

MITEK SYSTEMS INC
Form DEF 14A
January 28, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
SCHEDULE 14A
(RULE 14a-101)
INFORMATION REQUIRED IN
PROXY STATEMENT
SCHEDULE 14A INFORMATION

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

(Amendment No.)

Filed by the Registrant

Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under § 240.14a-12

MITEK SYSTEMS, INC.

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

- (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

MITEK SYSTEMS, INC.
600 B STREET, SUITE 100
SAN DIEGO, CALIFORNIA 92101
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MARCH 6, 2019
TO THE STOCKHOLDERS OF MITEK SYSTEMS, INC.

The annual meeting of stockholders of Mitek Systems, Inc. will be held at 9:00 a.m., local time, on Wednesday, March 6, 2019, at Mitek Systems, Inc. 600 B. Street. Suite 100, San Diego, California 92101, for the following purposes:

- To elect the following seven directors to serve until our 2020 annual meeting of stockholders and until their respective successors have been elected and qualified: Scipio “Max” Carnecchia, William K. “Bill” Aulet, Kenneth D. Denman, James C. Hale, Bruce E. Hansen, Alex W. “Pete” Hart; and Jane J. Thompson;
1. To approve an amendment to and restatement of the Mitek Systems, Inc. 2012 Incentive Plan, in order to, among other things, increase the number of shares of our common stock available for future grants under the plan by 1,500,000 shares;
 2. To ratify the Section 382 Tax Benefits Preservation Plan;
 3. To ratify the selection of Mayer Hoffman McCann P.C. as our independent registered public accounting firm for the fiscal year ending September 30, 2019; and
 4. To approve, on an advisory (non-binding) basis, the compensation of our named executive officers as presented in the Proxy Statement accompanying this notice.
 5. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.
 - 6.

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

Our Board of Directors has fixed the close of business on January 18, 2019 as the record date for the determination of stockholders entitled to notice of and to vote at the annual meeting and all adjournments or postponements thereof. A list of these stockholders will be open to examination by any stockholder at the annual meeting and for ten days prior thereto during normal business hours at our executive offices located at 600 B Street, Suite 100, San Diego, California 92101. Enclosed for your convenience is a proxy card which may be used to vote your shares at the annual meeting. The proxy materials, including a proxy card and our Annual Report on Form 10-K for the fiscal year ended September 30, 2018, are available online at www.proxydocs.com/MITK.

You are invited to attend the annual meeting in person. Even if you expect to attend the annual meeting, it is important that you complete, sign, date and return the enclosed proxy card as promptly as possible in the enclosed return envelope (which is postage prepaid if mailed in the United States) in order to ensure that your shares are represented at the annual meeting. Even if you have voted by proxy, you may still revoke such proxy and vote in person if you attend the annual meeting. However, please note that if your shares are held of record by a broker, bank or other agent and you wish to vote at the annual meeting, you must obtain a proxy card issued in your name from such record holder.

By Order of the Board of Directors

San Diego, California Scipio “Max” Carnecchia
January 28, 2019 Chief Executive Officer

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MITEK SYSTEMS, INC.
600 B STREET, SUITE 100
SAN DIEGO, CALIFORNIA 92101

PROXY STATEMENT
FOR THE 2019 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MARCH 6, 2019
QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING

Why am I receiving these materials?

We sent you this proxy statement (the “Proxy Statement”) and the enclosed proxy card because the Board of Directors (the “Board”) of Mitek Systems, Inc. (sometimes referred to as “we”, “us”, “our”, “Mitek” or the “Company”) is soliciting your proxy to vote at our 2019 annual meeting of stockholders, or any adjournment or postponement thereof (the “Annual Meeting”). You are invited to attend the Annual Meeting and we request that you vote on the proposals described in this Proxy Statement. However, you do not need to attend the Annual Meeting to vote your shares. Instead, you may simply complete, sign, date and return the enclosed proxy card or submit your proxy through the Internet or by telephone according to the instructions contained in the enclosed proxy card.

We intend to mail this Proxy Statement and the accompanying materials to all stockholders of record entitled to vote at the Annual Meeting on or about January 31, 2019.

When and where will the Annual Meeting be held?

The Annual Meeting will be held at 9:00 a.m., local time, on Wednesday, March 6, 2019, at Mitek Systems, Inc. 600 B. Street. Suite 100, San Diego, California 92101.

Who can vote at the Annual Meeting and how many votes do I have?

Only stockholders of record at the close of business on January 18, 2019 will be entitled to vote at the Annual Meeting. At the close of business on this record date, there were 38,726,441 shares of common stock outstanding and entitled to vote. With respect to each proposal to be voted upon at the Annual Meeting, you are entitled to one vote for each share of common stock held as of the record date.

Stockholder of Record: Shares Registered in Your Name

If at the close of business on January 18, 2019, your shares of common stock were registered directly in your name with our transfer agent, Computershare Trust Company, NA, then you are the stockholder of record of these shares. As a stockholder of record, you may vote either in person at the Annual Meeting or by proxy. Whether or not you plan to attend the Annual Meeting, we urge you to complete, sign, date and return the enclosed proxy card or submit your proxy through the Internet or by telephone by following the instructions provided in the enclosed proxy card to ensure that your vote is counted.

Beneficial Owner: Shares Registered in the Name of Your Broker, Bank or Other Agent

If at the close of business on January 18, 2019 your shares of common stock were held, not in your name, but rather in an account at a brokerage firm, 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 the beneficial owner, you have the right to direct your broker, bank or other agent regarding how to vote the shares in your account. Certain of these institutions offer the ability to direct your agent how to vote through the Internet or by telephone. You are also invited to attend the Annual Meeting. However, because you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you request and obtain a valid proxy card issued in your name from your broker, bank or other agent in whose name the shares are registered prior to the Annual Meeting.

What am I voting on?

There are five matters scheduled for a vote at the Annual Meeting:

• Election of the seven nominees for director named in this Proxy Statement to serve until our 2020 annual meeting of stockholders and until their respective successors have been elected and qualified;

Approval of the amendment to and restatement of our 2012 Incentive Plan (“2012 Plan”) to, among other things, increase the number of shares of common stock available for future grant under the plan by 1,500,000 shares (i.e. from 9,500,000 to 11,000,000 shares) (the “2012 Plan Amendment”);

Ratify the adoption of the Section 382 Tax Benefits Preservation Plan;

Ratification of the selection of Mayer Hoffman McCann P.C. (“Mayer Hoffman”) as our independent registered public accounting firm for the fiscal year ending September 30, 2019; and

Approval, on an advisory (non-binding) basis, of the compensation paid to our named executive officers as presented in this Proxy Statement.

Will there be any other items of business on the agenda?

Other than the election of directors, the approval of the 2012 Plan Amendment, the ratification of the adoption of the Section 382 Tax Benefits Preservation Plan, the ratification of the selection of Mayer Hoffman as our independent registered public accounting firm, and the advisory vote on the compensation of our named executive officers, the Board knows of no other matters to be presented at the Annual Meeting. If any other matter should be presented at the Annual Meeting upon which a vote may properly be taken, shares represented by all proxies received by the Board will be voted with respect to such matter in accordance with the judgment of the persons named as attorneys-in-fact in the proxies.

What is the Board’s voting recommendation?

The Board recommends that you vote your shares:

• “For” each of the seven nominees for director named in this Proxy Statement;

• “For” the approval of the 2012 Plan Amendment;

• “For” the ratification of the adoption of the Section 382 Tax Benefits Preservation Plan;

• “For” the ratification of the selection of Mayer Hoffman as our independent registered public accounting firm for the fiscal year ending September 30, 2019; and

• “For” the approval, on an advisory (non-binding) basis, of the compensation paid to our named executive officers as presented in this Proxy Statement.

How do I vote?

With respect to the election of directors, you may either vote “for” any or all of the nominees proposed by the Board or you may “withhold” your vote for any or all of the nominees. For each of the other matters to be voted on, you may vote “for” or “against” or abstain from voting. The procedures for voting are described below, based upon the form of ownership of your shares.

Stockholder of Record: Shares Registered in Your Name

If you do not wish to vote in person or you will not be attending the Annual Meeting, you may vote by proxy. You may vote by proxy using the enclosed proxy card, vote by proxy through the Internet or vote by proxy over the telephone. The procedures for voting by proxy are as follows:

• To vote by proxy using the enclosed proxy card, complete, sign and date your proxy card and return it promptly in the envelope provided.

• To vote by proxy through the Internet, go to the website address set forth on the enclosed proxy card and follow the instructions provided at the website.

• To vote by proxy over the telephone, dial the toll-free phone number listed on your proxy card under the heading “Vote by Phone” using a touch-tone phone and follow the recorded instructions.

If you vote by proxy, your vote must be received by 11:59 p.m. Eastern Standard Time on Tuesday, March 5, 2019, to be counted. If you are a stockholder of record and attend the Annual Meeting in person, you may vote in person at the Annual Meeting. We will give you a ballot when you arrive and any previous proxy that you submitted, whether by mail, Internet or telephone, will be superseded by the vote that you cast in person at the Annual Meeting. If you have any questions regarding how to submit your proxy or vote your shares at the Annual Meeting, please call our Corporate Secretary at (619) 269-6800.

We provide Internet and telephone proxy voting 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 and telephone access, such as usage charges from Internet access providers and telephone companies.

Beneficial Owner: Shares Registered in the Name of Your Broker, Bank or Other Agent

If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from the Company. To ensure that your vote is counted, simply complete, sign, date and mail the proxy card or, if provided by your agent, follow the instructions for submitting your proxy through the Internet or by telephone. To vote in person at the Annual Meeting, you must obtain a proxy card issued in your name from your broker, bank or other agent in whose name the shares are registered prior to the Annual Meeting. Follow the instructions from your broker, bank or other agent included with these proxy materials or contact your broker, bank or other agent to request a proxy card.

Who is paying for this proxy solicitation?

We will pay the expenses of soliciting proxies for the Annual Meeting, including the cost of preparing, assembling and mailing the proxy materials. Proxies may be solicited personally, by mail, by telephone, by facsimile or by electronic mail by our directors, officers or other employees. Our directors, officers or other employees will not receive additional compensation for soliciting proxies. We may request that any person holding stock in their name for the benefit of others, such as a broker, bank or other agent, forward the proxy materials to such beneficial owners and request authority to execute the proxy. We will reimburse any such broker, bank or other agent for their expenses in connection therewith.

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please complete, sign, date 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 may change your vote with respect to any proposal by revoking your proxy at any time prior to the commencement of voting with respect to such proposal at the Annual Meeting. If you are a stockholder of record, you may revoke your proxy in any one of three ways:

• You may submit another properly completed proxy with a later date by mail, through the Internet or by telephone (your latest Internet or telephone instructions submitted prior to the deadline will be followed);

You may send a written notice that you are revoking your proxy to our Corporate Secretary at Mitek Systems, Inc., 600 B Street, Suite 100, San Diego, California 92101, Attn: Corporate Secretary by no later than the close of business on Tuesday, March 5, 2019; or

• You may attend the Annual Meeting and vote in person. However, simply attending the Annual Meeting will not, by itself, revoke your proxy.

If your shares are held of record by a broker, bank or other agent, you must contact such record holder to revoke any prior voting instructions or obtain a proxy card issued in your name from such record holder in order to vote in person at the Annual Meeting. Following the commencement of voting with respect to a proposal, you may not revoke your proxy or otherwise change your vote with respect to such proposal.

Votes will be counted by the inspector of elections appointed for the Annual Meeting.

How are my shares voted if I give no specific instruction?

We must vote your shares as you have instructed. If there is a matter on which a stockholder of record has given no specific instruction but has authorized us generally to vote the shares, they will be voted as follows:

•“For” each of the seven nominees for director named in this Proxy Statement;

•“For” the approval of the 2012 Plan Amendment;

•“For” the ratification of the adoption of the Section 382 Tax Benefit Preservation Plan;

•“For” the ratification of the selection of Mayer Hoffman as our independent registered public accounting firm for the fiscal year ending September 30, 2019; and

•“For” the approval, on an advisory (non-binding) basis, of the compensation paid to our named executive officers as presented in this Proxy Statement.

This general authorization would exist, for example, if a stockholder of record merely signs, dates and returns the proxy card but does not indicate how its shares are to be voted on one or more proposals. If other matters properly come before the Annual Meeting, or any

adjournment or postponement thereof, and you do not provide specific voting instructions, your shares will be voted as recommended by the Board.

If your shares are held of record by a broker, bank or other agent, see “What is a broker non-vote?” below regarding the ability of brokers, banks and other such holders of record to vote the uninstructed shares of their clients or other beneficial owners in their discretion and for an explanation of broker non-votes.

What is a broker non-vote?

Under rules that govern brokers, banks and other agents that are record holders of company stock held in brokerage accounts for their clients who beneficially own the shares, such record holders who do not receive voting instructions from their clients have the discretion to vote uninstructed shares on certain matters (“discretionary matters”), but do not have discretion to vote uninstructed shares as to certain other matters (“non-discretionary matters”). Accordingly, a broker may submit a proxy card on behalf of a beneficial owner from whom the broker has not received voting instructions that casts a vote with regard to discretionary matters but expressly states that the broker is not voting as to non-discretionary matters. The broker’s inability to vote on non-discretionary matters with respect to which the broker has not received voting instructions from the beneficial owner is referred to as a “broker non-vote.”

What are the voting requirements that apply to the proposals discussed in this Proxy Statement?

The election of directors contemplated by Proposal No. 1 will be decided by a plurality of the votes cast. Accordingly, the seven director nominees receiving the highest number of votes will be elected. The approval the 2012 Plan Amendment contemplated by Proposal No. 2, the ratification of the adoption of the Section 382 Tax Benefits Preservation Plan contemplated by Proposal No. 3, the ratification of the selection of Mayer Hoffman as our independent registered public accounting firm contemplated by Proposal No. 4 and approval, on an advisory (non-binding) basis, of the compensation of our named executive officers contemplated by Proposal No. 5 each requires the affirmative vote of the holders of a majority of the shares of common stock present and entitled to vote either in person or by proxy at the Annual Meeting.

