

QUINSTREET, INC  
Form DEF 14A  
September 10, 2015

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

**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 Pursuant to Rule 14a-12

**QuinStreet, 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):

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# NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD OCTOBER 26, 2015

To our stockholders:

We will hold our annual meeting of stockholders at the Crowne Plaza Hotel, 1221 Chess Drive, Foster City, California 94404 on Monday, October 26, 2015, at 3:00 p.m. local time. We are holding this meeting for the purpose of considering and voting on:

- (1) Election of three Board nominees to serve as Class III directors for a three-year term expiring on the date of the 2018 annual meeting of stockholders or until their respective successors have been duly elected and qualified;
- (2) Ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2016;
- (3) Approval by non-binding advisory vote of the fiscal year 2015 compensation awarded to our Named Executive Officers; and
- (4) The transaction of any other business that properly comes before the meeting.

The stockholders of record at the close of business on September 1, 2015 will be entitled to vote at the meeting or any postponements or adjournments of the meeting.

We have elected to provide access to our proxy materials over the Internet under the SEC's Notice and Access rules, which will reduce the impact of printing and mailing these materials on the environment. Most stockholders will not receive printed proxy materials unless they request them or have previously elected to receive printed copies of all future proxy materials. Instead, we will mail on or about September 10, 2015 to most stockholders a Notice of Internet Availability of Proxy Materials (the Notice) containing instructions on how to access our proxy statement and our annual report on the Internet. Whether or not you expect to attend, we urge you to vote via the Internet in accordance with the instructions in the Notice you received in the mail and in this proxy statement. The Notice will contain instructions on how you may request printed proxy materials, including a proxy card (or voting instruction form, as applicable).

If you have received printed proxy materials, we urge you to sign, date, and promptly return the accompanying proxy card (or voting instruction form, as applicable) in the prepaid postage, pre-addressed envelope or vote via telephone or the Internet in accordance with the instructions on the proxy card (or voting instruction form, as applicable). If you attend the meeting, you may vote your shares in person as described in the proxy statement, which will revoke any prior vote.

**Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting To Be Held on October 26, 2015: This Proxy Statement and the 2015 Annual Report to Stockholders are available on the following website: <http://investor.quinstreet.com/annual-proxy.cfm>.**

By order of the Board of Directors,

/s/ Douglas Valenti  
Douglas Valenti  
Chief Executive Officer

September 10, 2015  
Foster City, California

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**950 Tower Lane, Suite 600, Foster City, California  
94404**

## **PROXY STATEMENT**

This proxy statement is furnished to you by the Board of Directors of QuinStreet, Inc. (the Board or Board of Directors) and contains information related to the 2015 annual meeting of our stockholders to be held on Monday, October 26, 2015, beginning at 3:00 p.m., local time, at the Crowne Plaza Hotel, 1221 Chess Drive, Foster City, California 94404, and at any postponements or adjournments thereof. **This proxy is solicited by our Board.**

In accordance with the SEC's Notice and Access rules, we may provide proxy materials, including this proxy statement and our annual report, to our stockholders by providing access to such documents on the Internet instead of mailing printed copies. Most stockholders will not receive printed copies of the proxy materials unless they request them or have previously elected to receive printed copies of all future proxy materials. Instead, we will mail on or about September 10, 2015 to most of our stockholders a Notice of Internet Availability of Proxy Materials (the Notice) containing instructions on how to access our proxy statement and our annual report, and vote electronically via the Internet. The Notice will also contain instructions on how to receive a printed copy of your proxy materials, including a proxy card (or voting instruction form, as applicable). Stockholders who do not receive the Notice will receive a copy of the proxy materials by mail or electronic mail.

References in this proxy statement to we, us, our, the Company and QuinStreet refer to QuinStreet, Inc.

## **ABOUT THE MEETING**

### **Purpose of the 2015 Annual Meeting of Stockholders**

The purpose of the 2015 annual meeting of stockholders is:

- (1) To elect three Board nominees to serve as Class III directors for a three-year term expiring on the date of the 2018 annual meeting of stockholders or until their respective successors have been duly elected and qualified;
- (2) To ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2016;
- (3) To approve by non-binding advisory vote the fiscal year 2015 compensation awarded to our Named Executive Officers; and
- (4) To transact any other business that properly comes before the meeting.

### **Quorum**

A quorum is the minimum number of shares required to hold and transact business at a meeting. The presence in person or by proxy of the holders of a majority of the outstanding shares of common stock entitled to vote will constitute a quorum for the transaction of business at the meeting. Votes cast by proxy or in person at the meeting will be counted by the person appointed by the Company to act as the inspector of elections for the meeting.

The inspector of elections will treat shares represented by proxies that reflect abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum. The inspector of elections will treat shares referred to as broker non-votes (i.e., shares held by brokers or nominees over

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which the broker or nominee lacks discretionary power to vote and for which the broker or nominee has not received specific voting instructions from the beneficial owner) as shares that are present and entitled to vote for purposes of determining the presence of a quorum.

## **Who May Vote**

Holders of record of our common stock at the close of business on September 1, 2015 (the Record Date ) may vote at the annual meeting of stockholders. As of the Record Date, we had 45,006,622 issued and outstanding shares of common stock. Each share of QuinStreet common stock that you own entitles you to one vote.

## **How to Vote**

You may vote in person at the meeting or by proxy. We recommend that you vote by proxy even if you plan to attend the meeting. You can change your vote at the meeting as described below under Revoking Your Proxy .

If you are a registered stockholder (meaning your name is included on the stockholder file maintained by our transfer agent, Computershare Trust Company, N.A.), you can vote by proxy in any of the following ways:

*By Internet.* You may submit your proxy by following the Internet instructions on the Notice. The deadline for voting electronically is 11:59 p.m. (Eastern Time) on October 25, 2015.

*In Writing.* If you have requested printed proxy materials, you may complete and sign the proxy card contained in your proxy materials and mail it in the accompanying prepaid postage, pre-addressed envelope. If you provide specific voting instructions, your shares will be voted as you instruct. If you sign, but do not provide instructions, we will vote your shares as recommended by the Board of Directors. If you return your signed proxy card to us before the annual meeting of stockholders, we will vote your shares as you direct. Your proxy card will also contain instructions on how to vote by telephone or Internet and the applicable deadlines.

If your shares are held in the name of a broker, bank, trustee or other nominee, you will receive instructions from such nominee that you must follow in order for your shares to be voted.

## **How Proxies Work**

Our Board of Directors is asking for your proxy. Giving us your proxy means you authorize us to vote your shares at the meeting in the manner you direct. You may abstain from voting on any of the proposals. With respect to the nominees proposed to be elected to the Board at the meeting, you may vote for all, some, or none of them. However, if you submit your proxy but do not provide instructions, we will vote your shares as recommended by the Board of Directors.

