

FINJAN HOLDINGS, INC.
Form DEF 14A
April 29, 2016

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

SCHEDULE 14A

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

Filed by the Registrant
Filed by a Party other than the Registrant

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

FINJAN HOLDINGS, INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- (1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

FINJAN HOLDINGS, INC.
2000 University Avenue, Suite 600
East Palo Alto, CA 94303

NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS

To Be Held on June 22, 2016
9:00 a.m. Pacific Daylight Time

Dear Stockholder:

You are cordially invited to attend our 2016 Annual Meeting of Stockholders to be held on Wednesday, June 22, 2016, at 9:00 a.m., Pacific Daylight Time, at our principal executive offices at:

2000 University Avenue, Suite 600
East Palo Alto, CA 94303

for the following purposes:

1. To elect three Class 1 directors to serve three-year terms ending 2019;
2. To ratify the appointment of Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016; and
3. To transact such other business as may properly come before the annual meeting or any adjournment or postponement of the annual meeting.

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

Only stockholders of record at the close of business on April 27, 2016 will be entitled to notice of and to vote at the meeting.

All stockholders are cordially invited to attend the annual meeting in person. However, to ensure your representation at the annual meeting, please vote as soon as possible using one of the following methods: (1) by using the Internet as instructed on the enclosed proxy card or voting instruction form, (2) by telephone as instructed on the enclosed proxy card or voting instruction form or (3) by mail, using the enclosed paper proxy card (or voting instruction form) and postage-prepaid envelope. For further details, please see the Questions and Answers Section entitled "How do I vote?" in the accompanying Proxy Statement. Any stockholder attending the annual meeting may vote in person even if he or she has voted using the Internet, telephone, or proxy card (or voting instruction form), and any previous votes that were submitted by the stockholder, whether by Internet, telephone or mail, will be superseded by the vote that such stockholder casts at the annual meeting.

By Order of the Board of Directors
/s/ Philip Hartstein
Philip Hartstein
President and Chief Executive Officer

East Palo Alto, California
April 29, 2016

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FINJAN HOLDINGS, INC.
2000 University Avenue, Suite 600
East Palo Alto, CA 94303

PROXY STATEMENT

FOR 2016 ANNUAL MEETING OF STOCKHOLDERS

QUESTIONS AND ANSWERS

Why am I receiving this proxy statement?

You are receiving this proxy statement and the accompanying proxy card because you were the record holder of shares of common stock of Finjan Holdings, Inc. as of the close of business on April 27, 2016. This proxy statement contains information related to the solicitation of proxies for use at our 2016 Annual Meeting of Stockholders, to be held at 9:00 a.m., Pacific Daylight Time, on Wednesday, June 22, 2016 at our principal executive offices at 2000 University Avenue, Suite 600, East Palo Alto, CA 94303, for the purposes stated in the accompanying Notice of 2016 Annual Meeting of Stockholders. This solicitation is made by Finjan Holdings, Inc. on behalf of our Board of Directors. Unless otherwise stated, as used in this proxy statement, the terms “we,” “our,” “us,” “Finjan,” and the “Company” refer to Finjan Holdings, Inc. This proxy statement, the enclosed proxy card and our 2015 annual report to stockholders are first being mailed to stockholders beginning on or about April 29, 2016.

What information is presented in this proxy statement?

The information contained in this proxy statement relates to the proposals to be voted on at the 2016 Annual Meeting of Stockholders, the voting process, our Board of Directors and Board committees, the compensation of our directors and our executive officers for the fiscal year ending December 31, 2015, and other required information.

Who is entitled to vote at the annual meeting?

Only holders of record of our common stock at the close of business on April 27, 2016, the record date for the 2016 Annual Meeting of Stockholders, are entitled to receive notice of the annual meeting and to vote at the annual meeting. Our common stock constitutes the only class of securities entitled to vote at the meeting.

When you vote by signing and returning the proxy card, you appoint Philip Hartstein and Michael Noonan as your representatives to vote your common stock at the annual meeting. Messrs. Hartstein and Noonan, or either of them, will vote your common stock as you instruct on your proxy card. Accordingly, your common stock will be voted whether or not you attend the annual meeting. Even if you plan to attend the annual meeting, we encourage you to vote by signing and returning your proxy card in advance.

Who can attend the annual meeting?

If you are a holder of our common stock at the close of business on April 27, 2016, the record date for the annual meeting, or a duly appointed proxy, you are authorized to attend the annual meeting. You will need to present proof of share ownership and valid picture identification, such as a driver’s license or passport, before being admitted. If your common stock is held beneficially in the name of a bank, broker or other holder of record (i.e., street name), you must present proof of your ownership by presenting a bank or brokerage account statement reflecting your ownership as of the record date.

Cameras, recording equipment and other electronic devices will not be permitted at the annual meeting. For directions to the 2016 Annual Meeting of Stockholders, contact Investor Relations at (650) 282-3228.

What are the voting rights of stockholders?

Each share of common stock outstanding on the record date entitles its holder to cast one vote on each matter to be voted on.

How do I vote?

If you hold your shares of common stock directly (i.e., not in a bank or brokerage account), you may vote by completing and returning the accompanying proxy card, by calling the toll-free number indicated on the enclosed proxy card and following the recorded instructions or by accessing the website indicated on the enclosed proxy card and following the instructions provided. You may also vote by attending the meeting and voting in person.

If your shares of common stock are held in street name, you should follow the voting instructions provided to you by your broker or nominee. You may complete and mail a voting instruction form to your broker or nominee or submit voting instructions by the internet or by telephone to your broker or nominee as indicated on the voting instruction form. If you provide specific instructions, your broker or nominee should vote your shares of common stock as directed. Additionally, if you want to vote in person and hold your shares in street name, you will need a legal proxy from your broker to vote at the annual meeting.

How are proxy card votes counted?

If the accompanying proxy card is properly signed and returned to us, and not revoked, the persons designated as proxy holders will vote the shares of common stock represented by that proxy as directed by you. If you return your signed proxy card but fail to indicate your voting preferences, the persons designated as proxy holders will vote the shares of common stock represented by that proxy as recommended by the Board. The Board recommends a vote "FOR" the election of all nominees for our Board of Directors named in this proxy statement and "FOR" the ratification of the appointment of Marcum LLP as our independent registered public accounting firm for the 2016 fiscal year.

In the election of directors, you may either vote "FOR" all the nominees or to "WITHHOLD" your vote with respect to one or more of the nominees. Regarding the ratification of our independent registered public accounting firm, you may vote "FOR," "AGAINST" or "ABSTAIN."

Under the General Corporation Law of the State of Delaware, both abstaining votes and broker non-votes are considered present and entitled to vote and, therefore, are included for purposes of determining whether a quorum is present at the meeting. A broker non-vote occurs when a nominee holding shares for a beneficial owner has not received instructions from the beneficial owner and does not have discretionary authority to vote the shares. If the beneficial owner does not provide voting instructions, the broker or other agent can vote the shares with respect to matters that are considered "routine," but not with respect to "non-routine" matters. Under the General Corporation Law of the State of Delaware, a broker "non-vote" is not deemed to be a "vote cast" and, therefore, will not affect the outcome of the election of directors. In addition, a broker "non-vote" is not considered "entitled to vote" and, therefore, is not included in the tabulation of the voting results for the proposal regarding ratification of our independent registered public accounting firm.