What is the effect of withhold authority votes, abstentions and broker non-votes?

Withhold Authority Votes: Shares subject to instructions to withhold authority to vote on the election of directors will not be voted. This will have no effect on Proposal No. 1—Election of Directors because, under plurality voting rules, the seven director nominees receiving the highest number of “for” votes will be elected.

Abstentions: Under Delaware law (under which Mitek is incorporated), abstentions are counted as shares present and entitled to vote at the Annual Meeting. Therefore, abstentions will have the same effect as a vote “against”, Proposal No. 2—Approval of the 2012 Plan Amendment, Proposal No. 3—Ratification of the Adoption of the Section 382 Tax Benefits Preservation Plan, Proposal No. 4—Ratification of the Selection of our Independent Registered Public Accounting Firm and Proposal No. 5—Approval, on an Advisory (Non-Binding) Basis, of the Compensation Paid to our Named Executive Officers. However, abstentions will have no effect on Proposal No. 1—Election of Directors because under the plurality voting rules, the seven director nominees receiving the highest number of “for” votes will be elected.

Broker Non-Votes: As a result of a change in the rules related to discretionary voting and broker non-votes, brokers, banks and other agents are no longer permitted to vote the uninstructed shares of their clients on a discretionary basis in the election of directors. Because broker non-votes are not considered under Delaware law to be entitled to vote at the Annual Meeting with respect to “non-discretionary” matters, they will have no effect on the outcome of the vote on Proposal No. 1—Election of Directors. Proposal No. 2—Approval of the 2012 Plan Amendment, No. 3—Ratification of the Adoption of the Section 382 Tax Benefits Preservation Plan, and Proposal No. 5—Approval, on an Advisory (Non-Binding) Basis, of the Compensation Paid to our Named Executive Officers, are considered “non-discretionary” matters on which your broker, bank or other agent will not be able to vote on your behalf if it does not receive instructions from you and, therefore, there may be broker non-votes on Proposal Nos. 2, 3, and 5. If you hold your shares in street name and you do not instruct your broker, bank or other agent how to vote your shares on Proposal Nos. 1, 2, 3 and 5, no votes will be cast on your behalf on these proposals. Therefore, it is important that you indicate your vote on these proposals if you want your vote to be counted. Proposal No. 4—Ratification of the Selection of our Independent Registered Public Accounting Firm is considered a routine or “discretionary” matter on which your broker, bank or other agent will be able to vote on your behalf even if it does not receive instructions from you and, therefore,

no broker non-votes are expected to exist in connection with Proposal No. 4.

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What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if at least a majority of the shares of our common stock outstanding on the record date are present either in person or by proxy at the Annual Meeting. At the close of business on January 18, 2019, the record date for the Annual Meeting, there were 38,726,441 shares of common stock outstanding. Thus, a total of 38,726,441 shares are entitled to vote at the Annual Meeting and holders of common stock representing at least 19,363,221 votes must be represented at the Annual Meeting either in person or by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or if one is submitted on your behalf by your broker, bank or other agent) or if you vote in person at the Annual Meeting. Votes withheld from a director nominee and abstentions will be counted as present for purposes of establishing the required quorum. Broker non-votes will be counted as present for purposes of establishing the required quorum. If there is no quorum, the chairman of the meeting or a majority of the shares present in person or by proxy at the Annual Meeting may adjourn the Annual Meeting to another date.

I have also received a copy of the Company's Annual Report on Form 10-K. Is that a part of the proxy materials? Our Annual Report on Form 10-K for the fiscal year ended September 30, 2018 (the "Form 10-K"), as filed with the Securities and Exchange Commission (the "SEC") on December 14, 2018, accompanies this Proxy Statement. This document constitutes our Annual Report to Stockholders and is being made available to all stockholders entitled to receive notice of and to vote at the Annual Meeting. Except as otherwise stated, the Form 10-K is not incorporated into, and is not part of, this Proxy Statement and should not be considered proxy solicitation material.

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

Voting results are expected to be announced at the Annual Meeting and will also be disclosed in a Current Report on Form 8-K (the "Current Report on Form 8-K") that we will file with the Securities and Exchange Commission ("SEC") within four business days of the date of the Annual Meeting. In the event the results disclosed in the Current Report on Form 8-K are preliminary, we will subsequently amend the Current Report on Form 8-K to report the final voting results within four business days of the date that such results are known.

When are stockholder proposals due for next year's annual meeting of stockholders?

Stockholders may submit proposals regarding matters appropriate for stockholder action for consideration at our next annual meeting of stockholders consistent with Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and our second amended and restated bylaws (the "Bylaws"). To be considered for inclusion in the proxy materials for our 2020 annual meeting of stockholders, a stockholder proposal, including a proposal for the nomination of directors, must be submitted in writing no later than October 3, 2019 to our Corporate Secretary at Mitek Systems, Inc., 600 B Street, Suite 100, San Diego, California 92101, Attn: Corporate Secretary. Pursuant to the terms of our Bylaws, stockholders wishing to submit proposals or director nominations, including those that are not to be included in our 2020 proxy statement and proxy, must provide timely notice in writing to our Secretary. To be timely, a stockholder's notice must be delivered to or mailed and received at our principal executive offices not later than the close of business on December 7, 2019, nor earlier than November 7, 2019, subject to certain exceptions. Stockholders are advised to review our Bylaws, which contain additional requirements with respect to advance notice of stockholder proposals and director nominations.

PROPOSAL NO. 1
ELECTION OF DIRECTORS

Background

Pursuant to our Bylaws, the Board has fixed the number of authorized directors at seven. The seven director nominees receiving the highest number of votes at the Annual Meeting will be elected to the Board, to serve until our next annual meeting of stockholders and until their successors have been duly elected and qualified.

Unless authorization to do so is withheld, it is intended that the persons named in this Proxy Statement will vote for the election of the seven director nominees proposed by the Board. All incumbent directors have been recommended by the Nominating and Corporate Governance Committee of the Board (the “Nominating Committee”) as nominees for re-election to the Board. If any of the director nominees should become unavailable for election prior to the Annual Meeting, the proxy will be voted for a substitute nominee or nominees, if any, designated by the Board.

Specific Skills and Attributes to Be Represented on the Board

In consultation with our outside advisors, we have undertaken a review of the skills and attributes most critical for our Board of Directors to possess and evaluated each member of our current Board based on these qualities.

The areas in which each Board member is most equipped to provide leadership are noted in their individual biographies. It is important to note that not every Board member needs to be a leader in every area, nor does leadership in a larger number of areas make a Board member “better”; it is only critical that each quality is represented on our Board.

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| Skills and Attributes | Importance to Mitek |
| Industry knowledge | Mitek benefits from significant trends across several sectors including financial services, e-commerce, mobile, cellular, identity solutions and technology. Relevant industry expertise helps identify areas for growth or improvement as well as to craft the best business responses to market conditions. |
| Product marketing & sales | Mitek operates in competitive sectors and seeks to quickly launch and grow share across its products. Product and marketing expertise helps in bringing new products to market & creating new markets as well as organizational design & delivery to achieve high revenue growth. |
| Strategic planning | Mitek operates in a highly dynamic field. Board members who have experience making strategic decisions for companies of various sizes, in various industries and at various stages in their development aid our continued high performance. |
| Technology leadership | The specific nature of Mitek’s businesses makes the ability to assess its technological competitiveness crucial. |
| Operational excellence | Strong management and a commitment to high performance are critical to maintaining and growing Mitek’s competitive position. |
| HR, compensation and succession planning | Mitek’s competitiveness depends on its ability to recruit and retain top-tier talent and to plan for its long-term needs. |
| Investor relations and fund-raising ability | The ability to explain Mitek’s story to the market is critical to maximizing shareholder value and ensuring the company has adequate access to capital. |
| Financial expertise | An understanding of Mitek’s financial position and outlook is essential to making informed strategic decisions for the Company. |
| Corporate governance knowledge | Expertise in corporate governance supports assessment of the effectiveness of Mitek’s Board and proposing any necessary changes. |

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| Skills and Attributes | Importance to Mitek |
| Mergers & acquisitions (M&A) experience | Ability to evaluate M&A opportunities is essential to delivering shareholder value. |
| Diverse perspective | Diversity in perspective, background and experience is critical to our ability to serve our customers, identify opportunities and address problems. A demonstrated commitment to diversity of backgrounds and experiences is crucial to our ability to attract and retain talent. |
| Global experience | Success in our industry requires constant expansion to new markets, and our Board members need to be equipped to evaluate the state of our business in global markets. |

The following table includes the names and certain information about the nominees for director. All of the nominees named below have consented to being named herein and to serve on the Board, if elected.

| Name | Age | Position |
|-------------------------------|-----|--------------------------------------|
| Scipio “Max” Carnecchia | 56 | Chief Executive Officer and Director |
| William K. “Bill” Aulet(1)(3) | 61 | Director |
| Kenneth D. Denman(1) | 60 | Director |
| James C. Hale(1)(2) | 66 | Director |
| Bruce E. Hansen(1)(3) | 59 | Director and Chairman of the Board |
| Alex W. “Pete” Hart(2)(3) | 78 | Director |
| Jane J. Thompson (2)(3) | 67 | Director |

(1)Member of the Audit Committee of the Board (the “Audit Committee”)

(2)Member of the Compensation Committee of the Board (the “Compensation Committee”)

(3)Member of the Nominating and Governance Committee

Scipio “Max” Carnecchia.. Mr. Carnecchia has served as the Chief Executive Officer and as a director of the Company since November 2018. From October 2017 until July 2018, Mr. Carnecchia served as the Chief Executive Officer and board member of Illuminate Education, Inc. the market-leading Software as a Services education platform. Prior to Illuminate, Mr. Carnecchia was the President and Chief Executive Officer of Accelrys, Inc. and has also served on the Accelrys Board from 2009 until its acquisition in 2014. After the acquisition, Mr. Carnecchia continued to service as Chief Executive Officer of that business, which was renamed BIOVIA. Mr. Carnecchia previously served as President of Interwoven, Inc., a content management software company, which was acquired by Autonomy Corporation plc in January 2009. Prior to joining Interwoven, Mr. Carnecchia served as Vice President of Global Sales of Xoriant Corporation, a software product development company, from April 2000 to January 2001 and as Vice President of Sales and Services of SmartDB Corporation, a provider of data integration toolkits for systems integrators and IT organizations, from September 1996 to February 2000. Mr. Carnecchia has demonstrated significant leadership skills in his CEO roles at Accelrys , BIOVIA and Illuminate Education, Inc. and as Vice President of Xoriant and SmartDB and brings more than two decades of high technology experience to his position on the Board. During the past five (5) years, Mr. Carnecchia has served as a member of the boards of directors of: Guidance Software, Inc.; Agilysys, Inc.; and Accelrys, Inc. Mr. Carnecchia holds a Bachelor of Engineering in Electrical Engineering from The Stevens Institute of Technology. Mr. Carnecchia’s extensive knowledge of the industry in which we operate, as well as his unique role in the day-to-day operations of the Company as our Chief Executive Officer allows him to bring to the Board a broad understanding of the operational and strategic issues facing the Company.

Skills and attributes: Industry knowledge; product marketing & sales; strategic planning; technology leadership; operational excellence; investor relations and fundraising ability; M&A experience; global experience
 William K. “Bill” Aulet. Mr. Aulet has served as a director since January 2015. Since 2017, Mr. Aulet has been a Professor of the Practice at the MIT Sloan School of Management. Since 2009, he has served as the managing director in the Martin Trust Center for MIT Entrepreneurship at MIT. From 2005 to 2009, Mr. Aulet was a Senior Lecturer and Entrepreneur in Residence at the MIT Sloan School of Management. From 2003 to 2005, he served as Senior Vice President and Chief Financial Officer of Viisage Technology, a security technology company with a dual focus in the areas of drivers’ licenses and facial recognition. From 1996 to 2002, he served as President and Director of

SensAble Technologies, a provider of force-feedback haptic devices and touch-enabled 3D modeling software solutions. Prior to joining SensAble, Mr. Aulet started his career at IBM as a Systems Engineer and then was rapidly promoted through various jobs where he gained training and experience in technical, marketing, sales, financial and international business operations and management. His last job with IBM was the Finance and Planning Manager for the IBM New England Region. Mr. Aulet holds a bachelor's degree in engineering from Harvard University and a Masters in Management Science from the

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MIT Sloan School of Management. Mr. Aulet is a member of the board of directors of XLhybrids, a private company based in Massachusetts. Mr. Aulet is also a visiting Professor at University of Strathclyde (Scotland) as well as a 2018 Nannerl Keohane Distinguished Visiting Professor at the University of North Carolina at Chapel Hill and Duke University. Mr. Aulet's experience in technology entrepreneurship, and specifically his experience in document and facial recognition, makes him well qualified to serve on the Board. Mr. Aulet is the author of the award winning international best selling book, *Disciplined Entrepreneurship*, and its companion book, the *Disciplined Entrepreneurship Workbook*.