## **Proposals You Are Asked To Vote On and the Board's Voting Recommendation**

If you properly fill in your proxy card and send it to us in time to vote, or vote by Internet or telephone, one of the individuals named on your proxy card as the Company's proxies will vote your shares as your proxy and as you have directed. If you sign the proxy card but do not make specific choices, your proxy will follow the Board's

recommendations and vote your shares:

FOR the election of William Bradley, Marjorie T. Sennett, and Douglas Valenti to serve as Class III directors for a three-year term expiring on the date of the 2018 annual meeting of stockholders or until their respective successors have been duly elected and qualified (see Proposal 1 Election of Class III Directors );

FOR the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2016 (see Proposal 2 Ratification of the Selection of PricewaterhouseCoopers LLP as Our Independent Registered Public Accounting Firm ); and

FOR the approval of fiscal year 2015 compensation awarded to our Named Executive Officers (see Proposal 3 Approval of Fiscal Year 2015 Compensation Awarded to Named Executive Officers ).

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If any other matter is properly presented at the meeting, your proxy will vote in accordance with the best judgment of the individual voting your shares as your proxy. At the time this proxy statement was made available to stockholders, we knew of no other matters to be acted on at the meeting.

## **Vote Necessary to Approve Proposals**

Directors are elected by a plurality of the shares of common stock present or represented by proxy and entitled to vote, and the nominees who receive the most votes will be elected. The three Class III director nominees with the most votes will be elected as Class III directors to serve terms ending at our 2018 annual meeting of stockholders. Abstentions and broker non-votes will not be taken into account in determining the outcome of the election. We did not receive any nominations from any stockholders for the 2015 annual meeting of stockholders.

Approval of the ratification of the selection of our independent registered public accounting firm and approval by non-binding advisory vote of the fiscal year 2015 compensation of our Named Executive Officers each require the affirmative vote of the majority of the shares of common stock present or represented by proxy with respect to such proposal and entitled to vote. For these proposals, abstentions are treated as shares present or represented and voting, so abstaining has the same effect as a negative vote.

If you hold your shares through a broker and do not provide your broker with specific voting instructions, your shares may constitute broker non-votes, and under the rules that govern brokers in such circumstances, your broker will have the discretion to vote such shares on routine matters but not on non-routine matters. Even though we are a NASDAQ-listed company, the New York Stock Exchange ( NYSE ) rules govern how a broker licensed by the NYSE can vote shares it holds on behalf of stockholders of NASDAQ-listed companies. As a result:

Your broker will not have the authority to exercise discretion to vote your shares with respect to the election of directors and the advisory vote on executive compensation because those matters are treated as non-routine under NYSE rules.

Your broker will have the authority to exercise discretion to vote your shares with respect to the ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2016 because that matter is treated as routine under NYSE rules.

Because the proposals to be acted upon at the annual meeting of stockholders include both routine and non-routine matters, if you do not give voting instructions to your broker, bank, trustee or other nominee, your broker, bank, trustee or other nominee may either (1) vote your shares on routine matters or (2) leave your shares unvoted.

## **Revoking Your Proxy**

You may revoke your proxy by: (1) sending in another signed proxy card with a later date prior to the deadlines noted above under How to Vote ; (2) providing subsequent Internet or telephone voting instructions prior to the deadlines noted above; (3) notifying our Corporate Secretary in writing at the address set forth below under Board of Directors Contacting the Board and Further Information on Corporate Governance prior to the deadlines noted above that you have revoked your proxy; or (4) voting in person at the meeting. If you are a registered holder, you can vote at the meeting by attending and voting in person. For shares you hold beneficially in street name, you may vote in person at the meeting if you have obtained a legal proxy from your broker, bank, trustee, or other nominee giving you the right to vote your shares.

## **Proxy Solicitation Costs**

The Company will bear the costs of soliciting proxies.

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**PROPOSAL 1:  
ELECTION OF CLASS III DIRECTORS  
Recommendation of the Board of Directors**

*The Board of Directors recommends that you vote **FOR** the election of each of the nominees for election as Class III directors described below, which proposal is designated as Proposal 1.*

Our Certificate of Incorporation currently provides for a classified Board of Directors. Our Board has nominated William Bradley, Marjorie T. Sennett, and Douglas Valenti for election as Class III directors at the 2015 annual meeting of stockholders. We did not receive any nominations from stockholders. Each person elected as a Class III director at the 2015 annual meeting of stockholders will serve a three-year term expiring on the date of the 2018 annual meeting of stockholders or until his or her respective successor has been duly elected and qualified.

Unless authority to vote for any of these three nominees is withheld, the shares represented by your properly completed proxy will be voted **FOR** the election of William Bradley, Marjorie T. Sennett, and Douglas Valenti as Class III directors. In the event that any of William Bradley, Marjorie T. Sennett, and Douglas Valenti becomes unable or unwilling to serve, the shares represented by your properly returned proxy will be voted for the election of such other person as the Board may recommend in his or her place. We have no reason to believe that any of our nominees will be unable or unwilling to serve as a director.

Directors are elected by a plurality of the shares of common stock present or represented by proxy and entitled to vote, and the three nominees who receive the most votes will be elected. Abstentions and broker non-votes will not be taken into account in determining the outcome of the election.

Each of our nominees has been chosen to stand for election in part because of his or her ability and willingness to ask relevant questions, understand QuinStreet's challenges, and evaluate the strategies proposed by management, as well as the implementation of such strategies. Each of the nominees has a long record of professional integrity, a dedication to his or her profession, a strong work ethic that includes coming fully prepared to meetings and a willingness to spend the time and effort needed to fulfill his or her professional obligations, the ability to maintain a collegial environment, and in some cases, the experience of having served as a board member of several public and/or privately-held companies. Specific experience, qualifications, attributes, and skills of each nominee are described in each nominee's biography below.

**Nominees for Election as Class III Directors (Terms Expiring on the Date of the 2018 Annual Meeting of Stockholders, if Elected)**

*William Bradley  
Marjorie T. Sennett  
Douglas Valenti*

Director since August 2004  
Director since August 2014  
Director since July 1999

## **Continuing Class I Directors (Terms Expiring on the Date of the 2016 Annual Meeting of Stockholders)**

*Stuart M. Huizinga*

Director since April 2015

*David Pauldine*

Director since October 2014

*James Simons*

Director since July 1999

*Dana Stalder*

Director since May 2003

## **Continuing Class II Directors (Terms Expiring on the Date of the 2017 Annual Meeting of Stockholders)**

*Robin Josephs*

Director since May 2013

*John G. McDonald*

Director since September 2004

*Gregory Sands*

Director since July 1999

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**Directors and Executive Officers**

The names of our directors and executive officers and their ages, positions, and biographies as of September 1, 2015 are set forth below. Our executive officers are appointed by, and serve at the discretion of, our Board of Directors. There are no family relationships among any of our directors or executive officers.