The ratification of the appointment of Marcum LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016 (Proposal Two) is considered routine under applicable rules. A broker, trustee or nominee holding shares generally may use its discretion to vote on routine matters, so there should not be any broker non-votes in connection with Proposal Two. The election of nominees for our Board of Directors (Proposal One) is considered a non-routine matter under applicable rules. A broker or other agent cannot vote without instructions on non-routine matters, so there may be broker non-votes on Proposal One.

If you submit a properly executed proxy card, you will be counted as present at the meeting, including for purposes of establishing a quorum, even if you withhold your vote with respect to one or more director nominees or abstain from voting on any or all of the proposals to be considered at the meeting. Abstentions marked on a proxy card will have the same effect as a vote "against" the proposal regarding the ratification of our independent registered public

accounting firm.

Will my shares of common stock be voted if I do not provide my proxy and I do not attend the annual meeting?

If you do not provide a proxy or vote your shares of common stock held in your name, your shares will not be voted. If you hold your shares in street name, your broker may be able to vote your shares for routine matters even if you do not provide the broker with voting instructions. The ratification of Marcum LLP as our independent registered public accounting firm for fiscal year 2016 is considered a routine matter. Your broker may not vote your shares for non-routine matters if you do not provide the broker with voting instructions.

May I change my vote after I return my proxy card?

Yes. You may change or revoke a previously granted proxy at any time before it is exercised by either (i) submitting a later-dated proxy, in person at the annual meeting or by mail or (ii) delivering instructions to the Chief Financial Officer at our principal executive offices located at 2000 University Avenue, Suite 600, East Palo Alto, CA 94303. Please note that attendance at the meeting will not, in itself, constitute revocation of a previously granted proxy.

If your shares of common stock are held in street name, then you may submit new voting instructions by contacting your broker or nominee. You may also vote in person at the annual meeting if you obtain a legal proxy from your broker as described above.

What will constitute a quorum at the annual meeting?

The presence at the annual meeting, in person or by proxy, of a majority of the voting power of the shares of common stock outstanding and entitled to vote on April 27, 2016 will constitute a quorum, permitting the stockholders to conduct business at the annual meeting. We will include abstentions and broker non-votes in the calculation of the number of shares considered to be present at the meeting, including for purposes of determining the presence of a quorum at the meeting. A broker non-vote occurs when a nominee holding shares for a beneficial owner has not received instructions from the beneficial owner and does not have discretionary authority to vote the shares.

As of April 27, 2016, there were 22,757,752 shares of common stock outstanding.

How many votes are needed to approve each of the proposals?

Directors are elected by a plurality of the votes cast. Therefore, the three nominees for election to the Board who receive the most votes will be elected. Because there are no other candidates for election as directors other than the persons named in the enclosed proxy card and assuming each of those persons receives at least one vote, all of them will be elected. Ratification of our independent registered public accounting firm will require the affirmative vote of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote thereon.

Will any other matters be voted on?

As of the date of this proxy statement, we do not know of any other matters that will be presented for consideration at the annual meeting other than those matters discussed in this proxy statement. If any other matters properly come before the meeting and call for a stockholder vote, valid proxies will be voted by the holders of the proxies in accordance with the recommendation of the Board or, if no recommendation is given, in their own discretion.

Who is soliciting my proxy?

This solicitation of proxies is made by and on behalf of our Board of Directors. We will pay the costs of soliciting proxies, including preparation, assembly, printing and mailing of the proxy materials, the notices, and any additional materials furnished to stockholders. In addition to soliciting proxies by mail, our officers, directors and other employees, without additional compensation, may solicit proxies personally or by other appropriate means. It is anticipated that banks, brokers, fiduciaries, custodians and nominees will forward proxy soliciting materials to their principals, and that we will reimburse these persons' out-of-pocket expenses.

What is "householding" and how does it affect me?

If you and other residents at your mailing address who have the same last name own our common stock in street name, your broker or bank may have sent you a notice that your household will receive only one annual report and proxy statement. This practice of sending only one copy of proxy materials is known as “householding.” If you did not respond that you did not want to participate in householding, you were deemed to have consented to the process. If the foregoing procedures apply to you, your broker has sent one copy of each of our annual report, notice of annual meeting and proxy statement to your address. However, even if your broker has sent only one copy of these proxy materials, you should receive a proxy card for each stockholder in your household. You may revoke your consent to householding at any time by contacting your broker or bank, if you hold your shares in a “street name,” or by calling Broadridge at 1-800-542-1061 if you are a stockholder of record. The revocation of your consent to householding will be effective 30 days following its receipt. In any event, if you did not receive an individual copy of our annual report or proxy statement, we will send a separate copy of the annual report or the proxy statement to you upon oral or written request. Such request can be made by contacting Investor Relations at 2000 University Avenue, Suite 600, East Palo Alto, CA 94303 or (650) 282-3228. Any stockholders sharing the same address and

currently receiving multiple copies of the annual report and the proxy statement who wish to receive only one copy of these materials per household in the future may also contact your broker or bank or our Investor Relations contact to participate in the householding program.

Is there a list of stockholders entitled to vote at the annual meeting?

The names of stockholders of record entitled to vote at the annual meeting will be available at the annual meeting and for ten days prior to the annual meeting, between the hours of 9:00 a.m. and 4:30 p.m., Pacific Daylight Time, at our principal executive offices at 2000 University Avenue, Suite 600, East Palo Alto, CA 94303, by contacting Investor Relations at (650) 282-3228. Such list shall be open to the examination of any stockholder, for any purpose germane to the annual meeting.

You should rely only on the information provided in this proxy statement. We have not authorized anyone to provide you with different information. You should assume that the information in this proxy statement is accurate only as of the date of this proxy statement or, where information relates to another date set forth in this proxy statement, then as of that date.

DIRECTORS, MANAGEMENT AND CORPORATE GOVERNANCE

Executive Officers and Directors

Our Board of Directors is comprised of seven directors. In accordance with our current certificate of incorporation, our Board of Directors is divided into three classes of directors, with the classes as nearly equal in number as possible, each serving staggered three-year terms. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our Board. Our charter provides that the number of directors shall consist of not less than three and not more than fifteen members, with the exact number to be fixed at the discretion of the Board.

The following table sets certain information concerning our executive officers and directors, including their names, ages (as of April 27, 2016), positions with us and, with respect to directors, the year in which their current term as directors expires. Our executive officers are chosen by our Board of Directors and hold their respective offices until their resignation or earlier removal by the Board of Directors.

Name	Position	Age	Class	Executive Officer Since	Director Since	Term Expires
Daniel Chinn	Director (1)	50	1	2010 (3)	2013	2016
Eric Benhamou	Director (1)	60	1	N/A	2013	2016
Michael Southworth	Director (2)	43	1	N/A	2014	2016
Alex Rogers	Director (1)	41	2	N/A	2013	2017
Glenn Daniel	Director (2)	69	2	N/A	2014	2017
Harry Kellogg	Director (2)	72	3	N/A	2014	2018
Gary Moore	Director (4)	66	3	N/A	2015	2018
Philip Hartstein	President & CEO (5)	39	N/A	2013	N/A	N/A
Michael Noonan	CFO, Treasurer & Secretary (6)	57	N/A	2014	N/A	N/A
Julie Mar-Spinola	Chief Intellectual Property Officer, VP of Legal Operations (7)	59	N/A	2015	N/A	N/A

(1) Messrs. Chinn, Benhamou and Rogers were appointed to serve as members of our Board of Directors as of June 23, 2013.

(2) Messrs. Daniel, Kellogg and Southworth were appointed to serve as members of our Board of Directors as of April 4, 2014.