Skills and attributes: Industry knowledge; Product marketing & sales; strategic planning; technology leadership; operational excellence; investor relations and fundraising ability; financial expertise; corporate governance knowledge; M&A experience; global experience

Kenneth D. Denman. Mr. Denman has served as a director since December 2016. Ken is currently a Venture Partner with Sway Ventures. From 2012-2016, he served as President and CEO of Emotient, Inc., an innovative venture-backed software startup that built an artificial intelligence-based platform for measuring facial expressions, leveraging computer vision, deep learning, and behavioral & cognitive science to predict emotions. Emotient was acquired by Apple in January of 2016. Mr. Denman also served as CEO at Openwave from 2008-2011. In that capacity, he smoothly directed the Nasdaq listed mobile middleware technology company through a major strategy transition. Prior to his role at Openwave, Mr. Denman was CEO at iPass from 2001-2008. There, Mr. Denman led a successful IPO in 2003. He has also served as Senior Vice President for MediaOne, leading a significant portion of this top 4 cable operator's US operations. Prior to that role he served as COO-Wireless at MediaOne, in a London based ex-pat role, leading multi-national wireless ventures. In addition to his role at Mitek, Mr. Denman currently serves as a Board Member of Costco Wholesale, Motorola Solutions and LendingClub. In September 2012, Mr. Denman was appointed to the Edward V. Fritzky Endowed Chair in Leadership at the University of Washington's Foster School of Business, as a Visiting Professor. Ken is also a board member of the UW Foster School of Business and is also a member of the board of directors of the UW Foundation. Ken holds an MBA in Finance and International Business from the University of Washington and a B.S. in accounting from Central Washington University. Mr. Denman's qualifications to serve on our Board include his rich knowledge of best governance practices and his experience as a leading technology CEO with strategic and operational experience across software, artificial intelligence, wireless, and enterprise applications.

Skills and attributes: Industry knowledge; strategic planning; technology leadership; investor relations and fundraising ability; financial expertise; corporate governance knowledge; mergers and acquisitions; diverse perspective; global experience

James C. Hale. Mr. Hale has served as one of our Directors since November 2014. Prior to joining our board, Mr. Hale served on our advisory board from September 2012 until November 2014. Mr. Hale has launched and grown multiple businesses that leveraged his vision of the evolving financial services marketplace, knowledge of emerging financial technologies, and global network at top financial service companies built over several decades in commercial and investment banking. Since 2011, Mr. Hale has been advising growth companies as a consultant at Columbus Strategic Advisors, LLC, a firm he co-founded. In 1998, Mr. Hale co-founded and served as Senior Managing Member and Chief Executive Officer of Financial Technology Ventures, now FTV Capital, an investment firm specializing in venture capital and private growth equity investments in financial technology companies worldwide, where he is currently a Partner Emeritus. From 1982 to 1998, Mr. Hale was with BancAmerica Securities (formerly Montgomery Securities) where he was the Senior Managing Partner and Head of the Financial Services Group, a practice that he founded. From 2015, Mr. Hale has served as a director and risk committee chairman of ACI Worldwide (NASDAQ: ACIW), a global software company, and as a director of Visual Edge Technology, a national provider of office technology solutions. From 2014, Mr. Hale has served as a director and audit committee chairman of Bank of Marin Bancorp (NASDAQ: BMRC), an independent commercial and retail bank in Northern California. Mr. Hale was a director of ExlService Holdings, Inc. (NASDAQ: EXLS), a business process outsourcing company, from 2001 to 2009 and a director and board chairman of Official Payments (NASDAQ: OPAY), a global electronic

payments software company, from 2010 to 2014. In addition, Mr. Hale was a director of the State Bank of India (California), a California state chartered bank, and Public Radio International, a media company, among other private company boards. He holds a B.S. in Finance and Accounting from the University of California, Berkeley, an M.B.A. from Harvard Business School, and is a Certified Public Accountant (inactive). Mr. Hale is well qualified to serve on our Board of Directors due to his 35 years of management experience in the banking, payments, financial services and technology industries and his expertise and his experience as a corporate director and board chairman of other public and private companies.

Skills and attributes: Industry knowledge; strategic planning; technology leadership; investor relations and fundraising ability; financial expertise; corporate governance knowledge; M&A experience; global experience

Bruce E. Hansen. Mr. Hansen has served as a director since October 2012, as our lead independent director from March 2016 until September 2018, and as our Chairman since September 2018. From August 2018 until the hiring of our new Chief Executive Officer in November 2018, Mr. Hansen served as our Principal Executive Officer. From October 2010 until October 2012 he served as a member of our advisory board. In 2002, he co-founded ID Analytics Inc., a consumer risk management company, and served as its Chairman and Chief Executive Officer from its inception until it was acquired by LifeLock, Inc. in March 2012. Prior to founding ID

Analytics, he was President at HNC Software Inc., a global provider of analytic software solutions for financial services, telecommunications and healthcare firms, from 2000 to 2002. Mr. Hansen's previous experience also includes the role of Chief Executive Officer of the Center for Adaptive Systems Applications and executive roles at CitiCorp (now CitiGroup), Automatic Data Processing (ADP) and Chase Manhattan Bank (now JP Morgan Chase). He currently serves as a member of the board of directors of Verisk Analytics, Performant Financial Corporation, and RevSpring, Inc. Mr. Hansen holds a B.A. in economics from Harvard University and an M.B.A. from the University of Chicago. As a proven leader with decades of analytics industry experience ranging from concept-stage companies to established financial services companies, Mr. Hansen brings to the Board a unique perspective, an expansive knowledge base and domain expertise in the fields of identity verification and big data systems. The Board believes that Mr. Hansen's experience as both a key executive and director will enable him to contribute to the Board with respect to both general governance matters and industry-specific operations.

Skills and attributes: Industry knowledge; product marketing & sales, strategic planning; technology leadership; operational excellence; HR, compensation and succession planning; investor relations and fundraising ability; financial expertise; corporate governance knowledge; M&A experience; global experience

Alex W. "Pete" Hart. Mr. Hart has served as a director since February 2011. In April 2012, he retired as Chairman of the Silicon Valley Bank Financial Group and has worked as an independent consultant in the financial services industry since 1997. He served as Chief Executive Officer of Advanta Corporation, a public diversified financial services company, from 1995 to 1997, where he had previously served as Executive Vice Chairman from 1994 to 1995. Prior to joining Advanta, he was President and Chief Executive Officer of MasterCard International, the worldwide payment service provider, from 1988 to 1994. Mr. Hart is a director of BrightVolt, previously known as Solicore, Inc., a privately held battery manufacturer. In addition to SVB Financial, Mr. Hart has also previously served as a member of the board of directors of the following companies: VeriFone Holdings, Inc. (Chairman), Global Payments, Inc., FICO, Inc., HNC Software Inc., Retek Inc., Shopping.com, Sanchez Computer Associates, US Encode, eHarmony.com and Sequal Technologies, Inc. Mr. Hart holds a B.A. in social relations from Harvard University. As an experienced leader in the financial services industry, Mr. Hart combines extensive general business expertise with a deep knowledge of the financial services and payments industry. His experience on the boards of directors of other companies in the financial services industry further augments his range of knowledge, providing experience on which he can draw while serving as a member of the Board.

Skills and attributes: Industry knowledge; product marketing & sales; strategic planning; technology leadership; operational excellence; HR, compensation and succession planning; financial expertise; corporate governance knowledge; mergers & acquisitions; global experience

Jane J. Thompson. Ms. Thompson joined Mitek's board in September of 2017. Prior to joining the board, Ms. Thompson served on Mitek's advisory board from September 2012 until September 2017. Ms. Thompson also currently serves on the boards of Navient Corporation (since May 2014), and OnDeck Capital, Inc. (since October 2014). She previously served as a member of the board of directors of VeriFone Holdings, Inc., Blackhawk Network Holdings, The Fresh Market, and ConAgra with experience on Audit, Compensation, Risk, Finance and Operations, and Nominating and Governance committees. She served on the inaugural Consumer Advisory Board of the Consumer Financial Protection Bureau from September 2012 until October 2015 and as a member of the Board of the Center of Financial Services Innovation from June 2014 through May 2017. Ms. Thompson is the Chief Executive Officer and Founder of Jane J. Thompson Financial Services LLC. From May 2002 through June 2011, Ms. Thompson founded and was President of Walmart Financial Services, where she was recognized as Innovator of the Year by American Banker. For over a decade she served at senior executive levels at Sears, leading corporate strategy and subsequently three large operating groups: Sears Credit; Sears Home Services; and Sears On-Line, transforming these businesses into leading, fast-growing economic drivers for Sears. Her career began at Procter & Gamble and she was a partner in the consumer practice of McKinsey & Company. Ms. Thompson holds a BBA in Marketing from the University of Cincinnati and an MBA from Harvard Business School. Ms. Thompson has over 40 years of leadership experience and a proven track-record as an independent board member and advisor to a wide range of multi-billion

dollar organizations across financial services, fintech, management consulting, private equity, and consumer goods industries.

Skills and attributes: Industry knowledge; product marketing & sales; strategic planning; operational excellence; HR, compensation and succession planning; financial expertise; corporate governance knowledge; M&A experience; diverse perspective; international experience

None of our directors or director nominees has any family relationships with any of our other directors or executive officers. There currently are no legal proceedings, and during the past 10 years there have been no legal proceedings, that are material to the evaluation of the ability or integrity of any of our directors or director nominees.

THE BOARD RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION TO THE BOARD OF THE DIRECTOR NOMINEES DISCUSSED IN THIS PROPOSAL NO. 1.

PROPOSAL NO. 2

APPROVAL OF AN AMENDMENT TO AND RESTATEMENT OF OUR 2012 INCENTIVE PLAN TO, AMONG OTHER THINGS, INCREASE THE NUMBER OF SHARES OF OUR COMMON STOCK AVAILABLE FOR FUTURE GRANT UNDER THE PLAN BY 1,500,000 SHARES

Background

On January 11, 2019, the Board unanimously approved the 2012 Plan Amendment, subject to approval by our stockholders at the Annual Meeting, to (i) increase the total number of shares of our common stock reserved for issuance under the 2012 Plan from 9,500,000 to 11,000,000, plus that number of shares of our common stock that would otherwise return to the available pool of unissued shares reserved for awards under our 1999 Stock Option Plan, 2000 Stock Option Plan, 2002 Stock Option Plan, 2006 Stock Option Plan, and 2010 Stock Option Plan (collectively, the “Prior Stock Option Plans”), and (ii) make the following key modifications, which are each geared at protecting stockholder interests, promoting effective corporate governance and reflecting the use of corporate governance best practices:

- (a) requiring stockholder approval for stock option or stock appreciation rights (“SARs”) exchanges if such exchanges would result in an increase in the value of the underlying Award (as defined below);
- (b) setting a \$350,000 cap on the aggregate amounts of stock-based and cash-based Awards which may be granted to any non-employee director in respect of any calendar year;
- (c) clarifying that the transfer of Awards granted pursuant to the 2012 Plan to financial institutions for value is prohibited;
- (d) tying the payment of dividend equivalents, to the extent granted, to the date of delivery of the underlying stock and subjecting such dividend equivalents to the same vesting and performance conditions of the underlying Award; and
- (e) clarifying that if any amounts subject to 409A of the Internal Revenue Code of 1986, as amended (the “Code”) ever become payable to specified employees on account of separation from service will not be paid until six months following such separation from service.

The Board considered corporate governance best practices and guidance from its compensation consultant when approving the aforementioned modifications.

As of December 31, 2018: (i) stock options to purchase 1,887,915 shares of our common stock and 2,437,539 restricted stock units (“RSUs”) were outstanding under the 2012 Plan; (ii) 433,201 shares of our common stock were reserved for future grants under the 2012 Plan; and (iii) stock options to purchase an aggregate of 972,566 shares of our common stock were outstanding under the Prior Stock Option Plans.

The 2012 Plan was adopted in January 2012 and subsequently amended in February 2014, March 2016 and was amended and restated in March 2017. Since such amendments and restatement, our employee headcount has significantly increased. As a result, the number of employees participating in the 2012 Plan has significantly increased. Based on our current rate of award grants, as well as our anticipated hiring of new employees, the Board believes that the existing share reserve will be exhausted within the next year. Without the ability to provide equity compensation, we may be unable to attract and retain key employees or directors.

If this proposal is approved, we intend to continue to provide equity incentives to existing key employees as well as to certain newly hired employees, directors and consultants. If this proposal is approved, we expect to have sufficient shares available under the 2012 Plan until our annual shareholder meeting in 2021.

The proposed increase of 1,500,000 shares was determined by comparing our past equity grants to key employees, newly hired employees and directors to our current hiring and retention plan, and planned grants to key employees, directors and consultants as a retention tool.

If this Proposal No. 2 is approved by our stockholders, the additional 1,500,000 shares will be available for issuance under any type of equity award available pursuant to the 2012 Plan, except for Senior Executive Performance RSUs. The Board believes that (i) the increase in shares of our common stock available for issuance under the 2012 Plan is essential to permit our management to continue to provide long-term, equity-based incentives to present and future key employees, directors, and consultants and (ii) the key modifications described herein promote effective corporate

governance. Accordingly, the Board believes approval of the amendment to the 2012 Plan is in our best interest and the best interest of our stockholders, and recommends a vote “FOR” the approval of the 2012 Plan Amendment.

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Summary of the 2012 Plan

The following summary sets forth the primary features of the 2012 Plan. This summary is qualified in its entirety by the terms of the 2012 Plan, which is attached to this Proxy Statement as Annex A.

General. The 2012 Plan authorizes the grant of stock options, SARs, restricted stock, RSUs, Senior Executive Performance RSUs and cash awards (collectively referred to as “Awards”). Stock options granted under the 2012 Plan may be either options intended to constitute incentive stock options, as defined in Section 422 of the Code, or nonqualified stock options, in each case as determined by the Committee (as defined below) in accordance with the terms of the 2012 Plan. Incentive stock options will be subject to a restriction such that to the extent the aggregate fair market value of shares of our common stock subject to stock options designated as incentive stock options and that become exercisable for the first time by a participant during any calendar year exceeds \$100,000 (based on grant date valuation), the excess options will be treated as nonqualified stock options.

Purpose. The purpose of the 2012 Plan is to make available certain equity and other incentives to motivate selected employees, directors and consultants of the Company to put forth their best efforts toward the continued growth, profitability and success of the Company and to align the interests of such individuals with those of our stockholders. Specifically, the Senior Executive Performance RSUs are designed to incentivize our senior executive officers to strive towards achieving exceptional stock price performance over a defined period of time.