Name	Age	Position with QuinStreet
Douglas Valenti	55	Chief Executive Officer and Chairman
William Bradley	72	Director
Stuart M. Huizinga	53	Director
Robin Josephs	55	Director
John G. McDonald	78	Director
David Pauldine	58	Director
Gregory Sands	49	Director
Marjorie T. Sennett	55	Director
James Simons	52	Director
Dana Stalder	47	Director
Nina Bhanap	42	Chief Technology Officer and President, Product and Technology
Peter Brooks	42	Senior Vice President
Martin J. Collins	51	General Counsel, Chief Compliance Officer, and Senior Vice President
Gregory Wong	42	Chief Financial Officer and Senior Vice President

**Directors**

**Douglas Valenti**

Mr. Valenti has served as our Chief Executive Officer and as a member of our Board of Directors since July 1999 and as our Chairman since March 2004. Prior to QuinStreet, Mr. Valenti served as a partner at Rosewood Capital, a venture capital firm, for five years; at McKinsey & Company as a strategy consultant and engagement manager for three years; at Procter & Gamble in various management roles for three years; and for the U.S. Navy as a nuclear submarine officer for five years. He holds a Bachelor's degree in Industrial Engineering from the Georgia Institute of Technology, where he graduated with highest honors and was named the Georgia Tech Outstanding Senior in 1982, and an M.B.A. from the Stanford Graduate School of Business, where he was an Arjay Miller Scholar. As a seasoned executive and Chief Executive Officer of QuinStreet since 1999, Mr. Valenti brings in-depth knowledge of QuinStreet's industry, competition, operations, and strategy that is important to the Board's oversight of long-term strategy, enterprise risk management, compensation, and corporate governance practices for the Company.

**William Bradley**

Former Senator Bradley has served as a member of our Board of Directors since August 2004. Former Senator Bradley is a managing director of Allen & Company LLC, an investment bank, which he joined in November 2000. From April 2001 to June 2004, Former Senator Bradley also served as chief outside advisor to the nonprofit practice of McKinsey & Company. He served in the U.S. Senate from 1979 to 1997, representing the state of New Jersey, and previously was a professional basketball player with the New York Knicks from 1967 to 1977. Former Senator Bradley currently serves on the boards of directors of Starbucks Coffee Company (NASDAQ: SBUX), where he serves as a member of the nominating and corporate governance committee, and itBit Trust Company, where he

serves as chair of the compensation committee, chair of the governance committee, and a member of the audit committee. In the past, he served on the boards of directors of Seagate Technology (NASDAQ: STX) until August 2010 and Willis Group Holdings (NYSE: WSH) until November 2012. Former Senator Bradley holds a B.A. in American History from Princeton University and an M.A. in American History from Oxford University, where he was a Rhodes Scholar. Former Senator Bradley brings insight into governmental affairs which can assist the Company and the Board in evaluating regulatory matters. In addition, with his experience in the investment banking industry and as a director with public-company board experience, Former Senator Bradley brings valuable insight important to the Board in overseeing risk management, strategy, and corporate governance practices.



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**Stuart M. Huizinga**

Mr. Huizinga has served as a member of our Board of Directors since April 2015. Mr. Huizinga is senior vice president and chief financial officer of eHealth, Inc. (NASDAQ: EHTH), where he has served since May 2000. Prior to that from 1984 to 2000, Mr. Huizinga was a partner at Arthur Andersen LLP in the firm's audit business unit, where he also served as a worldwide expert within the firm's technology practice, primarily in the software and Internet sectors. He is a Certified Public Accountant (inactive) in the State of California. Mr. Huizinga holds a B.S. in Business Administration from San Jose State University. Mr. Huizinga possesses substantial expertise in public company reporting, auditing, and financial accounting. With fifteen years of executive leadership experience at another publicly-held Internet company, Mr. Huizinga brings deep knowledge of the online marketing and e-commerce industry which is valuable to the Board's oversight of our business, strategy, and operations.

**Robin Josephs**

Ms. Josephs has served as a member of our Board of Directors since May 2013. Ms. Josephs was a managing director of Starwood Capital Group, L.P., a private equity firm specializing in real estate investments from 2005 to 2007. From 1986 to 1996, Ms. Josephs was a senior executive with Goldman Sachs & Co., serving in the real estate group of the investment banking division and, later, in the equity capital markets division. Ms. Josephs currently serves as a member of the board of directors of iStar Financial (NYSE: STAR), where she is the lead director and serves as a member of the compensation committee and chair of the nominating and governance committee. She also serves on the boards of directors, as well as the audit and compensation committees, of both Plum Creek Timber Company (NYSE: PCL) and MFA Financial (NYSE: MFA). Ms. Josephs is the chair of MFA Financial's compensation committee. She is a trustee of the University of Chicago Cancer Research Foundation. Ms. Josephs holds a B.S. in Economics from the Wharton School of the University of Pennsylvania and an M.B.A. from Columbia University. Ms. Josephs has significant experience in finance and investing and experience as a director, each of which bring valuable insight to the Board regarding the Board's oversight of our business and operations, financial reporting, risk management and corporate finance matters.

**John G. McDonald**

Professor McDonald has served as a member of our Board of Directors since September 2004. Professor McDonald is the Stanford Investors Professor in the Stanford Graduate School of Business, where he has been a faculty member since 1968, specializing in investment management, entrepreneurial finance, principal investing, venture capital, and private equity investing. Professor McDonald also serves on the boards of directors of Plum Creek Timber Company (NYSE: PCL) and iStar Financial, Inc. (NYSE: STAR). Professor McDonald previously served on the boards of directors of 13 mutual funds managed by Capital Research and Management Company until December 2012, and he served on the board of directors of Varian Inc. from 1999 until May 2010, when Varian was acquired by Agilent Technologies. He holds a B.A. in Engineering and an M.B.A. and a Ph.D. from Stanford University. He is a retired officer in the U.S. Army and was a Fulbright Scholar. Professor McDonald's deep knowledge of finance and investing and his experience as a director bring valuable insight to the Board regarding oversight of our financial reporting, risk management and corporate finance matters, as well as compensation and other corporate governance practices.

**David Pauldine**

Mr. Pauldine has served as a member of our Board of Directors since October 2014. Mr. Pauldine was the president of DeVry University from July 2006 to June 2014 and executive vice president of DeVry Education Group Inc. (NYSE: DV) from October 2005 to June 2014. Prior to that, from 1989 to 2005, Mr. Pauldine served at Education

Management Corporation, where his last position was executive vice president and president of The Art Institutes system of schools. From 1979 to 1989, Mr. Pauldine held various operational and management positions at DeVry. Mr. Pauldine serves on the board of Education Partners, a Willis Stein company. Mr. Pauldine also works for Pauldine Enterprises, LLC as a professional speaker and consultant. He previously served as a member of the board of The Association of Private Sector Colleges and Universities from 2007 to 2013, including as vice chair from 2011 to 2012 and as board chair from June 2012 to June 2013. He also served as a board member for the American Red Cross, the Greater Fort Lauderdale Chamber of Commerce, Communities in Schools, and ASPIRA. He holds a B.A. in Communication Arts from

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The University of Dayton and an M.A. in Leadership from McGregor School, Antioch University. Mr. Pauldine's many years as a chief executive in the for-profit education industry bring a deep understanding of the needs and challenges of the Company's education clients.

### **Gregory Sands**

Mr. Sands has served as a member of our Board of Directors since July 1999. Mr. Sands is the founder and, since January 2012, has served as a managing partner of Costanoa Venture Capital, an early-stage venture capital firm. From September 1998 through December 2011, Mr. Sands served as a managing director at Sutter Hill Ventures, a venture capital firm. Previously, Mr. Sands held various operational roles at Netscape Communications Corporation and was a management consultant with Mercer Management Consulting. Mr. Sands also serves on the boards of directors of several privately-held companies. He holds a B.A. in Government from Harvard College and an M.B.A. from the Stanford Graduate School of Business. Mr. Sands is a seasoned Internet executive and investor with an in-depth knowledge of our business. His business experience and history as a director on our Board bring knowledge that is important to the Board's oversight of our business and operations, strategy, and risk management.