(3) Mr. Chinn also served as Chief Executive Officer of Finjan, Inc., our subsidiary, until April 2, 2014 when he transitioned to focus his time on serving on the Company's Board of Directors.

(4) Mr. Moore was appointed to serve as member of our Board of Directors as of November 5, 2015 in replacement of Michael Eisenberg who resigned from the Board of Directors as of November 5, 2015. Mr. Eisenberg's resignation was not the result of any disagreement with the Company on any matter relating to the operations, policies or practices of the Company.

(5) Mr. Hartstein was appointed President and Chief Executive Officer on July 10, 2014. Previously, he served as the Company's President from June 3, 2013, after joining Finjan, Inc., the Company's subsidiary, in April 2013.

(6) Mr. Noonan was appointed Chief Financial Officer and Treasurer on November 11, 2014 and Secretary on June 24, 2015. Previously, he served as the Company's Vice President, Finance, when he joined the Company on October 27, 2014. Mr. Noonan was appointed Secretary on June 24, 2015.

(7) Ms. Mar-Spinola was appointed Chief Intellectual Property Officer on March 25, 2015. Ms. Mar-Spinola has also served as Vice President, Legal Operations since joining the Company on February 3, 2014.

Class 1 Directors

Daniel Chinn. Mr. Chinn has been a director of the Company since June 2013, has served as a director of the Company's subsidiary, Finjan, Inc., since 2007 and was the CEO of Finjan, Inc. from 2010 until April 2014. He also served as a director (from 2006) of Finjan Software, Inc., a Delaware corporation and a former parent company of Finjan, Inc. and the Chief Executive Officer (from 2010) of Finjan Software, Inc., until its dissolution in 2013. Since 2011, Mr. Chinn has also been a Partner at Tulchinsky Stern Marciano Cohen Levitski & Co., an Israeli law firm, where he specializes in corporate and transactional matters. Prior to joining Tulchinsky Stern Marciano Cohen Levitski & Co., from 2009 to 2010, Mr. Chinn was the Chief Executive Officer of Seambiotic Ltd., which develops and produces marine microalgae for the food additives sector and as an energy alternative source, and from 2006 to 2010, he was a Partner at Israel Seed IV, L.P., an investment company focusing on Israeli information technology and life sciences companies. Mr. Chinn brings to our Board of Directors his deep knowledge and understanding of the Company's business, gained over 7 years of service in board and management capacities of Finjan, Inc. and FSI, and his experience in leading and advising other small market companies as investor, director, executive officer and legal counsel.

Eric Benhamou. Mr. Benhamou has been a director of the Company since June 2013 and has served as a director of the Company's subsidiary, Finjan, Inc., since 2006. Mr. Benhamou is also Chairman and CEO of Benhamou Global Ventures, LLC, which he founded in 2003. Benhamou Global Ventures, LLC invests and plays an active role in innovative high tech firms throughout the world. Mr. Benhamou sits or has sat on the boards of directors of numerous public and private companies in the technology industry. Among U.S. public companies, he serves as a director of Cypress Semiconductor Corporation, a semiconductor company (Chairman, since 1993) and SVB Financial Group, a diversified financial services company, bank holding company and financial holding company (since 2005), and has previously served as a director of RealNetworks, Inc., creator of digital media services and software (2003-2012), 3Com Corporation, a public networking solutions provider (Chairman, 1990-2010), Voltaire Ltd., a public grid computing network solutions company (2007-2011), Dasient, a security company that provides malware detection and prevention solutions (2010-2011) and Palm, Inc., a public mobile products provider (Chairman, 1999-2007). Mr. Benhamou also has served in management capacities at various public and private technology companies, including Palm, Inc. (Interim Chief Executive Officer, 2001-2003) and 3Com Corporation (Chief Executive Officer, 1990-2000), and previously founded Bridge Communications, an early networking pioneer, and served as Vice President of Engineering (1981-1987) until its merger with 3Com in 1987. He serves as a member of the board of the Stanford University School of Engineering, and serves other educational and philanthropic organizations. Mr. Benhamou holds a Master of Science degree from Stanford University's School of Engineering, a Diplôme d'Ingénieur and a doctorate from Ecole Nationale Supérieure d'Arts et Métiers, Paris, and several honorary degrees. We believe that Mr. Benhamou's extensive experience managing public companies in the technology sector, his expertise in venture and other financial transactions, and his engineering expertise makes him well-qualified to serve on our Board of Directors.

Michael Southworth. Mr. Southworth has been a director of the Company since April 2014. He is also the Chief Executive Officer at Contact Solutions LLC ("CS"), a leading provider of cloud-based voice and mobile customer self-service solutions. Since 2013 Mr. Southworth has led CS's business transformation, including strategy planning, risk mitigation, executive recruitment and change management through CS's acquisition by Verint Systems in February 2016. For over two decades, Mr. Southworth has directed companies from the start-up phase through major periods of growth, and has been behind over \$100 million in private equity and debt financing. Previously, Mr. Southworth was Senior Vice President of Global Wireless Solutions at Corning. Prior to Corning, he held senior financial roles at a number of technology companies including MobileAccess Networks, Lucent Technologies, and Chromatis. Mr. Southworth holds a Bachelor of Science, Biology, Business concentration, from the University of California at Berkeley. He is a Certified Public Accountant in the State of California. Mr. Southworth brings to the board his wealth of experience with early stage growth companies, particularly in the technology space, and his expertise in private equity and debt financing.

Class 2 Directors

Alex Rogers. Mr. Rogers has been a director of the Company since June 2013 and has served as a director of the Company's subsidiary, Finjan, Inc., since 2006. Mr. Rogers also serves as a managing director of HarbourVest Partners LLC, which he joined in 1998. At HarbourVest, he focuses on direct co-investments in growth equity, buyout, and mezzanine transactions in Asia, Europe and emerging markets regions, and has been instrumental in expanding and managing the direct investment team. He has also been actively involved in HarbourVest's business development activities, including the public listings of HarbourVest Global Private Equity Limited and HarbourVest Senior Loans Europe Limited. He serves or has recently served as a board member or board observer at M86 Security, MobileAccess Networks (acquired by Corning), MYOB (acquired by Bain Capital), Nero AG, Transmode Systems (TRMO:SS), TynTec, and World-Check (acquired by Thomson Reuters). His previous experience includes two years with McKinsey & Company. Mr. Rogers received a B.A., summa cum laude, in Economics from Duke University and an M.B.A. from Harvard Business School, where he graduated with high

distinction and was named a Baker Scholar. Mr. Rogers brings to the board his global expertise in capital markets, private equity and strategic transactions, as well as his experience serving on the boards of numerous portfolio and other companies.

Glenn Daniel. Mr. Daniel has been a director of the Company since April 2014 and was formerly a Managing Director at the global investment bank Houlihan Lokey, where he was head of Houlihan Lokey's San Francisco office for 15 of his 25 years with the firm. During this time, he advised boards of directors and independent committees of technology companies on fairness, valuation, and other financial matters in M&A and securities transactions. Mr. Daniel has deep experience with litigation in financial disputes, having testified as a financial expert in more than 25 cases in State, Federal, and Bankruptcy Court. He previously held positions with Moody's Investors Service and Lehman Brothers. Mr. Daniel holds a Bachelor of Arts in German & Economics and a Master of Science in Finance from the University of Wisconsin, Madison. He is a Chartered Financial Analyst (CFA) and a member of the CFA Institute. Mr. Daniel brings to the board his extensive background in finance and accounting, as well as his valuable experience with litigation and financial disputes.