Administration. The authority to control and manage the operations and administration of the 2012 Plan will be vested in a committee of two or more independent non-employee directors designated by the Board in accordance with the terms of the 2012 Plan (the “Committee”). To the extent not inconsistent with applicable laws or stock exchange rules, the Committee may delegate all or any portion of its authority under the 2012 Plan to any one or more of its members or, with respect to Awards granted to participants who are not directors and officers subject to Section 16 of the Exchange Act, to one or more executive officers of the Company. The Board also has the power to take action under the 2012 Plan, provided that, at the time of taking such action, the Board is comprised of a majority of directors who meet the criteria set forth in the 2012 Plan.

Subject to applicable laws and the terms of the 2012 Plan, the Committee has the authority, in its sole discretion, to, among other things, select the employees, directors and consultants to whom Awards may be granted, determine the terms and conditions of Awards (including the vesting schedule, repurchase provisions, rights of first refusal and satisfaction of any performance criteria), approve forms of award agreements, interpret the terms of the 2012 Plan and Awards, and subject to certain limitations set forth in the 2012 Plan (including obtaining stockholder approval in certain circumstances, for example, if this Proposal No. 2 is approved, the Committee must obtain stockholder approval in order to effect the exchange of one stock option or SAR for another Award if the exchange results in an increase in value to the Award), amend the terms of any outstanding Award granted under the 2012 Plan.

Eligibility. The 2012 Plan provides that Awards may be granted to our employees, directors and consultants (as such terms are defined in the 2012 Plan), but that incentive stock options may be granted only to employees. It is not possible to state at this time the precise type and extent of Awards that any particular executive officer, all current executive officers as a group, any particular nominee for director, all current directors who are not executive officers as a group or all non-executive officers as a group will be granted under the 2012 Plan, since these matters will be determined by the Committee based on each participant’s level of responsibility, compensation and anticipated and actual contribution to our success. As of December 31, 2018, approximately 328 people were eligible to participate in the 2012 Plan.

Shares Reserved for Issuance. If this Proposal No. 2 is approved at the Annual Meeting, the total number of shares of our common stock that will be reserved for issuance under the 2012 Plan will be 11,000,000 shares (the “Initial Shares”), less those previously issued under the 2012 Plan, plus that number of shares of our common stock that would otherwise return to the available pool of unissued shares reserved for awards under the Prior Stock Option Plans as a result of forfeiture, cancellation or expiration of awards previously granted (ignoring the termination or expiration of such plans for the purpose of determining the number of shares available under the 2012 Plan).

Any shares that are returned to the available pool of unissued shares from the Prior Stock Option Plans may only be used in connection with the 2012 Plan to grant stock options. With respect to any Senior Executive Performance RSUs that are canceled or forfeited after March 1, 2018, the shares subject to such Senior Executive Performance RSUs shall

not be returned to the pool of unissued shares and shall reduce the total number of shares reserved for issuance under the 2012 Plan. The 2012 Plan provides that the following shares of our common stock will not be returned to the 2012 Plan or otherwise become available for issuance under the 2012 Plan: (i) shares of common stock tendered or withheld as full or partial payment of a stock option exercise price under the 2012 Plan; (ii) shares of common stock withheld by the Company to satisfy any tax withholding obligations; and (iii) shares of common stock covered by the portion of any SAR that is exercised (whether or not such shares of common stock are actually issued to a participant upon exercise of the SAR).

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Notwithstanding the foregoing, any shares of common stock covered by an Award (or portion of an Award) that is forfeited, canceled or expires (whether voluntarily or involuntarily) or issued (e.g., as substitution awards or inducement grants) in connection with an acquisition or merger shall be deemed not to have been issued from the 2012 Plan for purposes of determining the maximum aggregate number of shares of common stock which may be issued under the 2012 Plan.

Stock Options. Stock options will be granted pursuant to award agreements and will vest at the rate specified therein. The exercise price of each stock option may not be less than 100% of the fair market value of the common stock on the date such option is granted (or 110%, in the case of an incentive stock option granted to any employee who, at the time of such grant, owns stock representing more than 10% of the combined voting power of the Company or any parent or subsidiary thereof). The exercise price is generally payable in cash, check, shares of common stock or payment through a broker-dealer sale and remittance procedure or a net exercise procedure.

Stock Appreciation Rights. A stock appreciation right gives a participant the right to receive the appreciation in the fair market value of our common stock between the date of grant of such Award and the date of its exercise. The base appreciation amount of each grant of SARs may not be less than 100% of the fair market value of the common stock on the date of grant. SARs will be evidenced by an award agreement which shall specify the number of shares of common stock subject to such SARs and will vest and become exercisable at the times and on the terms established by the Committee.

Restricted Stock. Awards of restricted stock will be evidenced by an award agreement which shall specify the number of shares of common stock subject to such Award and the period that must be satisfied before the restrictions pertaining to such grant of restricted stock will lapse and such stock will become vested. A restricted stock award may be issued for nominal or no cost and may be granted in consideration of the recipient's past or future services performed for the Company. The Committee may grant restricted stock awards subject to conditions and the attainment of performance goals or may make such Awards subject to vesting conditions based on such service or performance criteria as the Committee specifies.

Restricted Stock Units. RSUs represent the right to receive shares of common stock at a future date. Awards of RSUs will be evidenced by an award agreement which shall specify the number of shares of common stock subject to such Award. RSUs may be issued for nominal or no cost and may be granted in consideration of the recipient's past or future services performed for the Company. We may settle RSUs for cash, shares of common stock or other securities, or a combination thereof, as determined by the Committee. The Committee may grant RSUs subject to conditions and the attainment of performance goals or may make such Awards subject to vesting conditions based on such service or performance criteria as the Committee specifies. Participants have no voting rights with respect to RSUs until shares of common stock are issued in settlement of such Awards.

Senior Executive Plan Bonuses. Under the 2012 Plan, the Committee may authorize annual incentive compensation to a participant who is or may be a covered employee under Section 162(m) of the Code ("Section 162(m)"), payable upon achievement of specified management objectives determined by the Committee. Senior executive plan bonuses will be evidenced in writing and will contain such terms and provisions as the Committee may determine.

Senior Executive Long Term Incentive Awards. The Senior Executive Performance RSUs were granted to senior executives of the Company, in order to align the long-term compensation of such senior executives with stockholder returns by conditioning the vesting of Senior Executive Performance RSUs on the achievement of certain benchmarks with respect to the fair market value of the Company's stock. Senior Executive Performance RSUs are purely performance-based, and no Senior Executive Performance RSUs vest unless, as of the end of the performance period (March 1, 2017 through the date that is 25 trading days after the first filing of an Annual Report on Form 10-K or Quarterly Report on Form 10-Q by the Company following September 30, 2019 (the "Performance Period")) or in connection with a Change of Control (as defined below), a significant threshold level of stock price appreciation (or the equivalent in connection with a Change of Control that takes the form of an asset sale) has been achieved by the Company. In addition, the vesting of the Senior Executive Performance RSUs is subject to adjustment in the event of a recipient's termination of service with the Company.

Acquisitions and Other Transactions; Deferral of Award Payments; Separate Programs; Limitations on Awards to Non-Employee Directors. To the extent permitted by applicable laws, the Committee may issue Awards under the

2012 Plan in settlement, assumption or substitution for outstanding awards or obligations to grant future awards in connection with the Company or a related entity engaging in an acquisition or merger (e.g., as currently permitted under Nasdaq Stock Market, LLC (“NASDAQ”) Listing Rule 5635(c)(3) and NASDAQ IM-5635-1) and may issue Awards under the 2012 Plan as inducement awards (e.g., as currently permitted under NASDAQ Listing Rule 5635(c)(4) and NASDAQ IM-5635-1). Such Awards would not count against the shares of common stock reserved under the 2012 Plan. To the extent permitted by applicable laws, the Committee may issue Awards under the 2012 Plan in settlement, assumption or substitution for outstanding awards or obligations to grant future awards in connection with the Company or a related entity acquiring another entity, an interest in another entity or an additional interest in a related entity whether by merger, stock purchase, asset purchase or other form of transaction not described in the foregoing paragraph. To the extent required by applicable laws, such Awards would count against the shares of common stock reserved under the 2012 Plan.

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The 2012 Plan provides that the Committee may establish one or more programs under the 2012 Plan to permit selected participants the opportunity to elect to defer receipt of the consideration payable upon exercise of an Award, satisfaction of performance criteria or other event that absent the election would entitle the participant to payment or receipt of shares of common stock or other consideration under the Award. The Committee also may establish one or more separate programs under the 2012 Plan for the purpose of issuing particular forms of Awards to one or more classes of participants on such terms and conditions as determined by the Committee from time to time.

If this Proposal No. 2 is approved, the 2012 Plan will provide that no non-employee director will receive in excess of \$350,000 of compensation in any calendar year, determined by adding (i) all cash compensation to such non-employee director and (ii) the fair market value of all Awards granted to such non-employee director in such calendar year (determined as of the date of grant).

Golden Parachute Tax Gross Up. Section 4999 of the Code generally imposes a 20% excise tax on certain individuals who receive certain excess parachute payments contingent upon a change of control. Section 280G of the Code denies the payor a deduction with respect to any excess parachute payments. Payments contingent on a change of control must exceed three times the disqualified individual's base amount before these rules are triggered. Once triggered, the excess parachute payments generally are all amounts in excess of the disqualified individual's base amount, as defined in Section 280G, (which generally is his or her average W-2 compensation for the five tax years preceding the change of control). The foregoing does not purport to be a complete analysis of all potential tax consequences to the company or any participant.

Each award agreement relating to the issuance of Senior Executive Performance RSUs provides, among other things, that the grantee thereof, by executing such award agreement, agrees to waive the application of any other agreement to which such grantee is or may become a party that would require the Company to pay, with respect to payments arising under the Senior Executive Performance RSUs award agreement or the 2012 Plan, (i) any excise tax by reason of the operation of Section 4999 of the Code or any interest, penalties or additional tax incurred by the participant with respect to such excise tax, and (ii) any federal and state income taxes arising from the payments made by the Company to the participant of such excise tax.

Section 162(m) of the Code. Section 162(m) limits a publicly held company to an annual deduction for federal income tax purposes of \$1,000,000 for compensation paid to its covered employees, generally its chief executive officer and the three most highly compensated executive officers (other than the chief financial officer), determined at the end of each year. However, performance-based compensation is excluded from this limitation. The 2012 Plan is designed to permit the Committee to grant Awards that are intended to qualify as performance-based compensation for purposes of satisfying the conditions of Section 162(m).

To qualify as performance-based: (i) the compensation must be paid solely on account of the attainment of one or more pre-established, objective performance goals; (ii) the performance goal under which compensation is paid must be established by a Committee comprising two or more directors who qualify as outside directors for purposes of the exception; (iii) the material terms under which the compensation is to be paid must be disclosed to and subsequently approved by the stockholders of the Company in a separate vote before payment is made; and (iv) the Committee must certify in writing before payment of the compensation is made that the performance goals and any other material terms were in fact satisfied.

In the case of compensation attributable to stock options and SARs, the performance goal requirement (summarized above) is deemed satisfied, and the certification requirement (summarized above) is inapplicable, if: (i) the grant or award is made by the Committee; (ii) the plan under which the stock option or SAR is granted states the maximum number of shares with respect to which stock options and SARs may be granted during a specified period to an employee; and (iii) under the terms of the stock option or SAR, the amount of compensation is based solely on an increase in the value of the stock after the date of grant.

In order for restricted stock, RSUs (including Senior Executive Performance RSUs) and other Awards (e.g., cash) to qualify as performance-based compensation, the Committee must establish a performance goal with respect to such Award in writing not later than 90 days after the commencement of the period to which the performance goal relates and while the outcome of the performance goal is substantially uncertain. In addition, the performance goal must be stated in terms of an objective formula or standard. Performance goals may be described in terms of Company-wide

objectives, objectives that are related to the performance of the individual participant, a related entity or a division, department or function within the Company or a related entity, or based upon the relative performance of other companies or upon comparisons of any of the indicators of performance relative to other companies. Without limiting the generality of the foregoing, the management objectives applicable to any Award to a covered employee which is intended to be deductible as performance-based compensation under Section 162(m) will be based on specified levels of, or relative peer company, performance in any one or more of the following objectives, or any combination thereof, as determined by the Committee, in its sole discretion: (i) appreciation in and/or maintenance of the price of the Shares or any other publicly-traded securities of the Company, (ii) earnings or loss per share, (iii) total stockholder return, (iv) operating margin, (v) gross margin, (vi) return on equity, (vii) return on assets or net assets, (viii) return on investment, (ix) operating income, (x) net operating income, (xi) pre-tax profit, (xii) cash flow or cash flow per share (before or after dividends), (xiii) revenue, (xiv) improvement in or attainment of expense levels or working capital levels, including cash, inventory and accounts receivable, (xv) earnings or losses (including earnings or losses before taxes, before interest and taxes, or before interest, taxes, depreciation, amortization, stock compensation, non-

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recurring charges and non-cash or other charges), (xvi) economic value added, (xvii) market share, (xviii) relative or absolute share price, (xix) pro forma net income, (xx) customer orders, (xxi) gross or net revenues, (xxii) revenue growth or product revenue growth, (xxiii) operating income (before or after taxes), (xxiv) pre- or after-tax income or loss (before or after allocation of corporate overhead and bonus), (xxv) net income or loss (before or after taxes), (xxvi) return on equity, (xxvii) attainment of strategic and operational initiatives, (xxviii) comparisons with various stock market indices, (xxix) implementation, completion or attainment of measurable objectives with respect to research, development, commercialization, products or projects, acquisitions and divestitures, (xxx) factoring transactions and recruiting and maintaining personnel, (xxxi) gross profits, (xxxii) economic value-added models or equivalent metrics, (xxxiii) reductions in costs, (xxxiv) sales or licenses of the Company's assets, including its intellectual property, whether in a particular jurisdiction or territory or globally, or through partnering transactions, (xxxv) return on capital (including return on total capital or return on invested capital), (xxxvi) cash flow return on investment, (xxxvii) year-end cash, (xxxviii) cash margin, (xxxix) debt reduction, (xl) stockholders equity, (xli) operating efficiencies, (xlii) research and development achievements, (xliii) strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property), (xliv) co-development, co-marketing, profit sharing, joint venture or other similar arrangements, (xlv) financial ratios, including those measuring liquidity, activity, profitability or leverage, (xlvi) cost of capital or assets under management, (xlvii) financing and other capital raising transactions (including sales of the Company's equity or debt securities), (xlviii) factoring transactions, and (xlix) establishing relationships with commercial entities with respect to the marketing, distribution and sale of the Company's products (including with group purchasing organizations, distributors and other vendors).