### **Marjorie T. Sennett**

Ms. Sennett has served as a member of our Board of Directors since August 2014. Previously, she was a managing director from 2004 to 2009, senior research analyst from 2002 to 2003, and consultant in 2001 at Farallon Capital Management, LLC. Prior to that, from 1999 to 2000, Ms. Sennett served as senior vice president and chief financial officer of eGROUPS, Inc., where she co-led the sale of the company to Yahoo! Inc. (NASDAQ: YHOO). From 1989 to 1998, she served as senior vice president and chief financial officer of Amylin Pharmaceuticals, Inc. (NASDAQ: AMLN), where she led the company's initial public offering in 1992, as well as multiple follow-on public offerings. From 1982 to 1986, Ms. Sennett was an associate and assistant treasurer at Bankers Trust Company in the corporate finance and commercial lending departments. She holds a B.A. in Biology and English from Vanderbilt University and an M.B.A. from the Stanford Graduate School of Business. Ms. Sennett has broad general management, finance and investment experience in entrepreneurial and Internet companies, including in regulated industries. She also possesses extensive knowledge of corporate finance and financial reporting. Her experience is important to the Board's oversight of new initiatives, corporate finance, risk management, and financial reporting.

### **James Simons**

Mr. Simons has served as a member of our Board of Directors since July 1999. Mr. Simons is a managing director of Split Rock Partners, a venture capital firm, which he founded in June 2004. Prior to founding Split Rock Partners, Mr. Simons served as general partner of St. Paul Venture Capital, a venture capital firm, from November 1996 to June 2004. Previously, Mr. Simons was a partner at Marquette Venture Partners and held banking positions at Trammell Crow Company and First Boston Corporation. Mr. Simons also serves on the boards of directors of several privately-held companies. He holds a B.A. in Economics and History from Stanford University and an M.S. in Management from the J.L. Kellogg Graduate School of Management, Northwestern University. Mr. Simons has deep expertise in marketing and customer acquisition on the Internet and has many years of experience as an investor in Internet marketing and other companies. His in-depth knowledge of our business, business experience, and history as a director on our Board bring knowledge that is important to the Board's oversight of our business and operations, strategy and risk management.

## **Dana Stalder**

Mr. Stalder has served as a member of our Board of Directors since May 2003. Mr. Stalder has been a general partner of Matrix Partners, a venture capital firm, since August 2008. From December 2001 to August 2008, Mr. Stalder served in various executive roles, including senior vice president at eBay, Inc. Previously, he was the chief financial officer and vice president of business development of Respond.com, vice president of finance and operations at Netscape Communication Corporation and an associate and a manager at Ernst & Young LLP. Mr. Stalder serves on the boards of directors of several privately-held companies. He also serves as a member of the board of directors of Zendesk, Inc. (NYSE: ZEN), where he serves on the audit committee. He holds a B.A. in Commerce from Santa Clara University. Mr. Stalder has significant operational

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experience as an executive, as well as deep knowledge of finance and financial reporting. His experience is important to the Board's oversight of strategy, operations, risk management, and financial reporting.

## **Executive Officers**

### **Nina Bhanap**

Ms. Bhanap has served as our Chief Technology Officer since July 2009 and our President of Product and Technology since July 2015. She previously served as our Senior Vice President of Engineering from November 2006 to July 2009, as our Vice President of Product Development from January 2004 to November 2006, as our Senior Director from January 2003 to January 2004 and as our Director of Product Management from October 2001 to January 2003. Prior to joining us, Ms. Bhanap served as head of fixed income sales technology for Europe at Morgan Stanley for five years and as a senior associate at Booz Allen Hamilton for one year. She holds a B.S. in Computer Science with Honors from Imperial College, University of London, and an M.B.A. from the London Business School.

### **Peter Brooks**

Mr. Brooks has served as our Senior Vice President in charge of the education client vertical since July 2012. Mr. Brooks previously served as our Vice President from July 2010 to July 2012, as our Senior Director from November 2006 to July 2010, as our Director from January 2005 to November 2006, as our Senior Manager from July 2004 to January 2005, as our Manager from April 2003 to July 2004, and as a Business Development Representative from August 2002 to April 2003. Prior to joining us, Mr. Brooks served in various roles managing affiliate relationships and distribution networks at Radio Central, Liquid Audio, Broadcast Music Incorporated (BMI), Universal and Atlantic Records, focused on the music industry. He holds a dual B.A. in Literature and History from Claremont McKenna College.

### **Martin J. Collins**

Mr. Collins has served as our General Counsel, Senior Vice President, and Chief Compliance Officer since April 2014 and head of Corporate Development since October 2014. Prior to joining us, Mr. Collins served as vice president of corporate development at Bloom Energy from March 2010 to March 2014. From November 2006 to March 2010, Mr. Collins served as general counsel, senior vice president, chief compliance officer, and head of internal audit at Novellus Systems, Inc. (NASDAQ: NVLS), which was acquired in 2011 by Lam Research Corporation (NASDAQ: LRCX). Before Novellus, Mr. Collins served as associate general counsel and vice president at Oracle Corporation (NYSE: ORCL) from August 2005 to September 2006. At Oracle, Mr. Collins was head of the corporate and securities group. Prior to joining Oracle, Mr. Collins was a corporate partner at Mayer Brown LLP, a global law firm, where he worked from 1991 until 2005. He holds a B.A. in Political Economy from Williams College and a J.D. from Georgetown University Law Center.

### **Gregory Wong**

Mr. Wong has served as our Chief Financial Officer and Senior Vice President since September 2013, as our Chief Accounting Officer from January 2013 to September 2013, and as Vice President of Finance from June 2012 to September 2013. Mr. Wong previously served as our Senior Director of Finance and Accounting from May 2011 to June 2012 and as Director of Financial Planning and Analysis from February 2008 to May 2011. Prior to joining us, Mr. Wong served as director of finance at Lexar Media, a flash memory manufacturer and subsidiary of Micron

Technology, Inc., from August 2006 to February 2008. Prior to that, Mr. Wong held various finance positions with both public and privately-held technology companies. Mr. Wong holds a B.S. in Economics from California Polytechnic State University, San Luis Obispo.

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## **BOARD OF DIRECTORS**

The Board of Directors held four meetings during fiscal year 2015. All directors attended 75% or more of the total number of meetings of the Board and the committees on which they served in fiscal year 2015. The Board and its Committees regularly hold executive sessions of non-management directors without management present. As a matter of policy, directors are encouraged, but not required, to attend our annual meeting of stockholders. One director attended our 2014 annual meeting of stockholders.

### **Compensation of Board of Directors**

Our non-employee director compensation policy, as most recently amended by our Compensation Committee in October 2014, provides that each non-employee director will receive the following compensation for Board services:

\$40,000 per year for service as a Board member;  
\$15,000 per year for service as a chairperson of the Audit Committee, Compensation Committee, or Nominating and Corporate Governance Committee;

\$2,000 for each in-person Board meeting and \$1,000 for each telephonic Board meeting;  
\$2,000 for each in-person, and \$1,500 for each telephonic, Audit Committee and Compensation Committee meeting;  
and

\$1,500 for each in-person, and \$1,000 for each telephonic, Nominating and Corporate Governance Committee meeting.