Class 3 Directors

Harry Kellogg. Mr. Kellogg has been a director of the Company since April 2014 and was previously Vice Chairman of the Board of Silicon Valley Bank, the California bank subsidiary and the commercial banking operation of SVB Financial Group, a public company. He was also Head of Strategic Relationships for SVB Financial Group, responsible for overseeing SVB Financial Group's venture capital, private equity, private banking and premium wine activities. Kellogg joined Silicon Valley Bank in 1986 as Senior Vice President of the Technology Division. Prior to joining Silicon Valley Bank, he was the group manager of Corporate Banking at Bank of the West for five years and started that bank's technology lending group. He was also with Wells Fargo Bank for 13 years, including four years in the Wells Fargo Special Industries Group, a high-tech lending unit within Wells Fargo Bank. Mr. Kellogg is and has been actively involved in many civic and industry organizations, serving on many of their boards and advisory boards. These include: TechNet, Joint Venture: Silicon Valley Network, Financial Executives International, Stanford Institute for Economic Policy Research, The Computer History Museum, California/Israel Chamber of Commerce, Nollenberger Capital Partners, The Tuck Center for Private Equity and Entrepreneurship, Pacific Community Ventures and Grameen Bank. Mr. Kellogg is an emeritus board member of the Technology Museum of Innovation. In 2001, he was named one of Upside Magazine's "100 People Who Changed Our World." Mr. Kellogg holds a Bachelor of Science Degree in Business Administration & Finance from San Jose State University. Mr. Kellogg brings to the board his valuable expertise in the banking and financial industries, his expertise on financial and accounting matters and his extensive experience service on public and private company boards of directors.

Gary Moore. Mr. Moore has been a director of the Company since November 2015 and was formerly President and Chief Operating Officer of Cisco Systems, Inc., a leading global provider of networking and other products and services related to the communications and information technology industry. Mr. Moore held the President and COO position at Cisco from 2012 until his retirement in July 2015. Mr. Moore first joined Cisco in October 2001 as Senior Vice President, Advanced Services, and, in August 2007, he also assumed responsibility as co-lead of Cisco Services. From May 2010 to February 2011, he served as Executive Vice President, Cisco Services, and he was Cisco's Executive Vice President and Chief Operating Officer from February 2011 until October 2012. Immediately before joining Cisco, Mr. Moore served for approximately two years as Chief Executive Officer of Netigy Corporation, a network consulting company. Prior to that, he was employed for 26 years by Electronic Data Systems ("EDS"), where he held a number of senior executive positions, including as the President and Chief Executive Officer of joint venture Hitachi Data Systems from 1989 to 1992. Mr. Moore sits on the board of KLA-Tencor Corporation, which designs, manufactures, markets and services yield monitoring and process control systems for the semiconductor manufacturing industry (since 2014), and has previously served as on the board of Unigraphics Solutions Inc., a global provider of MCAD solutions for virtual product development (Vice Chairman, 1997-1999); A.T. Kearney, an IT outsourcing business (1996-1999); Hitachi Data Systems, a provider of information storage and virtualization

solutions (1993-1996); and Japan Systems Co Ltd, a provider of information systems (Chairman, 1992-1996). As a former senior executive with Cisco and other global companies, Mr. Moore brings to the board extensive leadership experience, as well as expertise in matters relating to international operations in the technology industry and valuable advice and guidance regarding operational and strategic issues faced by global technology companies.

Executive Officers

The following information pertains to our non-director executive officers.

Philip Hartstein. Mr. Hartstein has been serving as President and Chief Executive Officer of the Company since July 10, 2014 and as President of the Company since June 3, 2013. He has served as President of the Company's subsidiary, Finjan, Inc., since April 2013. Previously, Mr. Hartstein was a Vice President and Portfolio Manager with IP Navigation

Group a full-service patent monetization firm, from 2012 to 2013. He served as Managing Director—Business Development with Rembrandt IP Solutions, a firm that specializes in investing in and monetizing infringed intellectual property, from 2009 to 2012. In prior roles, Mr. Hartstein was a director with IPotential in the patent brokerage group, a director and early member of Ocean Tomo’s management team overseeing both the patent analytics and IP acquisitions groups, working as an in-house intellectual property manager for a medical device start-up, and as a patent engineer for a boutique intellectual property law firm. Mr. Hartstein received a B.S. in Industrial Technology from California Polytechnic State University—San Luis Obispo in 2000.

Michael Noonan. Mr. Noonan was appointed as Chief Financial Officer & Treasurer of the Company as of November 11, 2014, and Secretary of the Company in June 2015, and previously served as the Company's Vice President, Finance since October 27, 2014. Previously, Mr. Noonan served as the Chief Financial Officer of Sky Petroleum Inc., an international oil and gas exploration and development company, from 2005 until September 2013, and served as a member of Sky Petroleum's board of directors from 2005 until April 2014. Mr. Noonan served as a Senior Director in the finance department for Forgent Networks, an intellectual property company, from 2002 to 2005, where he was responsible for investor relations, human resources and mergers and acquisitions. Prior to Forgent, Mr. Noonan worked for Pierpont Communications, an investor and public relations firm, where he was a Senior Vice President. Mr. Noonan has also served as Director of Investor Relations and Corporate Communications at Integrated Electrical Services, an electrical services company, and Manager of Investor Relations and Public Affairs for Sterling Chemicals, a manufacturer of commodity petro-chemicals. Mr. Noonan founded IR Smartt, Inc., a private company focused on social media for investor relations. Mr. Noonan received a BBA in Business Administration and Economics from Simon Fraser University in British Columbia, Canada; an MBA from Athabasca University in Alberta, Canada; and an Executive JD from Concord School of Law in Los Angeles, California.

Julie Mar-Spinola. Ms. Mar-Spinola was appointed as the Company’s Chief Intellectual Property Officer on March 25, 2015, and has been serving as the Company's Vice President, Legal Operations since February 3, 2014. Previously, Ms. Mar-Spinola served as General Counsel or VP of Legal for several Silicon Valley technology companies, including Kleiner Perkins-backed Alta Devices, Inc. Ms. Mar-Spinola is currently the Chairman and Co-Founder of ChIPs, a nonprofit corporation founded in 2005, whose mission is to support, educate and promote the advancement, development, and retention of women in IP and technology. Ms. Mar-Spinola has been a court appointed Mediator for the US District Court for the Northern District of California, specializing in patent disputes, since 2011. Since November 2014, Ms. Mar-Spinola has served on the Santa Clara Law, High Tech Law Institute’s High Tech Advisory Board, and since April 2015, Ms. Mar-Spinola has served on the Patent Public Advisory Committee of the U.S. Patent and Trademark Office. Ms. Mar-Spinola received a B.A. in Chemistry from San Jose State University, and a JD from Santa Clara University School of Law in 1987. Ms. Mar-Spinola is a member of the California State Bar and registered to practice before the U.S. Patent & Trademark Office.

Family Relationships

There are no family relationships among the members of our Board of Directors or our executive officers.

Director Independence

Our Board of Directors currently consists of seven members. Our Board of Directors determines director independence based on the definition of “independent directors” under NASDAQ Marketplace Rule 5605(a)(2). Consistent with that standard, after review of all relevant transactions and relationships, including between each director, any of his family members, and us, our executive officers and our independent registered public accounting firm, our Board of Directors has affirmatively determined that as of the date hereof, Messrs. Benhamou, Daniel, Kellogg, Rogers and Southworth are independent under the NASDAQ standard for independence.