Limitations on Awards. The maximum number of shares with respect to which a participant may be granted stock options, SARs, restricted stock and/or RSUs in any calendar year shall be equal to the Initial Shares less the 2,100,000 shares reserved for issuance under Senior Executive Performance RSUs. The foregoing limitations will be adjusted proportionately by the Committee in connection with any change in our capitalization due to a stock split, stock dividend or similar event affecting our common stock and such determination shall be final, binding and conclusive. The maximum amount with respect to which: (i) senior executive plan bonuses may be granted to a participant under a senior executive plan bonus award during a calendar year is \$1,500,000; and (ii) awards of cash may be granted to any participant in any calendar year is \$1,500,000. The Company, however, may make other bonus or cash awards outside of the 2012 Plan.

Term of Award. The term of any Award granted under the 2012 Plan may not be for more than 10 years (or five years in the case of an incentive stock option granted to any participant who owns stock representing more than 10% of the combined voting power of the Company or any parent or subsidiary thereof).

Transferability of Awards. Unless otherwise provided in the 2012 Plan or permitted by the Committee, Awards may not be pledged, assigned or otherwise transferred in any manner, other than by will or by the laws of descent or distribution, and may be exercised during the lifetime of the participant only by the participant or by such participant's beneficiaries in the event of the participant's death. In addition, if this Proposal No. 2 is approved, in no event may an Award be transferred to a third party financial institution for value.

Dividend Equivalents. Subject to the provisions of the 2012 Plan and any award agreement, the recipient of an Award other than a stock option or SAR may, if so determined by the Committee, be entitled to receive, amounts equivalent to cash, stock or other property dividends on shares of our common stock with respect to the number of shares covered by the Award, as determined by the Committee, in its sole discretion. If this Proposal No. 2 is approved, any such dividend equivalents will be subject to the same vesting or performance conditions as the underlying Award and will be paid to the participant at the same time as the shares underlying the Award are delivered to the participant.

Termination of Service. Unless otherwise provided in an award agreement, in the event of a participant's death or termination of the participant's status as an employee, director or consultant due to the participant's disability, the participant's beneficiary or the participant, as applicable, may exercise any vested Award at any time within the earlier to occur of: (a) one year after the date of the participant's death or disability; or (b) the date on which such Award expires by its terms. Except as otherwise provided in an individual award agreement, in the event of a participant's Termination Without Cause (as defined in the 2012 Plan), the participant may exercise any vested Award at any time within the earlier to occur of: (i) 90 days after such termination; or (ii) the date on which such Award expires by its

terms. A participant who is terminated for Cause (as defined in the 2012 Plan) shall, unless otherwise determined by the Committee, immediately forfeit, effective as of the date the participant engages in such conduct giving rise to his or her termination for Cause, all unexercised, unearned and/or unpaid Awards.

As more fully described above under “Senior Executive Long Term Performance Incentive Awards—Termination of Service,” a participant who receives Senior Executive Performance RSUs and is subsequently terminated for Cause or resigns without Good Reason shall, unless otherwise determined by the Committee, immediately forfeit all unearned and/or unpaid Senior Executive Performance RSUs. If a participant who receives Senior Executive Performance RSUs is terminated by virtue of the participant’s death or disability, or if the participant experiences a Qualifying Termination following at least one year of continuous service after commencement of the Performance Period, then the participant will vest in a pro-rated number of Senior Executive Performance RSUs. For the avoidance of doubt, if a participant receives a Senior Executive Performance RSUs, but does not complete one year of

continuous service after the commencement of the Performance Period, the participant will immediately forfeit all unvested Senior Executive Performance RSUs, except as provided below with respect to a Change of Control. Adjustments Upon Change in Capitalization. In the event there is a specified type of change in our capital structure not involving the receipt of consideration by us, such as a stock split, stock dividend, combination, recapitalization or reclassification, or any other transaction with respect to our common stock, including a merger, reorganization, liquidation or similar transaction, the number of shares reserved under the 2012 Plan and the number of shares subject to and exercise price, if applicable, of all outstanding stock awards will be appropriately adjusted.

Change of Control. Except with respect to Senior Executive Performance RSUs or as provided in an individual award agreement, upon the consummation of a Change of Control (as defined below), all outstanding Awards under the 2012 Plan may be assumed or replaced by the acquiring company. Any portions of Awards that have not been assumed, replaced or exercised in connection with a Change of Control will automatically become fully vested and exercisable and be released from any repurchase or forfeiture rights for all of the shares of common stock (or other consideration) represented by such Award (or portion thereof), immediately prior to the specified effective date of such Change of Control. However, unless otherwise provided for by the Committee pursuant to the terms of the 2012 Plan or as specified in an award agreement or other agreement between the participant and the Company, no cash Awards under any senior executive plan bonus or otherwise will be paid in connection with a Change of Control (as defined below). In the case of a proposed Change of Control, the Committee may, prior to the occurrence of the Change of Control, declare that the outstanding stock options and SARs granted under the 2012 Plan will accelerate and become exercisable in full and that all such stock options and SARs, whether or not exercisable prior to such acceleration, must be exercised within a specified period of time or they will terminate. In the event of such declaration, each stock option and SAR granted under the 2012 Plan, to the extent that it has not been exercised prior to the Change of Control, shall be canceled at the time of, or immediately prior to, the Change of Control, as provided in the declaration.

Senior Executive Performance RSUs may vest, in whole or in part, upon a Change of Control, depending on either the (i) the consideration to be received by stockholders of the Company with respect to a share of Company common stock upon such Change of Control or (ii) upon an asset sale, the consideration that would be distributable to stockholders of the Company with respect to each share of Company common stock if the Company distributed all of the consideration received in connection with the asset sale to the stockholders of the Company, less adjustments for debt, expenses and other amounts (each such amount, as determined by the Committee, the Proceeds Per Share) generated by such Change of Control.

Under the 2012 Plan, a Change of Control generally includes:

- the acquisition of 50% or more of our outstanding stock by any person or group;
 - a merger or consolidation of the Company after which our own stockholders as of immediately prior to the merger or consolidation own 50% or less of the outstanding stock of the surviving entity;
 - a sale of all or substantially all of our assets, subject to certain exceptions; or
- such time as the Continuing Directors (as defined in the 2012 Plan) do not constitute at least a majority of the Board or, if applicable, the board of directors of an acquiring company; provided, however, that the events described in this fourth bullet point shall not constitute a Change of Control with respect to any Senior Executive Performance RSUs.

Six-Month Delay in Certain Circumstances. If this Proposal No. 2 is approved, in the event that the Committee determines that a participant is a “specified employee”, at the time of such participant’s “separation from service” from the Company, then to the extent that any amount or benefit owned to such participant under an Award (i) constitutes non-qualified deferred compensation for purposes of Section 409A of the Code (“Section 409A”) and (ii) is considered for purposes of Section 409A to be payable to the participant on account of such participant’s separation from service, then such amount will not be paid during the six month period following such specified employee’s separation from service. For purposes of the 2012 Plan, each of “specified employee” and “separation from service” has the meaning set forth in Section 409A of the Code.

Term of the 2012 Plan; Amendment, Suspension or Termination of the 2012 Plan. The 2012 Plan will continue in effect until the earliest to occur of: (i) all shares of common stock subject to the 2012 Plan have been distributed; (ii)

all Awards have expired or terminated; (iii) termination pursuant to Section 18 of the 2012 Plan; and (iv) 10 years. The Board may at any time amend, suspend or terminate the 2012 Plan; provided, however, that no amendment can be made without the approval of our stockholders to the extent such approval is required by applicable laws, or if such amendment would lessen the stockholder approval requirements set forth in the 2012 Plan.

Anticipated U.S. Federal Income Tax Consequences

The following summary of the federal income tax consequences of the 2012 Plan and the Awards to be granted thereunder is based upon federal income tax laws in effect on the date of this Proxy Statement, all of which are subject to change (possibly to retroactive

effect) and to differing interpretations. Any such change could affect the accuracy of the statements and conclusions set forth in this summary. This summary does not purport to be complete, and does not discuss non-U.S., state or local tax consequences or additional guidance that is expected to be issued by the Treasury Department under the Code.

Nonqualified Stock Options. The grant of a nonqualified stock option under the 2012 Plan will not result in any federal income tax consequences to the optionholder or to us. Upon exercise of a nonqualified stock option, the optionholder is subject to income taxes at the rate applicable to ordinary compensation income on the excess of the fair market value of the shares on the date of exercise over the option exercise price. This income is subject to withholding for federal income and employment tax purposes. We are entitled to an income tax deduction in the amount of the income recognized by the optionholder, subject to the possible limitations imposed by the \$1,000,000 compensation limit imposed by Section 162(m) or if the compensation is an excess parachute payment within the meaning of Section 280G of the Code (“Section 280G”) and so long as we withhold the appropriate taxes with respect to such income (if required) and the optionholder’s total compensation is deemed an ordinary and necessary business expense. Any gain or loss on the optionholder’s subsequent disposition of the shares of common stock will receive long- or short-term capital gain or loss treatment, depending on whether the shares are held for more than one year following exercise. We do not receive a tax deduction for any such gain.

If a nonqualified stock option is amended, such option may be considered deferred compensation and subject to the rules of Section 409A, which provide, among other things, rules regarding the timing of payment of deferred compensation. A stock option subject to Section 409A that fails to comply with the rules of Section 409A can result in the participant having acceleration of income recognition, an additional 20% tax obligation, plus penalties and interest.

Incentive Stock Options. The grant of an incentive stock option under the 2012 Plan will not result in any federal income tax consequences to the optionholder or to us. An optionholder recognizes no federal taxable income upon exercising an incentive stock option (subject to the alternative minimum tax rules) and we receive no deduction at the time of exercise. In the event of a disposition of stock acquired upon exercise of an incentive stock option, the tax consequences depend upon how long the optionholder has held the shares of common stock. If the optionholder does not dispose of the shares within two years after the incentive stock option was granted, nor within one year after the incentive stock option was exercised, the optionholder will recognize a long-term capital gain (or loss) equal to the difference between the sale price of the shares and the exercise price. We are not entitled to any deduction under these circumstances.

If the optionholder fails to satisfy either of the foregoing holding periods, he or she must recognize ordinary income in the year of the disposition (referred to as a “disqualifying disposition”). The amount of such ordinary income generally is the lesser of (i) the excess (if any) of the amount realized on the disposition over the exercise price; or (ii) the excess of the fair market value of the shares on the date of exercise over the exercise price. Any gain in excess of the amount taxed as ordinary income will be treated as a long or short-term capital gain, depending on whether the stock was held for more than one year. We, in the year of the disqualifying disposition, are entitled to a deduction equal to the amount of ordinary income recognized by the optionholder, subject to the limitations imposed by the \$1,000,000 compensation limit imposed by Section 162(m) or if the compensation is an “excess parachute payment” within the meaning of Section 280G and so long as the optionholder’s total compensation is deemed an ordinary and necessary business expense.

In the event an incentive stock option is amended, such option may be considered deferred compensation and subject to the rules of Section 409A. A stock option subject to Section 409A which fails to comply with the rules of Section 409A can result in the participant having acceleration of income recognition, an additional 20% tax obligation, plus penalties and interest. In addition, the amendment of an incentive stock option may convert the option from an incentive stock option to a nonqualified stock option.

Restricted Stock. A recipient of restricted stock will not recognize any taxable income for federal income tax purposes in the year of the award, provided that the shares of common stock are subject to restrictions (that is, the restricted stock is nontransferable and subject to a substantial risk of forfeiture). However, the recipient may elect under Section 83(b) of the Code to recognize compensation income in the year of the award in an amount equal to the fair market value of the common stock on the date of the award, determined without regard to the restrictions, less any amount the

recipient paid for the award. If the recipient does not make such a Section 83(b) election, the fair market value of the common stock on the date the restrictions lapse will be treated as compensation income to the recipient and will be taxable in the year the restrictions lapse. We are entitled to an income tax deduction in the amount of the income recognized by the recipient, subject to the limitations imposed by the \$1,000,000 compensation limit imposed by Section 162(m) or if the compensation is an "excess parachute payment" within the meaning of Section 280G and so long as we withhold the appropriate taxes with respect to such income (if required) and the recipient's total compensation is deemed an ordinary and necessary business expense.

Stock Appreciation Rights. Recipients of SARs generally should not recognize income until the SAR is exercised.

Upon exercise, the recipient will normally recognize taxable ordinary income for federal income tax purposes equal to the amount of cash and the fair market value of the shares, if any, received upon such exercise. Recipients who are employees will be subject to withholding for federal income and employment tax purposes with respect to income recognized upon exercise of a SAR. Recipients will recognize gain upon the disposition of any shares received on exercise of a SAR equal to the excess of: (i) the amount realized on such

disposition; over (ii) the ordinary income recognized with respect to such shares under the principles set forth above. That gain will be taxable as long- or short-term capital gain depending on whether the shares were held for more than one year. We are entitled to an income tax deduction in the amount of the income recognized by the recipient upon exercise of the SARs, subject to the limitations imposed by the \$1,000,000 compensation limit imposed by Section 162(m) or if the compensation is an “excess parachute payment” within the meaning of Section 280G and so long as we withhold the appropriate taxes with respect to such income (if required) and the recipient’s total compensation is deemed an ordinary and necessary business expense.

