitment Plan. Shares of Common Stock applied to pay the exercise price of options or to satisfy tax withholding obligations related to any award will again be available for issuance under the Recruitment Plan. To the extent that an award is settled in cash rather than shares, the cash settlement will not reduce the number of shares available for issuance under the Recruitment Plan.

Adjustment. All share numbers described in this summary of the Recruitment Plan (including exercise prices for options and stock appreciation rights) are automatically adjusted in the event of a subdivision of the outstanding Common Stock, a declaration of a dividend payable in Common Stock or a combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise) into a lesser number of shares of Common Stock.

Options and Stock Appreciation Rights. The exercise price for options granted under the Recruitment Plan may not be less than 100% of the fair market value of our Common Stock on the option grant date. Optionees may pay the exercise price by using:

cash or cash equivalents;

shares of Common Stock that the optionee already owns;

an immediate sale of the option shares through a broker approved by us;

a promissory note, if permitted by applicable laws;

withholding of option shares; or

any other method permitted by applicable law that the compensation committee approves.

All forms of payment other than cash require the consent of the compensation committee.

A participant who exercises a stock appreciation right receives the increase in value of our Common Stock over the exercise price. The exercise price for stock appreciation rights may not be less than 100% of the fair market value of our Common Stock on the grant date. The settlement value of a stock appreciation right may be paid in cash or shares of Common Stock, or a combination of both at the discretion of the compensation committee. Options and stock appreciation rights vest at the time or times determined by the compensation committee. Options and stock appreciation rights also expire at the time determined by the compensation committee. They generally expire earlier if the participant's service terminates earlier.

Restricted Shares and Stock Units. Restricted shares and stock units may be awarded under the Recruitment Plan in return for any lawful consideration, and participants who receive restricted shares or stock units generally are not required to pay for their awards in cash. In general, these awards will be subject to vesting. Vesting may be based on length of service, the attainment of performance-based milestones, or a combination of both, as determined by the compensation committee. Settlement of vested stock units may be made in the form of cash, shares of Common Stock, or a combination of both.

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Change of Control. The compensation committee may determine, at the time of grant or thereafter, that options or stock appreciation rights granted under the Recruitment Plan will continue following the change of control, be assumed or substituted for by the surviving entity or be cancelled in exchange for a payment equal to the difference between the fair market value of the shares subject to the option or stock appreciation right (whether or not vested) and the exercise price of the option or stock appreciation right. The compensation committee may determine, at the time of grant or thereafter, that restricted shares or stock units granted under the Recruitment Plan will continue following the change of control, be assumed or substituted for by the surviving entity or accelerate and, in the case of stock units, be cancelled in exchange for a payment equal to the fair market value of such stock unit. Awards may also be subject to accelerated vesting or exercisability in the event of a reorganization, as described below.

A change of control includes:

a merger or consolidation after which our stockholders own less than 50% of the surviving corporation or its parent;

a sale, transfer or other disposition of all or substantially all of our assets;

a proxy contest that results in the replacement of more than 50% of our directors over a 24-month period; or

an acquisition of 50% or more of our outstanding stock by any person or group, other than a person related to Synacor (such as a holding company owned by our stockholders or a trustee or other fiduciary holding securities under an employee benefit plan of ours or of our parent or of a subsidiary of ours).

Reorganizations. If we experience a merger or consolidation, awards granted under the Recruitment Plan will be subject to the merger or consolidation agreement, which may provide that the awards are continued, assumed, substituted with awards that have substantially the same terms, become fully exercisable with respect to options and stock appreciation rights and fully vested with respect to shares underlying such options and stock appreciation rights; or cancellation of outstanding options, stock appreciation rights and stock units in exchange for a cash payment (which payment may be deferred until the options, stock appreciation rights or stock units would have become exercisable or common shares underlying them would have become vested).

Amendments or Termination. Our Board of Directors may amend or terminate the Recruitment Plan at any time. If our Board of Directors amends the plan, it does not need to ask for stockholder approval of the amendment unless required by applicable law, regulation or rule. The Recruitment Plan will continue in effect for two years from the date approved by our stockholders, unless our Board of Directors decides to terminate the plan earlier.