Executive Sessions of Independent Directors

Pursuant to NASDAQ rules, in order to promote open discussion among independent directors, our Board has devoted and will continue to devote a portion of at least two of the regularly scheduled Board meetings each year to sessions of only independent directors.

Board Committees

The Board has a standing Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. All members of the committees described below, other than Daniel Chinn and Gary Moore, are “independent” under NASDAQ Marketplace Rules. The Board may re-assess the composition of its committees following the 2016 Annual Meeting of Stockholders.

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The table below provides membership information for each of the Board committees as of April 27, 2016:

Name	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Eric Benhamou*	ü Chair		
Daniel Chinn			
Glenn Daniel	ü	ü Chair	
Harry Kellogg		ü	ü
Alex Rogers		ü	ü
Michael Southworth	ü		
Gary Moore			

* We currently have at least one Board member, Eric Benhamou, who qualifies and is designated as an independent “audit committee financial expert,” as defined in the rules of the Securities and Exchange Commission (the “SEC”).

Audit Committee

The Audit Committee was formed on April 4, 2014 and is currently comprised of Eric Benhamou, Glenn Daniel and Michael Southworth, with Mr. Benhamou serving as Chair. Pursuant to its charter, the purpose of the Audit Committee is to oversee (1) the integrity of the Company’s financial statements; (2) the Company’s compliance with legal and regulatory requirements; (3) the qualifications and independence of the registered public accounting firm that audits the Company’s financial statements; (4) the performance of the independent registered public accounting firm and the Company’s internal audit function; and (5) the Company’s internal accounting and financial reporting controls. The Audit Committee has the power to appoint, compensate, retain and oversee the work of the independent registered public accounting firm and any other registered public accounting firm engaged for the purpose of performing any audits, reviews or attest services. In addition, the Audit Committee is responsible for reviewing and approving the audit committee report as required by the SEC to be included in the Company’s annual proxy statement. Our Audit Committee met five times in 2015.

Compensation Committee

The Compensation Committee was formed on October 7, 2013 and is currently comprised of Glenn Daniel, Alex Rogers and Harry Kellogg, with Mr. Daniel serving as Chair. Pursuant to its charter, the purpose of the Compensation Committee is to (1) review and recommend to the Board approval of corporate goals and objectives relating to compensation and benefits for the chief executive officer (or the president or other principal executive officer of the Company in the absence of a chief executive officer) (such chief executive officer or other principal executive officer, the “PEO”) and other executive officers of the Company; (2) evaluate the performance of the Company’s PEO and other executive officers relative to established goals and objectives and assist the Board in the discharge of its responsibilities relating to compensation for the PEO and other executive officers based on such evaluations; (3) oversee the administration of the Company’s incentive compensation plans; (4) review such compensation committee-related disclosure as is required by the SEC to be included in the Company’s Annual Report on Form 10-K or annual proxy statement filed with the SEC; and (5) take such other actions within the scope of its charter as the Compensation Committee deems necessary or appropriate. Our Compensation Committee met two times in 2015 and otherwise acted through written consents.

The Compensation Committee has the sole authority to retain, pay and terminate compensation consultants to assist in the evaluation of executive officer compensation. The Compensation Committee also has the power to engage advisors to assist in fulfilling its responsibilities and direct the Company to pay for such expenses. The Compensation Committee directly engaged Compensia, Inc. (“Compensia”) as its compensation consultant in October 2015, and the Compensation Committee has the sole authority to terminate this engagement. Compensia’s primary role, as requested

by the Compensation Committee, was to assist the Compensation Committee in developing a compensation framework. See “Compensation Discussion and Analysis – Role of Compensation Consultant” for a discussion of Compensia’s role. The Compensation Committee has the power to delegate its responsibilities related to determinations of awards to be granted under the Company’s equity-based and incentive compensation plans to such persons as determined by the Compensation Committee, to the extent permitted by law.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee was formed on October 7, 2013 and is currently comprised of Alex Rogers and Harry Kellogg. Pursuant to its charter, the purpose of the Nominating and Corporate Governance Committee is to (1) oversee and assist the Board in identifying, reviewing and recommending nominees for election to the Board; (2) advise the Board with respect to Board composition, procedures and committees; (3) recommend directors to serve on each Board committee; (4) evaluate the Board and the Company's management; (5) develop, review and recommend corporate governance guidelines and otherwise take a leadership role in shaping the corporate governance of the Company; and (6) take such other actions within the scope of its charter as the Nominating and Corporate Governance Committee deems necessary or appropriate. Our Nominating and Corporate Governance Committee met two times in 2015 and otherwise acted through written consents.

Availability of Committee Charters

Our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee Charters are available for review on our website at <http://ir.finjan.com/governance-docs>. To request a copy of any of these charters, please make a written request to Investor Relations at Finjan Holdings, Inc., 2000 University Avenue, Suite 600, East Palo Alto, CA 94303.

Board Meetings and Director Attendance

The Board held six meetings in 2015 and otherwise acted through written consents. Each of our directors, other than Alex Rogers, attended at least 75% of Board meetings and applicable committee meetings on which he served during 2015 during the time he served on the Board or committees. Five of our directors attended our 2015 Annual Meeting of Stockholders. The Company does not have a policy regarding director attendance at our annual meeting of stockholders, but all directors are encouraged to attend the meeting in person.

Director Nominees

The Nominating and Corporate Governance Committee will seek to identify director candidates based on input provided by a number of sources, including (i) Nominating and Corporate Governance Committee members, (ii) other members of the Board and (iii) our stockholders. The Nominating and Corporate Governance Committee also has the authority to consult with or retain advisors or search firms to assist in identifying qualified director candidates.

As part of the identification process, the Nominating and Corporate Governance Committee considers the number of expected director vacancies and whether existing directors whose terms expire have indicated a willingness to continue to serve as directors if re-nominated. Once a director candidate has been identified, the Nominating and Corporate Governance Committee will then evaluate this candidate in light of his or her qualifications and credentials, including whether such candidate would satisfy NASDAQ independence requirements, and any additional factors that it deems necessary or appropriate. In connection with its overall director candidate review, the Nominating and Corporate Governance Committee does consider diversity of experience in public and private businesses, financial institutions and other areas that are relevant to the Company's activities. Directors must be willing and able to devote sufficient time to carrying out their duties effectively.

Existing directors whose terms expire and are being considered for re-nomination will be re-evaluated as part of the Nominating and Corporate Governance Committee's process of recommending director candidates. The Nominating and Corporate Governance Committee will consider all persons recommended by stockholders in the same manner as all other director candidates, provided that such recommendations are submitted in accordance with the procedures set forth in our bylaws and summarized below under "— Stockholder Proposals and Recommendations of Director Nominees."

After completing the identification and evaluation process described above, the Nominating and Corporate Governance Committee will recommend to the Board the nomination of a number of candidates equal to the number of director vacancies that will exist at the annual meeting of stockholders. The Board will then select the Board's director nominees for stockholders to consider and vote upon at the stockholders' meeting.

Stockholder Proposals and Recommendations of Director Nominees

Our bylaws include advance notice procedures and requirements for stockholder proposals to be brought before an annual meeting of the stockholders, including the nomination of directors.