A SAR can be considered non-qualified deferred compensation that is subject to the rules of Section 409A. A SAR subject to Section 409A that does not meet the requirements of Section 409A can result in the participant having acceleration of income recognition, an additional 20% tax obligation, plus penalties and interest.

Restricted Stock Units. Recipients of RSUs (including Senior Executive Performance RSUs) generally should not recognize income until such units are converted into cash or shares of stock. Upon conversion, the recipient will normally recognize taxable ordinary income for federal income tax purposes equal to the amount of the fair market value of the shares (or the amount of cash) received upon conversion. Recipients who are employees will be subject to withholding for federal income and employment tax purposes with respect to income recognized upon conversion of the RSUs. Participants will recognize gain upon the disposition of any shares received upon conversion of the RSUs equal to the excess of: (i) the amount realized on such disposition; over (ii) the ordinary income recognized with respect to such shares under the principles set forth above. That gain will be taxable as long- or short-term capital gain depending on whether the shares were held for more than one year. We are entitled to an income tax deduction in the amount of the income recognized by the recipient upon conversion of the RSUs into cash or shares of stock, subject to the limitations imposed by the \$1,000,000 compensation limit imposed by Section 162(m) or if the compensation is an “excess parachute payment” within the meaning of Section 280G and so long as we withhold the appropriate taxes with respect to such income (if required) and the recipient’s total compensation is deemed an ordinary and necessary business expense.

RSUs also can be considered non-qualified deferred compensation that is subject to the rules of Section 409A. A grant of RSUs subject to Section 409A that does not meet the requirements of Section 409A can result in the participant having acceleration of income recognition, an additional 20% tax obligation, plus penalties and interest.

THE BOARD RECOMMENDS THAT YOU VOTE “FOR” THIS PROPOSAL NO. 2 APPROVING THE 2012 PLAN AMENDMENT TO, AMONG OTHER THINGS, INCREASE THE NUMBER OF SHARES OF OUR COMMON STOCK AVAILABLE FOR FUTURE GRANT UNDER THE PLAN FROM 9,500,000 TO 11,000,000.

PROPOSAL NO. 3

RATIFICATION OF THE SECTION 382 TAX BENEFITS PRESERVATION PLAN

You are being asked to ratify the adoption by our Board of the Section 382 Tax Benefits Preservation Plan in the form of a Section 382 Rights Agreement, dated as of October 23, 2018, by and between the Company and Computershare Trust Company, N.A., a federally chartered trust company, as rights agent. Stockholder ratification of the Section 382 Tax Benefits Preservation Plan is not required by applicable law or by our Restated Certificate of Incorporation, as amended, Second Amended and Restated Bylaws or other governing documents. Nonetheless, our Board has determined to request stockholder ratification of the adoption of the Section 382 Tax Benefits Preservation Plan as a matter of good corporate governance. A summary of the Section 382 Tax Benefits Preservation Plan appears below and is qualified by the full text of the Section 382 Tax Benefits Preservation Plan attached as Annex B to this Proxy Statement.

Background

Our Board believes that our net operating loss carryforwards (“NOLs”) have the potential to be a valuable asset. However, because the amount and timing of our future taxable income cannot be accurately predicted, we cannot predict the amount of NOLs that will ultimately be used to reduce the Company’s federal income tax liability. Although we are unable to quantify an exact value for the benefits that the NOLs may ultimately provide us with, we believe that the NOLs are a potentially valuable asset and the Board believes it is in the Company’s best interests to attempt to protect this asset by preventing the imposition of limitations on their use. The benefits of the NOLs would be reduced, and our use of the NOLs would be substantially delayed or potentially lost, if we experience an “ownership change,” as determined under Section 382 of the Internal Revenue Code, as amended, and applicable Treasury Regulations (“Section 382”).

Under Section 382, an “ownership change” occurs if a stockholder or a group of stockholders that is deemed to own at least 5% of our common stock increases their ownership (individually, or collectively with other such “5-percent stockholders”) by more than 50 percentage points over their lowest ownership percentage within a rolling three year period. If an ownership change occurs, Section 382 would impose an annual limit on the amount of our NOLs that we can use to offset income taxes equal to the product of the total value of our outstanding equity immediately prior to the ownership change (reduced by certain items specified in Section 382) and the federal long-term tax-exempt interest rate in effect for the month of the ownership change. A number of complex rules apply to calculating this annual limit. If an ownership change were to occur, the limitations imposed by Section 382 could result in a substantial delay in the timing of the usage of our NOLs or in a material amount of our NOLs expiring unused and, therefore, significantly impair the value of our NOLs. While we periodically monitor our NOLs and currently believe that an ownership change that would impair the value of our NOLs has not occurred, the complexity of Section 382’s provisions and the limited knowledge any public company has about the ownership of its publicly traded stock make it difficult to determine whether an ownership change has in fact occurred.

After careful consideration, and after consulting with our tax, financial and legal advisors, on October 23, 2018, our Board acted to preserve the potential benefits of our NOLs by adopting the Section 382 Tax Benefits Preservation Plan, which is similar to tax benefits preservation plans adopted by other public companies seeking to preserve the potential benefits of their NOLs. As of October 23, 2018, the Company had U.S. federal NOLs of approximately \$27.6 million, which begin to expire in 2032, unless previously utilized, and California State NOLs of approximately \$30.12million, which begin to expire in 2028, unless previously utilized. The Company’s accountants performed an analysis for the period through September 30, 2018 and did not identify any events of a cumulative ownership change for such review period. The Company will continue monitoring any future changes in stock ownership for a cumulative ownership change.

Pursuant to the terms of the Section 382 Tax Benefits Preservation Plan, the Rights issued pursuant to the Section 382 Tax Benefits Preservation Plan will expire if stockholder ratification has not been received following the final adjournment of the Annual Meeting. Thus, the Board is submitting the Section 382 Tax Benefits Preservation Plan for stockholder ratification.

Description of the Tax Benefits Preservation Plan

The Rights. In connection with the Section 382 Tax Benefits Preservation Plan, the Board authorized and declared a dividend distribution of one preferred stock purchase right (a “Right”) for each share of common stock of the Company, par value \$0.001 per share (the “Common Stock”), authorized and outstanding on the close of business on November 2, 2018 (the “Tax Benefits Preservation Plan Record Date”) and has authorized the issuance of one Right (subject to adjustment as provided in the Section 382 Tax Benefits Preservation Plan) with respect to each share of Common Stock that becomes outstanding between the Tax Benefits Preservation Plan Record Date and the earlier of the Distribution Date and the Expiration Date (each as defined below). Prior to exercise, the Rights do not give their holders any rights as a stockholder of the Company, including any dividend, voting or liquidation rights. A complete description and terms of the Rights is set forth in the Section 382 Tax Benefits Preservation Plan.

Exercisability. The Rights are not exercisable until the earlier of (i) the close of business on the 10th day following a public announcement that a person or group of affiliated or associated persons has become an Acquiring Person (as defined below) (or, in the

event an exchange is effected in accordance with Section 24 of the Section 382 Tax Benefits Preservation Plan and the Board determines that a later date is advisable, then such later date) or (ii) the close of business on the 10th business day (or such later date as may be determined by action of the Board prior to such time as any person becomes an Acquiring Person) following the commencement of a tender offer or exchange offer, the consummation of which would result in the Beneficial Ownership (as defined below) by a person or group of 4.9% or more of Common Stock then outstanding (the “Distribution Date”).

Until the Distribution Date, the Rights will be transferred with and only with the Common Stock, and (unless the Rights are redeemed or expire) the surrender or transfer of any Common Stock outstanding on or after the Tax Benefits Preservation Plan Record Date will constitute the transfer of the Rights associated with such Common Stock. Upon the Distribution Date, the Rights may be transferred separately from the Common Stock, and each Right, other than Rights held by an Acquiring Person, will entitle its holder to purchase from the Company one one-thousandth of a share of Series B Junior Participating Preferred Stock of the Company, par value \$0.001 per share (the “Preferred Stock”), at a purchase price of \$35.00 per one one-thousandth of a share of Preferred Stock, subject to adjustment (the “Purchase Price”).

Acquiring Person. An “Acquiring Person” is any person or group of affiliated or associated persons that has acquired Beneficial Ownership of 4.9% or more of the Common Stock then outstanding. However, a person shall not be deemed to be an Acquiring Person if such person was, at the time of the first public announcement of the Section 382 Tax Benefits Preservation Plan, a Beneficial Owner of 4.9% or more of the Common Stock then outstanding (a “Grandfathered Stockholder”); provided, however, that if a Grandfathered Stockholder increases its Beneficial Ownership of the Common Stock as of any date on or after the date of the public announcement of the Section 382 Tax Benefits Preservation Plan then such Grandfathered Stockholder shall no longer be deemed to be a Grandfathered Stockholder unless, upon such acquisition of Beneficial Ownership of additional shares of Common Stock, such person is not the Beneficial Owner of 4.9% or more of the Common Stock then outstanding; provided, further, that upon the first decrease of a Grandfathered Stockholder’s Beneficial Ownership below 4.9%, such Grandfathered Stockholder shall no longer be deemed to be a Grandfathered Stockholder.

In general, under the Section 382 Tax Benefits Preservation Plan, a person, entity or group shall be deemed the “Beneficial Owner” of and shall be deemed to have “Beneficial Ownership” of, any securities which such person, entity or group (i) would be deemed to actually or constructively own for purposes of Section 382 and the regulations promulgated thereunder, (ii) beneficially owns, directly or indirectly, within the meaning of Rules 13d-3 or 13d-5 promulgated under the Securities and Exchange Act of 1934, as amended, (iii) has the right to acquire or vote pursuant to any agreement, arrangement or understanding (except under limited circumstances), (iv) which are directly or indirectly beneficially owned by any other person with whom such person, entity or group is acting in concert or (v) in respect of which such person, entity or group has a derivative contract.

Flip-in Event. If any person becomes an Acquiring Person, proper provision shall be made so that each holder of Rights, other than Rights beneficially owned by an Acquiring Person (which will thereafter be null and void), will thereafter have the right to receive, upon exercise thereof, that number shares of Common Stock having a market value equal to two times the Purchase Price. If the Board so elects, the Company shall deliver, upon payment of the Purchase Price, an amount of cash or securities equivalent in value to the number of shares of Common Stock issuable upon exercise of a Right.

Flip-over Event. If, at any time after a person becomes an Acquiring Person, the Company is acquired in a merger or other business combination transaction or 50% or more of its consolidated assets or earning power are sold, proper provision will be made so that each holder of a Right will thereafter have the right to receive, upon the exercise thereof at the then-current purchase price of the Right, that number of shares of common stock of the acquiring company which at the time of such transaction will have a market value equal to two times the Purchase Price.

Exchange. At any time after any person becomes an Acquiring Person and prior to the acquisition by any person or group of a majority of the Common Stock then outstanding, the Board may exchange the Rights (other than Rights owned by an Acquiring Person, which shall have become void), at an exchange ratio of one share of Common Stock per Right (subject to adjustment). The exchange of the Rights by the Board may be made effective at such time, on such basis and with such conditions as the Board in its sole discretion may establish.

Preferred Stock. Preferred Stock purchasable upon exercise of the Rights will not be redeemable. Each Preferred Stock will be entitled to a quarterly dividend payment of 1,000 multiplied by the dividend declared per Common Stock. In the event of liquidation, the holders of the Preferred Stock will be entitled to a payment per share equal to 1,000 multiplied by the aggregate payment made per Common Stock. Each Preferred Stock will have 1,000 votes, voting together with the Common Stock. In the event of any merger, consolidation or other transaction in which Common Stock are exchanged, each Preferred Stock will be entitled to receive 1,000 multiplied by the amount received per Common Stock. Because of the nature of the dividend, liquidation and voting rights of the Preferred Stock, the value of the one one-thousandth of a Preferred Stock purchasable upon exercise of each Right should approximate the value of one Common Stock.

Expiration. The Rights will expire on the earlier of (i) the close of business on October 22, 2021, (ii) the time at which the Rights are redeemed, (iii) the time at which the Rights are exchanged, and (iv) if the Section 382 Tax Benefits Preservation Plan has not been approved by the stockholders prior to the conclusion of the Annual Meeting, the close of business on such date (the earliest of such dates, the “Expiration Date”). As such, the Company is soliciting stockholder ratification of the Section 382 Tax Benefits Preservation Plan.

Redemption. At any time prior to the time any person becomes an Acquiring Person, the Board may redeem the Rights in whole, but not in part, at a price of \$0.0001 per Right (the “Redemption Price”). The redemption of the Rights may be made effective at such time, on such basis and with such conditions as the Board in its sole discretion may establish. Immediately upon any redemption of the Rights, the right to exercise the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

Amendment. The terms of the Rights may be amended by the Board without the consent of the holders of the Rights. Prior to the Distribution Date, the Board intends to amend the Section 382 Tax Benefits Preservation Plan from time to time in connection with any Board-approved financing or capital raising transaction, as necessary in order to prevent any investor in such transaction from being deemed an Acquiring Person under the terms of the Section 382 Tax Benefits Preservation Plan. However, from and after such time as any person becomes an Acquiring Person, the Section 382 Tax Benefits Preservation Plan shall not be amended or supplemented in any manner which would adversely affect the interests of the holders of Rights (other than Rights which have become null and void).

The Board has determined that the Section 382 Tax Benefits Preservation Plan is advisable and in the Company’s and the stockholders’ best interests because the Section 382 Tax Benefits Preservation Plan:

- discourages acquisitions of stock that could result in an “ownership change” for federal income tax purposes, as discussed below;

- encourages potential acquirers of Common Stock to negotiate with the Board before acquiring significant equity ownership positions in the Company;

- does not restrict a later sale of the Company on terms that the Board determines are in the best interest of the stockholders; and

- has no significant up-front financial, accounting or tax consequences to the Company or the stockholders.