In addition, our non-employee director compensation policy provides that non-employee directors will be granted an option to purchase 50,000 shares of our common stock and 15,000 restricted stock units ( RSUs ) under the Non-Employee Directors Stock Award Plan in connection with their initial election or appointment to our Board of Directors. The initial option grants vest monthly over a period of four years and the initial RSU grants vest daily over a period of four years.

Our non-employee director compensation policy also provides that on the date of each annual meeting of stockholders, each non-employee director will receive a grant of an option to purchase 25,000 shares of our common stock and a grant of 10,000 RSUs under the Non-Employee Directors Stock Award Plan. The annual option grants vest monthly over a period of one year and the annual RSU grants vest daily over a period of one year.

We reimburse our non-employee directors for their travel, lodging, and other reasonable expenses incurred in attending our Board and Committee meetings.

Our non-employee directors may elect to receive stock options in lieu of the cash compensation that would otherwise be payable to them for their service on our Board of Directors and its Committees. Under this policy, non-employee directors must make an irrevocable election prior to the start of the fiscal year to receive options in lieu of all cash compensation they would otherwise earn during such fiscal year. Pursuant to an election to receive options in lieu of cash compensation, options are granted after the end of each quarter, and have an aggregate grant date fair value, computed in accordance with FASB ASC Topic 718, equal to the value of the cash that would otherwise have been payable for the quarter. The number of shares subject to each option is determined by dividing the compensation otherwise payable with respect to the preceding quarter by the grant date fair value of a single share (rounded down to the nearest whole share).





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*Fiscal Year 2015 Compensation of Non-Employee Directors.* The following table sets forth information regarding compensation earned by or paid to our non-employee directors during fiscal year 2015.

**DIRECTOR COMPENSATION**

Name	Fees Earned or Paid in Cash (\$) <sup>(1)</sup>	Stock Awards (\$) <sup>(2)(3)</sup>	Option Awards (\$) <sup>(2)(4)</sup>	Total (\$)
William Bradley <sup>(5)</sup>	64,000	43,100	43,135	150,235
Stuart M. Huizinga	15,500	84,750	114,195	214,445
Robin Josephs	74,500	43,100	43,135	160,735
John G. McDonald	90,500	43,100	43,135	176,735
David Pauldine	24,000	97,750	117,398	239,148
Gregory Sands <sup>(6)</sup>	65,500	43,100	43,135	151,735
Marjorie T. Sennett	58,500	122,000	148,605	329,105
James Simons	54,000	43,100	43,135	140,235
Dana Stalder	74,500	43,100	43,135	160,735

- (1) We pay our non-employee directors their cash compensation quarterly in arrears, and, accordingly, the amounts in this column reflect fees earned in cash for fiscal year 2015. See also footnotes 5 and 6 to this table below. The amounts in this column do not reflect actual value realized by the director. Instead, as required by SEC rules, these amounts represent the aggregate grant date fair value for grants made in fiscal year 2015, computed in accordance with FASB ASC Topic 718 (Compensation – Stock Compensation). The calculations of these values are determined by accounting requirements and may include vested as well as unvested awards, so they do not necessarily correspond to the actual value that may be realized by the directors with respect to the awards. The assumptions used in the valuation of these awards are set forth in the notes to our consolidated financial statements, which are included in our Annual Report on Form 10-K for fiscal year 2015, filed with the SEC on August 19, 2015.
- (2) As of the end of fiscal year 2015, Former Senator Bradley held an aggregate of 3,644 unvested RSUs; Mr. Huizinga held an aggregate of 14,304 unvested RSUs; Ms. Josephs held an aggregate of 11,144 unvested RSUs; Professor McDonald held an aggregate of 3,644 unvested RSUs; Mr. Pauldine held an aggregate of 16,261 unvested RSUs; Mr. Sands held an aggregate of 3,644 unvested RSUs; Ms. Sennett held an aggregate of 15,275 unvested RSUs; Mr. Simons held an aggregate of 3,644 unvested RSUs; and Mr. Stalder held an aggregate of 3,644 unvested RSUs.
- (3) As of the end of fiscal year 2015, Former Senator Bradley held an aggregate of 317,206 options; Mr. Huizinga held an aggregate of 50,000 options; Ms. Josephs held an aggregate of 100,000 options; Professor McDonald held an aggregate of 245,000 options; Mr. Pauldine held an aggregate of 75,000 options; Mr. Sands held an aggregate of 217,422 options; Ms. Sennett held an aggregate of 75,000 options; Mr. Simons held an aggregate of 145,000 options; and Mr. Stalder held an aggregate of 245,000 options; in each case including both vested and unvested options and the options granted during fiscal year 2015.
- (4) Former Senator Bradley elected to receive options in lieu of fees earned in cash for fiscal year 2015. The cash value of these options is included in the column entitled Fees Earned or Paid in Cash.
- (5) Mr. Sands elected to receive options in lieu of fees earned in cash for fiscal year 2015. The cash value of these options is included in the column entitled Fees Earned or Paid in Cash.
- (6)

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The following table sets forth information regarding the individual options and stock awards granted during fiscal year 2015 to our non-employee directors, including the exercise price of the options (which was the fair market value of the stock on the grant date) and the per-share grant date fair value for each option and stock award used in calculating the amounts in the Director Compensation table above:

Name	Grant Date	Securities Underlying Stock Awards (#)	Securities Underlying Options Awards (#) <sup>(1)</sup>	Per Share Exercise Price of Option (\$)	Per Share Grant Date Fair Value of Equity Award (\$) <sup>(2)</sup>	Grant Date Fair Value of Equity Award (\$) <sup>(2)</sup>
William Bradley	September 17, 2014		9,187	4.55	1.82	16,764
	October 29, 2014	10,000			4.31	43,100
	October 29, 2014		25,000	4.31	1.73	43,135
	November 11, 2014		9,970	4.33	1.73	17,245
	February 11, 2015		7,177	5.90	2.38	17,116
	May 12, 2015		7,246	5.38	2.17	15,747
Stuart M. Huizinga	April 23, 2015	15,000			5.65	84,750
	April 23, 2015		50,000	5.65	2.28	114,195
Robin Josephs	October 29, 2014	10,000			4.31	43,100
	October 29, 2014		25,000	4.31	1.73	43,135
John G. McDonald	October 29, 2014	10,000			4.31	43,100
	October 29, 2014		25,000	4.31	1.73	43,135
David Pauldine	November 3, 2014	10,000			3.91	39,100
	November 3, 2014	15,000			3.91	58,650
	November 3, 2014		25,000	3.91	1.57	39,133
	November 3, 2014		50,000	3.91	1.57	78,265
Gregory Sands	September 17, 2014		9,872	4.55	1.82	18,013
	October 29, 2014	10,000			4.31	43,100
	October 29, 2014		25,000	4.31	1.73	43,135
	November 11, 2014		9,826	4.33	1.73	16,996
	February 11, 2015		6,449	5.90	2.38	15,380
Marjorie T. Sennett	May 12, 2015		7,131	5.38	2.17	15,497
	August 6, 2014	15,000			5.26	78,900
	August 6, 2014		50,000	5.26	2.11	105,470
	October 29, 2014	10,000			4.31	43,100
	October 29, 2014		25,000	4.31	1.73	43,135
James Simons	October 29, 2014	10,000			4.31	43,100
	October 29, 2014		25,000	4.31	1.73	43,135
Dana Stalder	October 29, 2014	10,000			4.31	43,100
	October 29, 2014		25,000	4.31	1.73	43,135

Former Senator Bradley and Mr. Sands elected to receive options in lieu of cash for fiscal year 2015. The grants to (1)Former Senator Bradley and Mr. Sands made on September 17, 2014, November 11, 2014, February 11, 2015, and May 12, 2015 represent grants of options in lieu of cash.