Section 2.5 of the Company's bylaws provides that, at an annual meeting of the stockholders, only such business (other than nominations for directors) will be conducted as shall have been brought before the meeting (i) pursuant to the Company's proxy materials, (ii) by or at the direction of the Board, or (iii) by a stockholder of the Company who is a stockholder of record at the time requisite advance notice is given, who is entitled to vote at the meeting and who complies with the notice procedures and other requirements set forth in Section 2.5 of the bylaws. Among other things, those procedures require the stockholder to deliver written notice to the Company's Secretary not less than ninety nor more than one hundred twenty days prior to the first anniversary of the preceding year's annual meeting of stockholders (the "Anniversary"), except that, if the date of the annual meeting is advanced more than thirty days prior to, or delayed by more than sixty days after, the Anniversary, or if no annual meeting of stockholders was held in the previous year, notice by the stockholder to be timely would have to be delivered not later than the later of (x) ten (10) days after the Corporation has publicly disclosed the date of the meeting in the manner provided in the bylaws, and (y) ninety days prior to the date of the annual meeting. The requisite content of such notice is set forth in Section 2.5 of the bylaws.

Section 2.6 of the Company's bylaws provides that only persons nominated in accordance with the applicable procedures will be eligible to be elected by the Company's stockholders to serve as directors of the Company. Section 2.6 of the bylaws further provides that nominations of persons for election to the Board at an annual meeting of stockholders may be made (i) by or at the direction of the Board or (ii) by any stockholder of the Company who is a stockholder of record at the time the requisite notice is given, who is entitled to vote in the election of directors at the meeting and who complies with the notice procedures and other requirements set forth in Section 2.6 of the bylaws. Among other things, those procedures would require the stockholder to deliver requisite notice to the Secretary of the Company within the timeframes described above, except that, in the event that the number of directors to be elected to the Board is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board made by the Company at least one hundred days prior to the Anniversary, a stockholder's notice will also be considered timely, but only with respect to nominees for any new positions created by such increase, if it is delivered not later than the tenth day following the day on which such public announcement is first made by the Company. The requisite content of such notice is set forth in Section 2.6 of the bylaws.

Stockholder Communications with the Board of Directors

Stockholders may send correspondence to the Board of Directors or any member of the Board of Directors, c/o Secretary at Finjan Holdings, Inc., 2000 University Avenue, Suite 600, East Palo Alto, CA 94303. The Secretary will review all correspondence addressed to the Board, or any individual Board member, for any inappropriate correspondence and correspondence more suitably directed to management. However, the Secretary will summarize all correspondence not forwarded to the Board and make the correspondence available to the Board for its review at the Board's request. The Secretary will forward stockholder communications to the Board prior to the next regularly scheduled meeting of the Board of Directors following the receipt of the communication.

Board Leadership Structure

On July 10, 2014, the Board created the new position of "Executive Chairman" and appointed Daniel Chinn to fill that role, after considering his qualifications, availability, length of service with the Company and its predecessors and other professional commitments. In creating the new position, the Nominating and Corporate Governance Committee, as well as the Board, considered the current Board size of seven directors and the anticipated growth of the Company and the increasing demands on the Board's time and resources. The Nominating and Corporate Governance Committee recommended, and the Board approved, the appointment of an Executive Chairman to facilitate the efficient functioning of the Board and to provide for effective leadership that would enable the Company to achieve its strategic business and other goals on behalf of its stockholders. The "Executive Chairman" title was revised to

“Chairman of the Board” on March 5, 2015 to clarify and confirm that the role is a non-employee position and is distinct from our executive leadership.

The roles of Chairman of the Board and Chief Executive Officer are currently filled by separate individuals, with Mr. Chinn serving as Chairman, and Mr. Hartstein serving as Chief Executive Officer. The Board believes that the separation of the offices of Chairman and Chief Executive Officer is appropriate at this time because it allows our Chief Executive Officer to focus primarily on the Company’s business strategy, operations and corporate vision. However, the Board does not have a policy mandating that the roles of Chairman and Chief Executive Officer continue to be separate. We believe it is important that the Board retain flexibility to determine whether these roles should be separate or combined in light of the circumstances and considerations involving the Company, including the satisfaction of the Board’s risk oversight function. To the extent the Nominating and Corporate Governance Committee determines that the leadership structure of the Board should be modified,

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it shall make recommendations to the Board regarding such changes as it deems appropriate, consistent with any corporate governance guidelines that may be adopted by the Board.

Compensation Committee Interlocks and Insider Participation

During the year ended December 31, 2015, none of our executive officers served as a director of or member of a compensation committee of any entity that has one or more executive officers serving on our Board of Directors. See “Board Committees” and “Certain Relationships and Related Party Transactions” regarding our Compensation Committee and its members.

Code of Business Conduct and Ethics

Our Board has adopted a Code of Business Conduct and Ethics and Code of Ethics for Principal and Senior Financial Officers (the “Codes of Ethics”) that establish the standards of ethical conduct applicable to all directors, officers and employees of the Company. The Codes of Ethics address, among other things, conflicts of interest, compliance with disclosure controls and procedures, and internal control over financial reporting, corporate opportunities and confidentiality requirements. The Audit Committee is responsible for applying and interpreting our Codes of Ethics in situations where questions are presented to it. Our Codes of Ethics is available for review on our website at <http://ir.finjan.com/governance-docs>. In addition, to request copies of the Codes of Ethics, please make a written request to Investor Relations at Finjan Holdings, Inc., 2000 University Avenue, Suite 600, East Palo Alto, CA 94303. We intend to satisfy the disclosure requirements under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) regarding amendments to, or a waiver from, our Code of Ethics for Principal and Senior Financial Officers by posting such information on our website. There were no amendments or waivers to our Code of Ethics for Principal and Senior Financial Officers in fiscal year 2015.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who beneficially own more than 10% of our equity securities, to file reports of ownership and changes in ownership with the SEC. Such officers, directors and 10% stockholders are also required by the SEC rules to furnish us with copies of all Section 16(a) forms they file. Based solely on our review of copies of such reports, or written representations from certain reporting persons that no filings were required for such persons, we believe that our executive officers and directors complied with all Section 16(a) filing requirements during the year ended December 31, 2015.

Risk Oversight

One of the important roles of our Board is to oversee various risks that we may face from time to time. While the full Board has primary responsibility for risk oversight, it relies on senior management and utilizes its committees, as appropriate, to monitor and address the risks that may be within the scope of a particular individual or committee's expertise. For example, senior management, particularly our Chief Executive Officer and our Chief Financial Officer, is responsible for establishing our business strategy, identifying and assessing the related risks and implementing appropriate risk management practices and communicating regularly with the Board. The Audit Committee oversees, among other things, our financial statements and the performance of our internal audit function. The Compensation Committee participates in the design of compensation structures that create incentives, while managing the level of risk-taking behavior, consistent with the Company's business strategy as further described in the Compensation Discussion and Analysis section below. The Nominating and Governance Committee oversees governance-related risks by working with management to establish corporate governance guidelines applicable to the Company, and making recommendations regarding director nominees, the determination of director independence, Board leadership structure and membership on Board committees. The Board believes that the composition of its committees, and the distribution of the particular expertise of each committee's members, makes this an appropriate structure to more effectively monitor these risks.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction and Overview

This Compensation Discussion and Analysis provides an overview of the Company's executive compensation program together with a description of the material factors underlying the decisions which resulted in the compensation provided to the Company's executive officers who are named in the Summary Compensation Table, and whom we sometimes refer to as the "Named Executive Officers." On November 11, 2014, we appointed Michael Noonan as our new Chief Financial Officer and Treasurer, with Shimon Steinmetz ceasing to serve in that capacity upon the appointment of Mr. Noonan. Mr. Steinmetz remained an employee of the Company until January 31, 2015 to assist in transitional and other matters. For purposes of the SEC rules, each of Mr. Hartstein, our current President and Chief Executive Officer, Mr. Noonan, our current Chief Financial Officer, Treasurer and Secretary, and Ms. Mar-Spinola, our Chief Intellectual Property Officer, are deemed "Named Executive Officers" for 2015.