Certain Considerations Related to the Section 382 Tax Benefits Preservation Plan

The Board believes that the Section 382 Tax Benefits Preservation Plan may help preserve the Company’s ability to use its NOLs to reduce future tax liabilities and that the Section 382 Tax Benefits Preservation Plan is in the Company’s and the stockholders’ best interests. However, the possibility of an ownership change cannot be eliminated and the Board cannot guarantee that an ownership change will not occur - even if the Section 382 Tax Benefits Preservation Plan is in place. Please also consider the items discussed below when voting on this Proposal No. 3.

The IRS could challenge the amount of the Company’s NOLs or claim that the Company experienced an ownership change, which could reduce the amount of NOLs that the Company could use or eliminate the Company’s ability to use NOLs altogether.

The Internal Revenue Service (the “IRS”) has not audited or otherwise validated the amount of the Company’s NOLs. The IRS could challenge the amount of the Company’s NOLs, which could limit the Company’s ability to use NOLs to reduce future tax liabilities. In addition, the complex provisions of Sections 382 and the limited knowledge that any public company has about the ownership of its publicly traded stock can make it difficult for the Company and its advisors to determine whether an ownership change has occurred. Therefore, the Board cannot assure you that the IRS will not claim that the Company has experienced an ownership change and attempt to reduce or eliminate the benefits associated with the Company’s NOLs - even if the Section 382 Tax Benefits Preservation Plan is in place.

Congress or the IRS could change Section 382 and/or the regulations promulgated thereunder.

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act of 2017 (the “Tax Act”). The Tax Act will affect the Company’s ability to use NOLs generated in taxable years beginning after December 31, 2017, to offset the Company’s income tax obligations. Other potential future legislation, or the modification or promulgation of treasury regulations by the IRS, could change the provisions of Section 382 and/or other applicable provisions of the Code and treasury regulations in a manner that would limit the Company’s ability to utilize its NOLs. Therefore, the

Board cannot assure you that tax laws and applicable treasury regulations will not change in a manner that could reduce or eliminate the benefits associated with the Company's NOLs - even if the Section 382 Tax Benefits Preservation Plan is in place.

The Company still faces a continued risk of an ownership change.

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Although the Section 382 Tax Benefits Preservation Plan is intended to reduce the likelihood of an ownership change, the Section 382 Tax Benefits Preservation Plan cannot prevent transfers of the Company's stock that could result in an ownership change. Accordingly, the Board cannot guarantee you that the Section 382 Tax Benefits Preservation Plan will prevent or even reduce the risk of an ownership change.

The Section 382 Tax Benefits Preservation Plan could impact on the value of the Common Stock.

If investors object to holding the Common Stock subject to the terms of the Section 382 Tax Benefits Preservation Plan, the Section 382 Tax Benefits Preservation Plan could depress the value of the Common Stock by an amount that could more than offset any value preserved by protecting the Company's NOLs.

Potential Anti-Takeover Effects.

While intended to reduce the risk of an ownership change, the Section 382 Tax Benefits Preservation Plan could have certain anti-takeover effects. The Rights will cause substantial dilution to any person or group that becomes an Acquiring Person. Accordingly, the Rights may render more difficult, or discourage, a merger, tender offer, proxy contest or assumption of control by a holder of the Common Stock or other Company securities. However, because the Board can unilaterally redeem the Section 382 Tax Benefits Preservation Plan prior to any person become an Acquiring Person, the Section 382 Tax Benefits Preservation Plan will not interfere with any merger, change in control or other business combination approved by the Board.

THE BOARD RECOMMENDS A VOTE "FOR" THIS PROPOSAL NO. 3 TO RATIFY OUR SECTION 382 TAX BENEFITS PRESERVATION PLAN.

PROPOSAL NO. 4

RATIFICATION OF THE SELECTION OF OUR
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has selected the firm of Mayer Hoffman, independent certified public accountants, to serve as our independent registered public accounting firm for the fiscal year ending September 30, 2019. Representatives of Mayer Hoffman are expected to be present at the Annual Meeting and will have the opportunity to make a statement and respond to appropriate questions. Mayer Hoffman leases substantially all its personnel, who work under the control of Mayer Hoffman shareholders, from wholly-owned subsidiaries of CBIZ, Inc., in an alternative practice structure. All of the hours expended on Mayer Hoffman's engagement to audit our financial statements for the 2018 fiscal year were attributed to work performed by such leased personnel.

Neither our governing documents nor applicable laws require stockholder ratification of the selection of Mayer Hoffman as our independent registered public accounting firm. However, the Board is submitting the selection of Mayer Hoffman to our stockholders for ratification as a matter of good corporate governance. If our stockholders fail to ratify the selection of Mayer Hoffman, the Audit Committee will reconsider whether or not to retain Mayer Hoffman. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of different independent auditors at any time during the year if they determine that such a change would be in the best interests of the Company and our stockholders.

Independent Registered Public Accounting Firm Fee Information

The following table sets forth the aggregate fees billed by Mayer Hoffman for the services indicated for the fiscal years ended September 30, 2018 and 2017. All fees described below were approved by the Audit Committee.

| | Fiscal Year Ended September 30, 2018 | Fiscal Year Ended September 30, 2017 |
|-----------------------|---|--|
| Audit Fees(1) | \$ 601,259 | \$ 314,807 |
| Audit-Related Fees(2) | 67,977 | — |
| Tax Fees | — | — |
| All Other Fees | — | — |
| Total Fees | \$ 669,236 | \$ 314,807 |

(1) This category represents fees paid to Mayer Hoffman for (i) the audit of our annual financial statements for the fiscal years ended September 30, 2018 and 2017 included in our annual reports on Form 10-K; (ii) the review of our unaudited interim period financial statements for the fiscal years ended September 30, 2018 and 2017 included in our quarterly reports on Form 10-Q; (iii) the audit of our internal control over financial reporting for the fiscal years ended September 30, 2018 and 2017; and (iv) the services that are normally provided by Mayer Hoffman in connection with statutory and regulatory filings or engagements..

(2) This category represents fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under Audit Fees. This category includes fees related to audit and attest services not required by statute or regulations, due diligence related to mergers, acquisitions and investments and consultations concerning financial accounting and reporting standards.

Pre-Approval Policies

The Audit Committee has established policies and procedures by which it approves in advance any audit and permissible non-audit services to be provided by our independent registered public accounting firm. Under these policies and procedures, prior to the engagement of the independent registered public accounting firm for pre-approved services, requests or applications for the independent registered public accounting firm to provide services must be submitted to the Audit Committee and must include a detailed description of the services to be rendered. Our Chief Financial Officer and the independent registered public accounting firm must ensure that the independent registered public accounting firm is not engaged to perform the proposed services unless those services are within the list of services that have received the Audit Committee's pre-approval, and must cause the Audit

Committee to be informed in a timely manner of all services rendered by the independent registered public accounting firm and the related fees.

Each request or application must include:

• a recommendation by our Chief Financial Officer as to whether the Audit Committee should approve the request or application; and

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a joint statement of our Chief Financial Officer and the independent registered public accounting firm as to whether, in their view, the request or application is consistent with the SEC's requirements for auditor independence of the Public Company Accounting Oversight Board (the "PCAOB").

The Audit Committee also will not permit the independent registered public accounting firm to be engaged to provide any services to the extent that the SEC has prohibited the provision of those services by an independent registered public accounting firm, which generally include:

- bookkeeping or other services related to accounting records or financial statements;
- financial information systems design and implementation;
- appraisal or valuation services, fairness opinions or contribution-in-kind reports;
- actuarial services;
- internal audit outsourcing services;
- management functions;
- human resources;
- broker-dealer, investment adviser or investment banking services;
- legal services;
- expert services unrelated to the audit; and
- any service that the PCAOB determines is not permissible.

THE BOARD RECOMMENDS THAT YOU VOTE "FOR" THIS PROPOSAL NO. 4 TO RATIFY THE SELECTION OF MAYER HOFFMAN TO SERVE AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2019.

PROPOSAL NO. 5

APPROVAL, ON AN ADVISORY (NON-BINDING) BASIS, OF
THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

In accordance with the requirements of Section 14A of the Exchange Act and the related rules of the SEC, we are providing our stockholders the opportunity to vote on an advisory (non-binding) resolution, commonly known as a “say-on-pay” resolution, to approve the compensation of our named executive officers as described in this Proxy Statement in the section titled “Executive Compensation,” beginning on page 34, the compensation tables beginning on page 37 and any related narrative discussion contained in this Proxy Statement. This proposal gives our stockholders the opportunity to express their views on the design and effectiveness of our executive compensation program.

Our executive compensation programs are designed to attract, retain and motivate talented, qualified executives, effectively manage and promote the success of our Company and reward performance. To achieve this balance of objectives, the Board has adopted a compensation approach that includes a mix of short-term and long-term components, cash and equity elements and fixed and contingent payments in proportions that we believe will provide appropriate incentives to reward our senior executives and management team. Under these programs, our executive officers are rewarded for the achievement of specific financial and strategic goals, which are expected to result in increased stockholder value. We review our compensation plans and programs on an ongoing basis and periodically make adjustments taking into account competitive conditions and other factors. Please read the section below entitled “Executive Compensation” for additional details about our executive compensation programs, including information regarding the 2018 fiscal year compensation of our named executive officers.

We believe that the compensation of our named executive officers for the 2018 fiscal year was appropriate and reasonable and that our compensation policies and procedures are sound and support the best interests of our company and our stockholders. Additionally, we believe that our compensation policies and procedures are effective in aligning the executives’ long-term interests with those of our stockholders.

Accordingly, the following resolution will be submitted for a stockholder vote at the Annual Meeting:

“RESOLVED, that the stockholders of Mitek Systems, Inc. (the “Company”) approve, on an advisory and non-binding basis, the compensation of the Company’s named executive officers, as disclosed in the Company’s Proxy Statement for the 2019 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the SEC, including the Executive Compensation, compensation tables and narrative discussion in the Proxy Statement.”

This vote is not intended to address any specific element of compensation, but rather the overall compensation of our named executive officers and the compensation philosophy, policies and practices described in this Proxy Statement. As an advisory vote, the outcome of the vote on this proposal is not binding upon us. However, the Board, with input from the Compensation Committee, which is responsible for designing and administering our executive compensation programs, values the opinions expressed by our stockholders in their vote on this proposal and will consider the outcome of this vote when making future compensation decisions for our named executive officers.

At our 2018 annual meeting of stockholders, we held an advisory (non-binding) stockholder vote to approve the compensation of our named executive officers, and also held an advisory (non-binding) stockholder vote on the frequency of future advisory (non-binding) shareholder votes to approve the compensation of our named executive officers. Our stockholders expressed a preference that future advisory (non-binding) stockholder votes to approve the compensation of our named executive officers be held every year, and in light of such preference the Board determined to hold an advisory (non-binding) vote to approve the compensation of our named executive officers every year. The next advisory (non-binding) vote to approve the frequency of the compensation of our named executive officers will be held at our 2023 annual meeting of stockholders.

THE BOARD RECOMMENDS THAT YOU VOTE “FOR” THIS PROPOSAL NO. 5 FOR THE APPROVAL, ON AN ADVISORY (NON-BINDING) BASIS, OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of our Board of Directors has furnished the following report to stockholders of the Company in accordance with rules adopted by the SEC.

As described in its charter, the Audit Committee meets with the independent auditors and our officers or other personnel responsible for our financial reports. The Audit Committee is responsible for reviewing the scope of the auditors' examination of the Company and the audited results of the examination. The Audit Committee is also responsible for discussing with the auditors the scope, reasonableness and adequacy of internal accounting controls. The Audit Committee is not responsible for the planning or conduct of the audits or the determination that our financial statements are complete and accurate and in accordance with generally accepted accounting principles. Among other matters, the Audit Committee considers and selects a certified public accounting firm as our independent auditor. The Audit Committee held four meetings during the 2018 fiscal year.

In accordance with rules adopted by the SEC, the Audit Committee states that:

The Audit Committee has reviewed and discussed with management our audited financial statements for the 2018 fiscal year.

- The Audit Committee has discussed with Mayer Hoffman McCann P.C., our independent registered public accountants, the matters required to be discussed by the statement on Auditing Standards No. 1301, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

The Audit Committee has received the written disclosures and the letter from Mayer Hoffman McCann P.C. required by applicable requirements of the Public Company Accounting Oversight Board regarding Mayer Hoffman McCann P.C.'s communications with the Audit Committee concerning independence, and has discussed with Mayer Hoffman McCann P.C. its independence.

Based upon the review and discussions referred to above, the Audit Committee recommended to our Board of Directors that our audited financial statements be included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2018, for filing with the SEC.

Audit Committee

James C. Hale

Ken Denman

William K. "Bill" Aulet

Bruce Hansen

This foregoing Audit Committee report is not "soliciting material," is not deemed "filed" with the SEC and shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing of ours under the Securities Act of 1933, as amended, or under the Exchange Act, except to the extent we specifically incorporate this report by reference.

INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

General

This section describes key corporate governance guidelines and practices that we have adopted. Complete copies of the charters of the committees of the Board and our Code of Business Conduct and Ethics described below may be viewed on our Internet website at www.miteksystems.com under "Investors." You may also request a copy of any of these documents free of charge by writing to our Corporate Secretary at Mitek Systems, Inc., 600 B Street, Suite 100, San Diego, California 92101, Attn: Corporate Secretary.