(2) See note (2) in the Director Compensation table above.

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Our Board of Directors has standing, independent Audit, Compensation, and Nominating and Corporate Governance Committees. The Committees regularly meet in executive sessions with no members of management present. Copies of the charters for each of these Committees are available by using the Investor Relations and then Corporate Governance links on the Company's website at [www.quinstreet.com](http://www.quinstreet.com). The following table lists members of the Committees as of September 1, 2015.

Name	Audit Committee	Compensation Committee	Governance Committee
William Bradley			Chair
Stuart M. Huizinga <sup>(1)</sup>	Member		
Robin Josephs	Member	Member	
John G. McDonald	Member	Chair	
David Pauldine			
Gregory Sands		Member	Member
Marjorie T. Sennett <sup>(2)</sup>	Member		
James Simons			Member
Dana Stalder	Chair		

(1) Effective April 23, 2015, Mr. Huizinga joined the Audit Committee.

(2) Effective October 1, 2014, Ms. Sennett joined the Audit Committee.

*Audit Committee.* Our Audit Committee, which has been established in accordance with Section 3(a)(58)(A) of the Exchange Act of 1934, as amended ( Exchange Act ), met nine times during fiscal year 2015. The Chair of our Audit Committee is Mr. Stalder. The functions of this Committee include, among other things:

- reviewing and pre-approving the engagement of our independent registered public accounting firm to perform audit services and any permissible non-audit services;
- evaluating the performance of our independent registered public accounting firm and deciding whether to retain their services;
- reviewing our annual and quarterly financial statements and reports and discussing the statements and reports with our independent registered public accounting firm and management;
  - providing oversight with respect to related person transactions;
  - reviewing, with our independent registered public accounting firm and management, significant issues that may arise regarding accounting principles and financial statement presentation, as well as matters concerning the scope, adequacy, and effectiveness of our financial controls;
- reviewing reports from management and auditors regarding our procedures to monitor and ensure compliance with our legal and regulatory responsibilities, our code of conduct and ethics and our compliance with legal and regulatory requirements; and
- establishing procedures for the receipt, retention, and treatment of complaints received by us regarding financial controls, accounting, or auditing matters.

A detailed list of the Audit Committee's functions is included in its charter, which can be accessed by using the Investor Relations and then Corporate Governance links on the Company's website at [www.quinstreet.com](http://www.quinstreet.com).

*Nominating and Corporate Governance Committee ( Governance Committee ).* Our Governance Committee met four times during fiscal year 2015. The Chair of our Governance Committee is Former Senator Bradley. The functions

of this Committee include, among other things:

reviewing periodically director performance on our Board of Directors and its Committees and performance of management, and recommending to our Board of Directors and management areas for improvement;

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interviewing, evaluating, nominating, and recommending individuals for membership on our Board of Directors; evaluating nominations by stockholders of candidates for election to our Board of Directors and establishing policies and procedures for such nominations; reviewing with our Chief Executive Officer plans for succession to the offices of Chief Executive Officer or any other executive officer, as it sees fit; and reviewing and recommending to our Board of Directors changes with respect to corporate governance practices and policies.

Our Governance Committee met in July 2015 to, among other things, recommend the director nominees for nomination to our Board at our 2015 annual meeting of stockholders. A detailed list of the Governance Committee's functions is included in its charter, which can be accessed by using the Investor Relations and then Corporate Governance links on the Company's website at [www.quinstreet.com](http://www.quinstreet.com).

*Compensation Committee.* Our Compensation Committee met six times during fiscal year 2015. The Chair of our Compensation Committee is Professor McDonald. The functions of this Committee include, among other things:

determining the compensation and other terms of employment of our Chief Executive Officer and our other executive officers and reviewing and approving corporate performance goals and objectives relevant to such compensation;

reviewing and approving the compensation of our directors;

evaluating and recommending to our Board of Directors the equity incentive plans, compensation plans, and similar programs advisable for us, as well as modification or termination of existing plans and programs;

establishing policies with respect to equity compensation arrangements;

reviewing with management our disclosures under the caption Compensation Discussion and Analysis and preparing the Compensation Committee Report that the SEC requires to be included in our annual proxy statement;

assessing risks arising from our compensation policies and practices and whether any such risks are reasonably likely to have a material adverse effect; and

selecting, retaining, overseeing, and terminating any compensation consultant or other compensation advisor.

The Compensation Committee may form, and delegate authority to, subcommittees as appropriate. A detailed list of the Compensation Committee's functions is included in its charter and can be accessed by using the Investor Relations and then Corporate Governance links on the Company's website at [www.quinstreet.com](http://www.quinstreet.com).

*Compensation Advisors.* Compensia, Inc. (Compensia), an executive compensation consulting firm, provides compensation advisory services to the Compensation Committee and to the Company. No member of the Compensation Committee or of management has any affiliation with Compensia, and our Compensation Committee has determined that Compensia is independent as defined by the rules of the SEC and the NASDAQ Stock Market.

The Compensation Committee has engaged Compensia and has access to Compensia without the participation of management and periodically seeks input from Compensia on a range of external market factors, including evolving executive compensation trends, general observations on the Company's executive compensation programs and market data on a peer group of companies in the Internet marketing and media sector and other similar companies. The Compensation Committee also considers input from Compensia on Board compensation matters for non-executive Board members. Other than as described above, Compensia provides no other services to the Company.

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*Management Input to the Compensation Committee.* The Compensation Committee frequently requests management to assist in accomplishing its work, including requests for specific analyses to assist with decision making. Our Chief

Executive Officer works with the Compensation Committee Chair to help set meeting agendas, to provide data analysis, and to coordinate the distribution of materials to the Compensation Committee in advance of its meetings.

The QuinStreet Employee Benefits and Compliance, Finance, and Legal departments assist in completing these projects. Generally, our Chief Executive Officer and General Counsel attend Compensation Committee meetings. In addition, the Compensation Committee meets in executive session with no members of management present, but with Compensia or others present at the Compensation Committee's discretion.

*Compensation Committee Meetings.* For more information on the process for determining executive compensation, see the section titled "Compensation Discussion and Analysis" in this proxy statement.

*Compensation Committee Interlocks and Insider Participation.* Professor McDonald, Ms. Josephs, and Mr. Sands served on the Compensation Committee during fiscal year 2015. None of them has been an officer or employee of QuinStreet. Moreover, none of our executive officers has served on the board of directors or compensation committee of a company that has an executive officer who serves on our Board or Compensation Committee.