New Plan Benefits

No Awards have been granted, and no specific plans have been made for the grant of future Awards, under the Recruitment Plan. The grant of Awards will be at the discretion of the compensation committee of our Board of Directors and therefore cannot be determined in advance. Since only newly-hired employees are eligible for Awards under the Recruitment Plan, our current executive officers and non-executive directors are not eligible to receive Awards under the Recruitment Plan and would not have been eligible to receive Awards under the Recruitment Plan if it had been effective in fiscal year 2012. During fiscal year 2012, we granted options to purchase 622,400 shares of common stock having a weighted average exercise price of \$7.45 to 85 newly-hired employees under our 2012 Plan, however, the employees who received these stock option grants were not necessarily hired to work on the new business initiatives for which the Recruitment Plan is being implemented.

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Certain Federal Income Tax Consequences

Options. The grant of an option under the Recruitment Plan will generally not give rise to any tax consequences for the participant or for us.

Incentive Stock Options. A participant will have no taxable income upon exercise of an incentive stock option, except that the alternative minimum tax may apply. Any gain realized upon a disposition of our Common Stock received pursuant to the exercise of an incentive stock option will be taxed as long-term capital gain if the participant holds the shares for at least two years after the date of grant and one year after the date of exercise (the holding period requirement). We will not be entitled to a deduction with respect to the exercise of an incentive stock option, except as discussed below. Generally, if a participant is our employee or an employee of our subsidiary from the date the incentive stock option is granted through a date within three months before the date of exercise of the option but the participant has not satisfied the holding period requirement described above, the participant will recognize ordinary income upon the disposition of the Common Stock equal to the excess of the fair market value of the Common Stock at the time the option was exercised over the exercise price (but not in excess of the gain realized on the sale). The balance of the realized gain, if any, will be capital gain. We will generally be entitled to a deduction to the extent the participant recognizes ordinary income.

Nonqualified Stock Options. Upon exercise of a non-qualified stock option, a participant generally will recognize ordinary income equal to the difference between the fair market value of the shares acquired and the exercise price. Upon a disposition of the shares acquired by the exercise of a non-qualified option, the participant generally will have taxable capital gain or loss, measured by the difference between the amount realized on the disposition and the tax basis of the shares of Common Stock (generally, the amount paid for the shares plus the amount treated as ordinary income at the time the option was exercised). We generally will be entitled to a tax deduction equal to the amount recognized as ordinary income by the participant in connection with an option, stock appreciation rights, or other award, but will be entitled to no tax deduction relating to amounts that represent a capital gain to a participant.

Stock Appreciation Rights. There are generally no immediate tax consequences of receiving an award of stock appreciation rights under the Recruitment Plan. Upon exercising a stock appreciation right, a participant will generally recognize ordinary income equal to the difference between the exercise price and the fair market value of the Common Stock on the date of exercise. We generally will be entitled to a business expense deduction in the same amount and at the same time as the participant recognizes ordinary income.

Restricted Stock. A participant will not recognize any taxable income upon the award of shares of restricted stock which are not transferable and are subject to a substantial risk of forfeiture. Generally, the participant will recognize taxable ordinary income at the first time those shares become transferable or are no longer subject to a substantial risk of forfeiture, in an amount equal to the fair market value of those shares when the restrictions lapse. However, a participant may elect to recognize taxable ordinary income upon the award date of restricted stock based on the fair market value of the shares of Common Stock subject to the award on the award date. Assuming compliance with the applicable tax withholding and reporting requirements, we will be entitled to a tax deduction equal to the amount of ordinary income recognized by a participant in connection with his or her restricted stock award in the taxable year in which that participant recognizes that ordinary income.

Restricted Stock Units. The grant of restricted stock units does not result in taxable income to the recipient of a restricted stock unit or a tax deduction for the Company. The amount of cash paid (before applicable tax withholdings) or the then-current fair market value of the Common Stock received upon settlement of the restricted stock units is taxable to the recipient as ordinary income and deductible by the Company.

This general tax discussion is intended for the information of stockholders considering how to vote with respect to this proposal and not as tax guidance to participants in the Recruitment Plan. Different tax rules may apply to specific participants and transactions under the plan, particularly in jurisdictions outside the United States.