Our Compensation Committee has responsibility for determining and approving the various elements of our compensation programs for our Named Executive Officers.

As described below, the principal elements of our compensation programs include base salary, annual bonuses and long-term incentives such as restricted stock units.

Compensation Philosophy and Objectives

The goal of our executive compensation program is to motivate, retain and reward executives who create long-term value for our stockholders. Our compensation program is designed to reward and incentivize executives to position the Company for future growth, achieve short-term and long-term financial and operating performance excellence, and align the executives' long-term interests with those of our stockholders while recognizing individual contributions to the Company. To achieve these objectives, the Compensation Committee believes that executive compensation should generally consist of both cash and equity-based compensation. Compensation levels for each executive are determined based on several factors, including:

- general economic conditions;
- our current and historical compensation practices and current and historical compensation; practices of peer companies;
- each executive's performance, skill sets and roles in the Company; and
- the Company's need for skill sets and the global or regional market for the executive's skill sets.

Say-On-Pay and Say-On-Frequency

As part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, we included two stockholder votes on executive compensation in our 2014 proxy statement. In those votes, which were advisory and non-binding, our stockholders approved the compensation of our named executive officers as described in the proxy statement for last year's annual meeting of stockholders. The Compensation Committee views the result of this advisory vote (i.e., approximately 99% of the votes cast and 93% of the votes eligible to be cast) for the say-on-pay proposal as a strong endorsement of our compensation program.

The Company's stockholders also voted, on a non-binding, advisory basis, on the frequency of holding stockholder non-binding, advisory votes on the compensation of the Company's named executive officers. As previously reported, the stockholders of the Company voted in favor of holding an advisory vote every three years. The Board of Directors of the Company has considered the results of this vote and has determined that, consistent with the majority vote of

the Company's stockholders at the 2014 Annual Meeting of Stockholders, the Company will hold future non-binding stockholder advisory votes on the executive compensation of the Company's named executive officers every three years at the Company's annual meeting of stockholders. Therefore, the next non-binding stockholder advisory vote on the executive compensation of the Company's named executive officers will be at the 2017 Annual Meeting of Stockholders.

Setting of Executive Compensation

Role of Management

While the Compensation Committee is primarily responsible for the oversight of our executive compensation, the Chief Executive Officer recommends compensation packages for our executive officers and our executive officers discuss their compensation with the Compensation Committee directly. The Compensation Committee believes that the Chief Executive Officer's input is critical in determining the compensation of other executive officers given his day to day role in the Company and his responsibility in establishing and implementing the Company's strategic plans. Therefore, while the Compensation Committee has been and will be primarily responsible for determining executive compensation, the Chief Executive Officer will continue to provide his input and recommendations to the Compensation Committee with respect to compensation for our executive officers. The Compensation Committee discusses our Chief Executive Officer's compensation package with him, but deliberates and makes decisions with respect to his compensation without him present. The Compensation Committee determines the compensation package for the Chief Executive Officer and makes a recommendation for approval by the Board.

Role of Compensation Consultant

The compensation committee engaged its own independent third-party compensation consultant, Compensia Inc., to assist with its 2015 compensation review, analysis and actions. Compensia's services generally included:

- identifying an updated market framework (including a peer group of companies) for formal compensation benchmarking purposes;
- gathering data on our executive officer cash and equity compensation relative to competitive market practices; and
- developing a market-based framework for potential changes to our executive compensation program (including specifically for the compensation committee's review and input).

After review and consultation with Compensia, our compensation committee determined that Compensia is independent, and that there is no conflict of interest resulting from retaining Compensia currently or during fiscal year 2015. In reaching these conclusions, our compensation committee considered the factors set forth in the SEC rules and the NASDAQ listing standards. Other than services provided to our compensation committee, Compensia did not perform any other work for us.

Competitive Market Review for 2015

The market for experienced management is highly competitive. We seek to attract and retain the most and highly qualified executives to manage each of our business functions, and we face substantial competition in recruiting and retaining management from companies ranging from large and established to entrepreneurial early stage companies. We expect competition for appropriate technical, commercial, and management skills to remain strong for the foreseeable future.

In reviewing and determining the 2015 compensation program for our named executive officers, our Compensation Committee relied on the peer group prepared by Compensia and approved by the Compensation Committee in November 2015. This peer group consisted of the following companies.

- Acacia Research
- DTS
- Ebix
- ImageWare Systems
- KEYW Holding

♣Marathon Patent Group
♣MobileIron
♣ParkerVision
♣Pendrell
♣Qualys

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- Rambus
- Rapid7
- RealD
- Root9B Technologies
- RPX
- Unwired Planet
- VirnetX Holding
- Vringo
- Wave Systems
- Wi-LAN

Based on the approved 2015 peer group, Compensia prepared a formal executive compensation assessment that included publicly available proxy information and certain non-public information for third-party executive compensation for the Compensation Committee's consideration. In analyzing our executive compensation program for 2015, the Compensation Committee compared certain aspects of our named executive officer compensation, including base salary, target bonus, long-term equity incentives and total direct compensation, to the compensation levels provided by our 2015 peer group as part of this assessment. See "Components of Executive Compensation" below for a detailed discussion of our executive compensation program.

Components of Executive Compensation

Currently, our executive compensation program consists of short-term compensation (salary and bonus) and long-term compensation (restricted stock units and stock options) to achieve our goal of improving earnings and achieving long term sustainable growth in revenues and earnings which we believe is aligned with our stockholders' interests.

Annual Salary

Annual salaries of executive officers are set at levels competitive with other companies of comparable size and scope with whom we compete for executive talent. Although the Compensation Committee believes a significant portion of each executive's compensation should be based on our long-term performance, the Compensation Committee also believes that a stable base salary is necessary to attract, motivate, reward and retain our executives and to recognize the performance of their respective job responsibilities. Therefore, we intend for the base salary component of total compensation to be relatively stable year over year, subject to adjustment at the discretion of the Compensation Committee for changes in the cost of living or increases in responsibilities. Total executive compensation is impacted to a significant extent by the variability of bonuses and long-term incentive compensation (which are discussed below). The Compensation Committee sets the compensation philosophy with respect to base salaries for our executives generally, and will review the base salary of each executive officer annually in light of our overall compensation objectives and contractual obligations. Based on such review, the Compensation Committee will consider making adjustments to reflect market conditions, changes in responsibilities and potential merit increases consistent with compensation practices throughout our organization.

The base salary for our President and Chief Executive Officer, Philip Hartstein, was determined for 2015 at \$350,000 per year, pursuant to an amended and restated employment agreement that was entered into on January 14, 2015 (the "2015 Hartstein Employment Agreement"). The Compensation Committee reviewed the 2014 written report prepared by Compensia and the applicable market compensation data for Chief Executive Officers and consulted with other outside advisors during the negotiation process for the 2015 Hartstein Employment Agreement. Further, the Compensation Committee reviewed the 2015 written report prepared by Compensia and the applicable market compensation data for Chief Executive Officers and consulted with other outside advisors and the full Board regarding an assessment of Mr. Hartstein's experience, skills and performance, and the Company's performance, and determined that no increase would be made to Mr. Hartstein's base salary for fiscal year 2016.