## **Corporate Governance**

*Code of Conduct and Ethics.* Our Code of Conduct and Ethics applies to all of our directors, officers (including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions), employees, contractors, consultants, and others who may be temporarily assigned to work for the Company. We will post future amendments to our Code of Conduct and Ethics, or waivers of such provisions, applicable to any principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions or our directors on the Company's website at [www.quinstreet.com](http://www.quinstreet.com).

*Board Leadership Structure.* The Board of Directors is responsible for determining its leadership structure, which currently consists of a Chairman of the Board and a Chair leading each Board Committee. Currently, the Chairman of the Board, Mr. Valenti, also serves as our Chief Executive Officer. The Board believes in retaining the flexibility to allocate the responsibilities of the offices of Chairman and Chief Executive Officer in accordance with the best interests of the Company and its stockholders at a given point in time, and therefore the Board does not place restrictions on who may serve as Chairman. The Board does not have a lead independent director. The Board believes that its current leadership structure and corporate governance policies ensure effective independent Board leadership and oversight of management. For example, the Board regularly meets in executive sessions without the Chief Executive Officer or any other members of management present. Strong independent director leadership is also enhanced by the fact that all of the Board Committees are comprised solely of, and chaired by, independent directors. The Chair of each Committee works with our Chief Executive Officer to determine Board and Committee agenda topics. The Board has concluded that having Mr. Valenti serve as Chairman and Chief Executive Officer is the most effective leadership structure at this time because Mr. Valenti is an effective Chairman and is able to provide the best link between the Board and management.

In order to enhance the independence of the Board from management, the Board believes that a substantial majority of the Board should consist of independent directors. All of our current directors except for Mr. Valenti are independent, as determined in accordance with NASDAQ listing standards.

*Board's Role in Risk Oversight.* Management, which is responsible for day-to-day risk management, continually monitors the material enterprise risks facing the Company, including strategic risks, operational risks, financial risks,



credit risks, liquidity risks, and legal and compliance risks.

The Board of Directors is responsible for exercising oversight of management's identification and management of, and planning for, those risks. The Board has delegated to certain Committees oversight responsibility for those risks that are directly related to their area of focus (see descriptions of our Audit Committee, Compensation Committee, and Governance Committee's areas of responsibilities discussed under Audit Committee, Compensation Committee and Nominating and Corporate Governance

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Committee ( Governance Committee ) above). The Board and its Committees exercise their risk oversight function by carefully evaluating the reports they receive from management and by making inquiries of management with respect to areas of particular interest to the Board. In addition, the Board and its Committees receive reports from our auditors and other consultants, such as Compensia, and meet in executive sessions with these outside consultants. Board oversight of risk is enhanced by the fact that our Chief Executive Officer and Chairman of the Board attends many Committee meetings and that Committee reports are provided to the full Board following each regular quarterly Committee meeting.

*Information on Compensation Risk Assessment.* Management periodically reviews the Company's incentive compensation programs at all levels within the organization. Employee cash bonuses are based on Company and individual performance, and management (with respect to non-executive bonuses) or the Compensation Committee (with respect to executive officers' bonuses) determines bonus payouts. Equity awards for new hires are based on the employee's level in the Company, prior experience, qualifications, and the market for particular types of talent. Any subsequent awards are based on employee performance and providing retention incentives. Equity awards have long-term vesting requirements to preclude undue incentives for short-lived stock performance. The incentive compensation structure was reviewed during fiscal year 2015 by Compensia. Based on the findings of this review and input from Compensia, the Compensation Committee believes that risks arising from the Company's compensation policies and programs are not reasonably likely to have a material adverse effect on the Company.

## **Independence Determination for Directors**

The Board of Directors has determined that, with the exception of Mr. Valenti, who is our Chief Executive Officer, all of its current members qualify as independent directors pursuant to the rules adopted by the SEC and the NASDAQ Stock Market. The Board of Directors has determined that all of our director nominees are independent within the meaning of the applicable NASDAQ listing standards. The Audit, Compensation, and Governance Committees of the Board of Directors consist entirely of independent directors.

## **Audit Committee Financial Qualifications**

Our Board of Directors has determined that each member of the Audit Committee: (1) meets the independence criteria prescribed by applicable law and rules of the SEC for Audit Committee membership and (2) is independent within the meaning of the NASDAQ listing standards and the standards established by the Company. The Board has also determined that each member of our Audit Committee can read and understand fundamental financial statements in accordance with audit committee requirements of the SEC and NASDAQ listing standards. In addition, the Board of Directors has designated Mr. Stalder as an audit committee financial expert as such term is defined in Item 407(d)(5)(ii) of Regulation S-K promulgated by the SEC.

## **Director Nominations**

*General Criteria and Process.* Our Governance Committee has the responsibility of identifying, reviewing, and evaluating candidates to serve on the Company's Board of Directors consistent with any criteria approved by the Board of Directors, including consideration of any potential conflicts of interest as well as applicable independence and experience requirements. The minimum qualifications a candidate should possess include being able to read and understand basic financial statements, being over 21 years of age and having the highest personal integrity and ethics. As expressed in the Governance Committee charter, in nominating candidates, the Governance Committee complies with the requirements of the Company's Bylaws and takes into consideration such other factors as it deems

appropriate. These factors may include judgment, skill, diversity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members, the extent to which the candidate would be a desirable addition to the Board and any Committees of the Board, the ability of the candidate to devote sufficient time to the affairs of the Company, the candidate's demonstrated excellence in his or her field, the candidate's ability to exercise sound business judgment, and the candidate's commitment to rigorously represent the long-term interests of the Company's stockholders. The Governance Committee may use and pay for assistance from consultants, including obtaining background checks, and advice from outside counsel, to assist its review and evaluation of candidates.

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In evaluating candidates, the Governance Committee considers a wide variety of qualifications, attributes and other factors, and recognizes that a diversity of viewpoints and practical experiences can enhance the effectiveness of the Board. Accordingly, as part of its evaluation of each candidate, the Governance Committee takes into account how that candidate's background, experience, qualifications, attributes, and skills may complement, supplement or duplicate those of other Board members, although the Company does not have a policy prescribing specific standards for diversity.

*Stockholder Nominations and Bylaw Procedures.* The Governance Committee considers properly submitted recommendations for candidates to the Board from stockholders in accordance with the Company's policy on stockholder recommendations of director nominees. The Governance Committee does not alter the manner in which it evaluates nominees for director based on whether the nominee is recommended by a stockholder or otherwise.

Our Bylaws and our policy on stockholder recommendations of director nominees establish procedures pursuant to which a stockholder may nominate a person for election to the Board of Directors. Any stockholder recommendations for consideration by the Governance Committee should set forth all information that is required to be disclosed by Section 5(b)(1) of our Bylaws and all information required pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, including the candidate's name, biographical information, business experience for at least the past five years, a summary of the candidate's qualifications, a representation that the nominating stockholder is a beneficial or record owner of our stock, and a written consent of the candidate to serve on the Board of Directors if elected. In addition, such stockholder recommendations should set forth any other information required to be provided by our policy on stockholder recommendations of director nominees and applicable securities laws and regulations.

We may require any such proposed nominee to furnish information concerning his or her eligibility to serve as an independent director or that could be material to a reasonable stockholder's understanding of the independence of the nominee. A copy of the policy on stockholder recommendations of director nominees can be accessed by using the Investor Relations and then Corporate Governance links on the Company's website at [www.quinstreet.com](http://www.quinstreet.com).