The Board Of Directors Recommends A Vote FOR Approval Of The Synacor, Inc. Special Purpose Recruitment Plan

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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 26, 2013 are set forth below:

William J. Stuart, age 61, 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.

Scott A. Bailey, age 45, has served as our Chief Operating Officer since October 2010. From 2007 to 2010, Mr. Bailey served as Senior Vice President and General Manager at Comcast.net, a division of Comcast Corporation, or Comcast. Prior to Comcast, from 2001 to 2007, Mr. Bailey served as Vice President and General Manager at Turner Sports Interactive, a division of Turner Broadcasting, where he managed a portfolio of web properties including NASCAR.com, PGATOUR.com and PGA.com. Mr. Bailey has a B.A. from Bowling Green State University.

George G. Chamoun, age 38, has served as our Executive Vice President of Sales and Marketing since June 2009. From our acquisition of MyPersonal in December 2000 to June 2009, Mr. Chamoun served as our Senior Vice President of Client Services. Mr. Chamoun was co-founder of Chek and served as its President from January 1998 until such acquisition. Mr. Chamoun holds a B.A. in Political Science from the State University of New York at Buffalo.

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The following table sets forth certain information known to us regarding beneficial ownership of our Common Stock as of March 26, 2013 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 26, 2013 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 27,302,344 shares of common stock outstanding on March 26, 2013 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 principal 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 |
| 5% Stockholders | | |
| Entities associated with Walden International (1) | 3,875,138 | 14.2% |
| Entities associated with Advantage Capital (2) | 2,180,971 | 8.0% |
| Directors and Named Executive Officers | | |
| Ronald N. Frankel (3) | 1,774,823 | 6.4% |
| Marwan Fawaz (4) | 55,000 | 0.2% |
| Gary L. Ginsberg (5) | 55,000 | 0.2% |
| Andrew Kau (6) | 3,930,138 | 14.4% |
| Jordan Levy (7) | 281,713 | 1.0% |
| Michael J. Montgomery (8) | 115,000 | 0.4% |
| Scott Bailey (9) | 430,278 | 1.6% |
| George Chamoun (10) | 600,865 | 2.2% |
| All current directors and executive officers as a group (9 persons) (11) | 7,497,577 | 25.7% |

Notes:

- (1) Represents 70,846 shares held by Pacven Walden Ventures IV Associates Fund, L.P. (Pacven IV Associates Fund), and 3,804,292 shares held by Pacven Walden Ventures IV, L.P. (Pacven IV). 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

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of Pacven Walden Management. Each of Lip-Bu Tan, Andrew Kau (who is also a member of our Board of Directors), Hock Voon Loo and Brian

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- 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. These amounts are based on the Schedule 13G filed on February 14, 2013 by Pacven IV.
- (2) 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 and Scott A. Zajac hold all of the ownership interests, including 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. These amounts are based on the Schedule 13G/A filed on February 8, 2013 by Steven T. Stull.
 - (3) Represents 1,177,218 shares held or beneficially owned by Mr. Frankel and 597,605 shares issuable upon exercise of stock options issued to Mr. Frankel and exercisable within 60 days of March 26, 2013, 254,255 of which shares remained subject to vesting as of March 26, 2013. The shares set forth in the table do not include 30,120 shares issuable upon exercise of stock options granted to Mr. Frankel on August 16, 2011, which become exercisable after December 31, 2013.
 - (4) Represents 55,000 shares issuable upon exercise of stock options issued to Mr. Fawaz and exercisable within 60 days of March 26, 2013, 39,375 of which shares remained subject to vesting as of March 26, 2013.
 - (5) Represents 55,000 shares issuable upon exercise of stock options issued to Mr. Ginsberg and exercisable within 60 days of March 26, 2013, 39,375 of which shares remained subject to vesting as of March 26, 2013.
 - (6) Includes 55,000 shares issuable upon exercise of stock options issued to Mr. Kau and exercisable within 60 days of March 26, 2013, 5,000 of which shares remained subject to vesting as of March 26, 2013. See footnote (1) regarding Mr. Kau's relationship with Walden International. The address for Mr. Kau is c/o Walden International, 361 Lytton Avenue, 2nd Floor, Palo Alto, CA 94301.
 - (7)