The base salary for our current Chief Financial Officer, Michael Noonan, was determined for 2015 at \$250,000 per year, pursuant to his amended and restated employment agreement, entered into on November 11, 2014 (the “2014 Noonan Employment Agreement”). The Compensation Committee considered an analysis of the base salary for Mr. Noonan’s role, the CEO’s assessment of Mr. Noonan’s experience, skills and performance level, and the Company’s performance. Based on those factors, the Compensation Committee recommended to the Company’s Board of Directors, and the Company’s Board of Directors approved, an increase in Mr. Noonan’s base salary for fiscal year 2016 to \$262,500.

The base salary for our current Chief Intellectual Property Officer, Julie Mar-Spinola, was determined for 2015 at \$350,000 per year, pursuant to her employment agreement, entered into on January 19, 2014 (the “2014 Mar-Spinola Employment Agreement”). Ms. Mar-Spinola was originally hired as Vice President, Legal Operations on January 19, 2014 and appointed Chief Intellectual Property Officer, as of March 25, 2015. The Compensation Committee considered an analysis of the base salary for Ms. Mar-Spinola’s role, the CEO’s assessment of Ms. Mar-Spinola’s experience, skills and performance level, and the Company’s performance. Based on those factors, no increase was made to Ms. Mar-Spinola’s base salary for fiscal year 2016.

Cash Bonuses

The second element of executive compensation is an annual cash bonus. The Committee believes that a significant portion of each executive’s compensation should be contingent on the annual progress of the Company, as well as the individual contribution of each executive to achieving our goals. Although the Compensation Committee expects to periodically review our financial metrics as measures of our performance, due to the unpredictability of our income during any specific periods, cash bonuses may not necessarily reflect financial performance measures as we grow our business. Instead, our Compensation Committee expects to consider various measures related to the growth of our business, such as the status of licensing discussions and enforcement activities, progress in acquiring additional technology or additional patents based on our existing technology, progress in implementing corporate governance and similar objectives, and other similar measures which may not generate financial returns during the period for which a bonus is earned.

Pursuant to their current employment agreements, our Chief Executive Officer, Chief Financial Officer and Chief Intellectual Property Officer were entitled to cash bonuses for the 2015 fiscal year of up to \$200,000, \$75,000 and \$50,000, respectively, which is meant to reward executives for the progress of the business over the fiscal year. For the 2015 fiscal year, the Compensation Committee approved a bonus of \$150,000 for our Chief Executive Officer, \$75,000 for our Chief Financial Officer and \$50,000 for our Chief Intellectual Property Officer. The Compensation Committee determined that such bonus amounts were appropriate in light of the Company’s overall progress, including the continued development of our licensing program and successes in our enforcement program. For the 2016 fiscal year, the Compensation Committee approved targeted bonuses for our Chief Executive Officer, Chief Financial Officer and Chief Intellectual Property Officer of up to \$200,000, \$87,500 and \$150,000, respectively.

Long-Term Incentive Compensation

The third element of executive compensation, in addition to annual salary and cash bonus, is long-term incentive compensation consisting of equity awards. The Compensation Committee believes that granting equity-based compensation awards to our executives is the most direct way to align their long-term interests with those of our stockholders. The Compensation Committee also believes that equity compensation encourages greater responsibility on the part of our Chief Executive Officer, Chief Financial Officer and Chief Intellectual Property Officer because the value of their equity compensation is subject to risk. As a result, each executive officer’s total annual compensation includes a significant portion of restricted stock unit awards. The stock options and restricted stock units that have been granted to the Company’s Chief Executive Officer are subject to a vesting schedule pursuant to which 25% of the options or restricted stock units vest on the one-year anniversary of the grant date with regard to options and vesting commencement date with respect to restricted stock units, with the balance vesting over the succeeding three years in equal amounts every three calendar months, encouraging the retention of our Chief Executive Officer. The restricted stock units that have been granted to the Company’s Chief Financial Officer and Chief Intellectual Property Officer are subject to a vesting schedule pursuant to which 33% of the restricted stock units vest on the one-year anniversary of the vesting commencement date, with the balance vesting over the succeeding two years in equal amounts every three calendar months, encouraging the retention of such Named Executive Officers.

Pursuant to the 2015 Hartstein Employment Agreement, the Board awarded Mr. Hartstein 200,000 restricted stock units ("RSUs") on January 14, 2015. The RSUs are scheduled to vest over a four-year period, with one-quarter vested on January 1, 2016, and the remainder vesting ratably on a quarterly basis for the following three years so that, subject to employee's continued employment, the RSUs granted shall be fully vested on January 1, 2019. The RSUs were awarded pursuant to the 2014 Incentive Compensation Plan (the "2014 Plan") and an award agreement thereunder. The 2015 Hartstein Employment Agreement also provides that in the event the daily trading average price of the Company's shares of common stock has been at least \$12.50 for a period of twenty full consecutive trading days during the term of the agreement, the Company shall recommend to the Compensation Committee and the Board a grant of an additional 100,000 RSUs. Subject to employee's employment at the time of grant, this grant of RSUs would be fully vested immediately upon grant. The RSUs would be awarded (if at all) pursuant to the 2014 Plan or any successor plan that may then be in effect and an award agreement thereunder. The Compensation Committee reviewed the 2014 written report prepared by Compensia and the applicable market

compensation data for Chief Executive Officers and consulted with other outside advisors during the negotiation process for the 2015 Hartstein Employment Agreement.

On October 27, 2014, the Compensation Committee awarded Mr. Noonan 130,000 RSUs, when he joined the Company as Vice President, Finance. The RSUs are scheduled to vest over a three-year period, with one third vested on October 27, 2015, and an additional 8.33% of the RSUs vesting every three calendar months thereafter until fully vested. The RSUs were awarded pursuant to the 2014 Plan and an award agreement thereunder. In light of such grants made in 2014, the Compensation Committee did not make any additional grants to Mr. Noonan in 2015.

Pursuant to the 2014 Mar-Spinola Employment Agreement, on July 10, 2014, the Company awarded Ms. Mar-Spinola 60,314 RSUs. One-third of the RSUs vested on January 27, 2015, and an additional 8.33% of the RSUs vest every three calendar months thereafter until fully vested. The RSUs were awarded pursuant to the 2014 Plan and an award agreement thereunder. In light of prior grants made in 2014, the Compensation Committee did not make any additional grants to Ms. Mar-Spinola in 2015.

The Compensation Committee's Consideration of Risk in Relation to Executive Management

In 2015, the Compensation Committee considered the nature, extent and acceptability of risks that our executives may be encouraged to take by our compensation programs. Taking carefully considered risks is an integral part of any business strategy, and our executive compensation program is not intended to eliminate management decisions that involve risk. Rather, the combination of various elements in our program is designed to mitigate the potential reward risk-taking that may produce short-term results that appear in isolation to be favorable, but that may undermine the successful execution of our long-term business strategy and destroy stockholder value. Together with the Company's processes for strategic planning, its internal control over financial reporting and other financial and compliance policies and practices, the design of our compensation program helps to mitigate the potential for management actions that involve an unreasonable level of risk. Our compensation program seeks to balance performance rewarded in cash and shares of our common stock, base level salaries that are consistent with our executive's responsibilities so that our executives are not motivated to take excessive risks to achieve a reasonable level of financial security and plans that reward executives based on financial measures as well as other objective criteria.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis set forth above with our management. Based on such review and discussion, the committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and in the Company's Annual Report on Form 10-K for the year ended December 31, 2015, and the Board of Directors has approved that recommendation.

Respectfully submitted,