Director Independence

The Board is responsible for establishing corporate policies and for the overall performance of the Company, although it is not involved in day-to-day operations. As required under NASDAQ listing standards, a majority of the members of a listed company's board of directors must qualify as "independent," as affirmatively determined by the company's board of directors. The Board consults with our legal counsel to ensure that the Board's determinations regarding the independence of our directors are consistent with all relevant securities and other laws and regulations regarding the definition of "independent," including those set forth in applicable NASDAQ listing standards, as in effect from time to time. Consistent with these considerations, after review of all relevant transactions or relationships between each director (or former director, as applicable), or any of his or her family members, and the Company, our senior management and our independent auditors, the Board has determined that all of our directors other than Mr. Carnecchia (who is employed as an executive officer of the Company) are independent, in each case as defined in NASDAQ Listing Rule 5605(a)(2). In addition, the Board has determined that the members of the Audit Committee meet the additional independence criteria required for audit committee membership.

Meetings of the Board

The Board meets on a regular basis throughout the year to review significant developments affecting the Company and to act upon matters requiring its approval. The Board also holds special meetings as required from time to time when important matters arise requiring Board action between scheduled meetings. During the 2018 fiscal year, the Board met six times and acted by unanimous written consent four times. No director attended fewer than 75% of the aggregate number of meetings held by the Board during the 2018 fiscal year.

Executive Sessions

As required under applicable NASDAQ listing standards, our independent directors periodically meet in executive session at which only they are present.

Director Attendance at Annual Meetings

Although we do not have a formal policy regarding attendance by members of the Board at our annual meeting of stockholders, we encourage all of our directors to attend. All of our directors from the director nominees discussed in Proposal No. 1 above who were directors at the time attended (either in person or via telephone) our 2018 annual meeting of stockholders.

Board Leadership Structure

Currently, the leadership structure of the Board is such that our Chairman and Chief Executive Officer positions are separate with Mr. Hansen, a member of the Board since October 2012, serving as the Chairman of the Board and Mr. Carnecchia serving as our Chief Executive Officer. The Board believes that the current structure, providing for the separation of the role of the Chairman and the Chief Executive Officer is appropriate at this time because it allocates the oversight of the business among the directors and the executive officers so that our Chief Executive Officer, who reports to our directors, can focus on the day-to-day business operations, and our Chairman, who has extensive experience leading the Company both as a director, lead independent director and recently as interim Principal Executive Officer, and other directors can oversee the activities of the Chief Executive Officer, other executive officers and the business as a whole. While the Board believes the current structure is appropriate at this time and provides the most effective leadership for the Company, the Board retains the flexibility to determine on a case-by-case basis whether the positions of Chief Executive Officer and Chairman of the Board should be combined or separated and whether an independent director should serve as Chairman. This flexibility permits the Board to organize its functions and conduct its business in a manner it deems most effective and in the best interest of the Company and its stockholders in then prevailing circumstances.

Board's Role in Risk Oversight

The Board is responsible for oversight of risks facing the Company, while our management is responsible for day-to-day management of risk. The Board, as a whole, directly administers its risk oversight function. In addition, the risk oversight function is also

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administered through the standing committees of the Board, which oversee risks inherent in their respective areas of responsibility, reporting to the Board regularly and involving the Board in their performance of risk oversight, as necessary. For example, the Audit Committee oversees our financial exposure and financial reporting related risks and the Compensation Committee oversees risks related to our compensation programs and practices. The Board, as a whole, directly oversees our strategic and business risk, including, among other items, product development risk and cybersecurity risk, through regular interactions with our management and, from time-to-time, input from independent advisors. We believe the Board's leadership structure supports its role in risk oversight, with our Chief Executive Officer, Chief Financial Officer and Chief Legal Officer responsible for assessing and managing risks facing the Company day-to-day and the members of our Board providing oversight of such risk management.

Information Regarding Board Committees

The Board has established standing Audit, Compensation, and Nominating and Corporate Governance Committees to devote attention to specific subjects and to assist it in the discharge of its responsibilities. The three committees operate under written charters adopted by the Board, each of which is available on our Internet website at www.miteksystems.com under "Investors." The following table sets forth the number of meetings held and actions taken by written consent during the 2018 fiscal year for each of the committees of the Board and current membership for each of the committees of the Board. Each member of the committees of the Board during the 2018 fiscal year attended at least 75% of the meetings of each of the committees of the Board on which he or she served that were held during the period for which he or she was a committee member.

| | Audit Committee | Nominating and Corporate Governance Committee | Compensation Committee | |
|--|--------------------|--|---------------------------|-----|
| Employee Director: | | | | |
| Scipio "Max" Carnecchia | — | — | — | |
| Non-Employee Directors: | | | | |
| William K. "Bill" Aulet | X | X | (1) — | |
| Kenneth D. Denman | X | — | — | |
| James C. Hale | X | (1) — | X | |
| Bruce E. Hansen | X | X | — | |
| Alex W. "Pete" Hart | — | X | X | (1) |
| Jane J. Thompson | — | X | X | |
| Total meetings in the 2018 fiscal year | 4 | 3 | 5 | |
| Total actions by written consent in the 2018 fiscal year | — | — | — | |

(1) Committee chairperson.

Audit Committee

We have a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(a) of the Exchange Act. The Audit Committee is responsible for overseeing our accounting and financial reporting processes and the audits of our financial statements, monitoring the integrity of our financial reporting process and systems of internal controls regarding finance, accounting and legal compliance, and reviewing the independence and performance of our independent registered public accountants. The current members of the Audit Committee are Messrs. Aulet, Denman, Hale and Hansen. The Board has determined that Mr. Hale is an "audit committee financial expert" in accordance with applicable SEC rules. Each of the members of the Audit Committee is an "independent" director within the meaning of the applicable NASDAQ listing standards, as well as applicable SEC rules and regulations.

Compensation Committee

The Compensation Committee reviews executive compensation, establishes executive compensation levels, recommends employee compensation programs, administers our incentive plans, and monitors the Company's compliance with applicable SEC rules and NASDAQ listing standards. The current members of the Compensation Committee are Messrs. Hale and Hart and Ms. Thompson, each of whom is an "independent" director within the

meaning of the applicable NASDAQ listing standards, as well as applicable SEC rules and regulations.

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Nominating and Corporate Governance Committee

The Nominating Committee is responsible for reviewing and making recommendations to the Board regarding the composition and structure of the Board, establishing criteria for Board membership and corporate policies relating to the recruitment of Board members, and establishing, implementing and monitoring policies and processes regarding principles of corporate governance. The current members of the Nominating Committee are Messrs. Aulet, Hansen and Hart and Ms. Thompson, each of whom is an “independent” director within the meaning of the applicable NASDAQ listing standards, as well as applicable SEC rules and regulations.

Consideration of Director Nominees

Director Qualifications

When evaluating nominees for election as directors (including all persons recommended by stockholders to become nominees for election as directors), the Nominating Committee takes into account: (i) all factors the Committee considers appropriate, which may include career specialization, relevant technical skills or financial acumen, diversity of viewpoint and industry knowledge; and (ii) the following minimum qualifications:

- the highest personal and professional ethics, integrity and values and sound business judgment;
- a background that demonstrates significant accomplishment in his or her respective field, with superior credentials and recognition and broad experience at the administrative and/or policy-making level in business, government, education, technology or public interest;
- relevant expertise and experience and an ability to offer advice and guidance to our chief executive officer based on such expertise and experience;
- independence from any particular constituency and an ability to be able to represent all of our stockholders and be committed to enhancing long-term stockholder value; and
- sufficient time available to devote to activities of the Board and to enhance his or her knowledge of our business;

The Nominating Committee retains the right to modify these criteria from time to time.

Diversity

Consistent with its proactive evaluation of director performance, skills and attributes, the Board is committed to a policy of inclusiveness and actively seeks out highly qualified diverse candidates (including race, gender and ethnicity) to include in the pool from which director nominees are chosen. The composition of our director nominees reflects these ongoing efforts and the importance of differentiating personal characteristics and diversity among our directors.

Stockholder Nominations

The Nominating Committee will consider director candidates recommended by our stockholders of record. The Nominating Committee does not intend to alter the manner in which it evaluates candidates, including the criteria set forth above, based on whether or not a candidate was recommended by a stockholder of record. Stockholders of record who wish to recommend individuals for consideration by the Nominating Committee to become nominees for election to the Board at an annual meeting of stockholders must do so by delivering a written recommendation and timely notice in accordance with our Bylaws to the Nominating and Corporate Governance Committee at Mitek Systems, Inc., 600 B Street, Suite 100, San Diego, California 92101, Attn: Corporate Secretary not later than the close of business on December 7, 2018 nor earlier than November 7, 2018; provided, however, that if the date of our next annual meeting is more than 30 days before or more than 60 days after the one-year anniversary of the Annual Meeting, notice by the stockholder to be timely must be so delivered, or mailed and received, not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the 90th day prior to such annual meeting or, if later, the 10th day following the day on which public disclosure of the date of such annual meeting was first made.

Each written recommendation must set forth, among other information:

- the name and address of the stockholder of record and any beneficial owner on whose behalf the nomination is being made;
-

the class, series and number of shares of common stock of the Company, and any convertible securities of the Company, that are beneficially owned by the stockholder of record and any beneficial owner on whose behalf the nomination is being made;

any option, warrant, convertible security, SAR, or similar right with an exercise or conversion privilege or settlement payment at a price related to any class or series of shares of the Company or with a value derived from the value of any class or series of shares of the Company, directly or indirectly, owned beneficially by such stockholder of record and any beneficial owner on whose behalf the nomination is being made;

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any proxy, agreement, arrangement, understanding, or relationship pursuant to which such stockholder of record and any beneficial owner on whose behalf the nomination is being made has or shares a right to vote any shares of any security of any class or series of the Company;

any short interest in any security of the Company held by such stockholder of record and any beneficial owner on whose behalf the nomination is being made;

the proposed director candidate's name, age, business address and residential address;

complete biographical information for the proposed director candidate, including the proposed director candidate's principal occupation or employment and business experience for at least the previous five years;

the class and number of shares of common stock of the Company that are beneficially owned by the proposed director candidate and any convertible securities of the Company that are beneficially owned by the director candidate as of the date of the written recommendation;

a completed and signed questionnaire, representation and agreement from the director candidate, as further described in our Bylaws; and

any other information relating to the proposed director candidate that is required to be disclosed in solicitations for proxies for election of directors pursuant to Regulation 14A promulgated under the Exchange Act.

Director candidate nominations from stockholders must be provided in writing and must include the written consent of each proposed nominee to serve as a director if so elected. Stockholders are advised to review our Bylaws, which contain additional requirements with respect to director nominations. If a proposed director candidate is recommended by a stockholder in accordance with the procedural requirements discussed above and more fully set forth in our Bylaws, the Secretary will provide the foregoing information to the Nominating Committee.

Evaluating Nominees for Director

Our Nominating Committee considers director candidates that are suggested by members of the committee, other members of the Board, members of management, advisors and our stockholders who submit recommendations in accordance with the requirements set forth above. The Nominating Committee may, in the future, also retain a third-party search firm to identify candidates on terms and conditions acceptable to the Nominating Committee, but to date it has not paid a fee to any third party to assist in the process of identifying or evaluating director candidates. The Nominating Committee evaluates all nominees for director under the same approach whether they are recommended by stockholders or other sources.

The Nominating Committee reviews candidates for director nominees in the context of the current composition of the Board and committees of the Board, the operating requirements of the Company and the long-term interests of our stockholders. In conducting this assessment, the Nominating Committee considers the director nominee's qualifications, diversity, age, skills and such other factors as it deems appropriate given the current needs of the Board, the committees of the Board and the Company, to maintain a balance of knowledge, experience, diversity and capability. In addition, the Nominating Committee seeks candidates with significant experience in the Company's targeted markets. In the case of incumbent directors whose terms of office are set to expire, the Nominating Committee reviews such directors' overall service to the Board, the committees of the Board and the Company during their respective terms, including the number of meetings attended, level of participation, quality of performance and any other relationships and transactions that might impair such directors' independence. In the case of new director candidates, the Nominating Committee will also determine whether the nominee meets the minimum director qualifications set forth above, has at least the same level of education and experience as the Company's then-current directors, and whether such nominee is independent for NASDAQ purposes, which determination will be based upon applicable NASDAQ listing standards and applicable SEC rules and regulations. Although we do not have a formal diversity policy, when considering diversity in evaluating director nominees, the Nominating Committee focuses on whether the nominees can contribute varied perspectives, skills, experiences and expertise to the Board.

The Nominating Committee will evaluate each proposed director's candidacy, including proposed candidates recommended by security holders and recommend whether the Board should nominate such proposed director candidate for election by our stockholders.

Stockholder Communications to the Board

Stockholders may contact an individual director, the Board as a group or a specified committee or group of directors, including the non-employee directors as a group, at the following address: Mitek Systems, Inc., 600 B Street, Suite 100, San Diego, California 92101, Attn: Board of Directors. We will receive and process communications before forwarding them to the addressee. Directors generally will not be forwarded stockholder communications that are primarily commercial in nature, relate to improper or irrelevant topics or request general information about the Company.

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Certain Relationships and Related Party Transactions

Since October 1, 2016, we have not entered into any transactions or series of transactions, and we are not currently considering any proposed transaction or series of transactions, in which the amount involved in the transaction or series of transactions exceeds \$120,000, and in which any of our directors, executive officers or persons who we know beneficially held more than five percent of any class of our common stock, including their immediate family members, had or will have a direct or indirect material interest.

Procedures for Approving Related Party Transactions

Under its charter, the Audit Committee is charged with reviewing and approving all potential related party transactions. All such related party transactions are then required to be reported under applicable SEC rules. Other than as may be required by the Audit Committee's charter, we have not adopted additional procedures for review of, or standards for approval of, related party transactions but instead review such transactions on a case-by-case basis.

Non-Employee Director Compensation

For the 2018 fiscal year, our non-employee directors were compensated on a retainer-based model. We also reimburse our non-employee directors for their reasonable expenses incurred in attending Board and committee meetings. Members of the Board who are also employees of the Company receive no compensation for their services as a director.

The following table sets forth summary information concerning compensation paid or accrued for services rendered to us in all capacities to the members of the Board for the fiscal year ended September 30, 2018:

Name(1)