To nominate a person for election to the Board of Directors at our 2016 annual meeting of stockholders, written notice of a stockholder nomination must be delivered to our Corporate Secretary between June 28, 2016 and July 28, 2016.

However, if our 2016 annual meeting is advanced or delayed by more than 30 days from October 26, 2016 (the anniversary of the prior year's annual meeting of stockholders), a stockholder's written notice will be timely if it is delivered no earlier than the 120<sup>th</sup> day prior to our 2016 annual meeting and no later than the later of the 90<sup>th</sup> day prior to such annual meeting or the 10<sup>th</sup> day following the announcement of the date of the meeting. Stockholder recommendations to the Board of Directors should be sent to QuinStreet, Inc., Attention: Corporate Secretary, 950 Tower Lane, Suite 600, Foster City, California 94404.

## **Contacting the Board and Further Information on Corporate Governance**

Stockholders may contact the Board of Directors about bona fide issues or questions about QuinStreet by writing to the Corporate Secretary as follows: QuinStreet, Inc., Attention: Corporate Secretary, 950 Tower Lane, Suite 600, Foster City, California 94404.

Any matter intended for the Board of Directors, or for any individual member or members of the Board of Directors, should be directed to the street address noted above, with a request to forward the communication to the intended recipient or recipients. In general, any stockholder communication delivered to the Corporate Secretary for forwarding to the Board of Directors or specified member or members will be forwarded in accordance with the stockholder's instructions.

Our Code of Conduct and Ethics, stockholder nominations policy, and committee charters are accessible by following the links to [Investor Relations](#) and then [Corporate Governance](#) on our website at [www.quinstreet.com](http://www.quinstreet.com). Stockholders may also request printed copies of such documents without charge by writing to the Corporate Secretary as follows:

QuinStreet, Inc., Attention: Investor Relations, 950 Tower Lane, Suite 600, Foster City, California 94404.

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The following table shows the amount of common stock beneficially owned (unless otherwise indicated) by our directors, our director nominees, our Named Executive Officers (as set forth in the Summary Compensation Table below), our directors and executive officers as a group, and beneficial owners of more than 5% of our common stock. Except as otherwise indicated, all information is as of August 31, 2015. As of August 31, 2015, there were 45,006,622 shares of common stock outstanding. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of common stock that they beneficially own, subject to applicable community property laws. Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o QuinStreet, Inc., 950 Tower Lane, Suite 600, Foster City, California 94404.

Name	Common Stock Shares Beneficially Owned	% of Class
Directors:		
William Bradley <sup>(1)</sup>	342,867	*
Stuart M. Huizinga <sup>(2)</sup>	6,250	*
Robin Josephs <sup>(3)</sup>	98,645	*
John G. McDonald <sup>(4)</sup>	250,000	*
David Pauldine <sup>(5)</sup>	34,374	*
Gregory Sands <sup>(6)</sup>	472,357	*
Marjorie T. Sennett <sup>(7)</sup>	43,333	*
James Simons <sup>(8)</sup>	3,508,263	7.8%
Dana Stalder <sup>(9)</sup>	283,900	*
Named Executive Officers:		
Douglas Valenti <sup>(10)</sup>	5,625,224	12.4%
Gregory Wong <sup>(11)</sup>	123,565	*
Nina Bhanap <sup>(12)</sup>	429,676	*
Martin J. Collins <sup>(13)</sup>	69,053	*
Peter Brooks <sup>(14)</sup>	233,046	*
Kenneth Hahn <sup>(15)</sup>		
Executive Officers and Directors, as a group (14 persons) <sup>(16)</sup>	11,520,553	24.3%
Other 5% Stockholders:		
FMR LLC <sup>(17)</sup> , 245 Summer Street, Boston, MA 02210	4,854,324	10.8%
Royce & Associates, LLC <sup>(18)</sup> , 745 Fifth Avenue, New York, NY 10151	4,773,279	10.6%
Private Capital Management, LLC <sup>(19)</sup> , 8889 Pelican Bay Boulevard, Suite 500, Naples, FL 34108	4,457,528	9.9%
Entities affiliated with Split Rock Partners, LLC <sup>(20)</sup> , 10400 Viking Drive, Suite 250, Eden Prairie, MN 55344	3,473,422	7.7%
BlackRock, Inc. <sup>(21)</sup> , 55 East 52 <sup>nd</sup> Street, New York, NY 10022	2,600,843	5.8%

\* Represents 1% or less of our outstanding common stock.

- (1) Includes stock options exercisable for 298,867 shares of our common stock within 60 days of August 31, 2015.
- (2) Includes stock options exercisable for 6,250 shares of our common stock within 60 days of August 31, 2015.
- (3) Includes stock options exercisable for 80,208 shares of our common stock within 60 days of August 31, 2015.

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- (4) Includes 30,000 shares held in a family trust of which Professor McDonald is a trustee. Also includes stock options exercisable for 220,000 shares of our common stock within 60 days of August 31, 2015.
- (5) Includes stock options exercisable for 34,374 shares of our common stock within 60 days of August 31, 2015. Includes 214,761 shares held in a living trust of which Mr. Sands and his spouse are trustees, 6,785 shares held in a charitable remainder unitrust of which Mr. Sands is the trustee and 14,912 shares held in irrevocable trusts of
- (6) which Mr. Sands and his spouse are trustees for the benefit of Mr. Sands' minor children. Also includes stock options exercisable for 225,899 shares of our common stock within 60 days of August 31, 2015.
- (7) Includes stock options exercisable for 39,583 shares of our common stock within 60 days of August 31, 2015. Includes 3,247,578 shares held by SPVC V, LLC and 70,844 shares held by SPVC Affiliates Fund I, LLC, each of which is jointly managed by Split Rock Partners, LLC and Vesbridge Partners, LLC. Voting and investment power over the shares, however, has been delegated solely to Split Rock Partners, LLC. Split Rock Partners, LLC has delegated voting and investment decisions with respect to the shares to three individuals (one of whom is James
- (8) Simons) who require a two-thirds vote to act. Mr. Simons disclaims beneficial ownership of the reported securities, except to the extent of any pecuniary interest therein. Also includes 34,841 shares held by the James Rexroad Simons Trust. Also includes stock options exercisable for 145,000 shares of our common stock within 60 days of August 31, 2015 and 10,000 shares of common stock, which are held directly by Mr. Simons. Pursuant to a letter agreement, Mr. Simons holds these securities for the sole benefit of SPVC V, LLC.
- (9) Includes 3,900 shares held in a family trust for which Mr. Stalder is the trustee. Also includes stock options exercisable for 220,000 shares of our common stock within 60 days of August 31, 2015. Includes 3,137,916 shares held by The Valenti Living Trust of which Mr. Valenti and his spouse are co-trustees, 2,046,034 shares held by DJ & TL Valenti Investments, LP, of which The Valenti Living Trust is the general partner, and 6,903 shares held by Mr. Valenti and his immediate family members. Each of Mr. Valenti and his spouse has voting and investment power with respect to the shares held by The Valenti Living Trust and share
- (10) beneficial ownership in such shares. Each of Mr. Valenti and his spouse also have voting and investment power with respect to the shares held by DJ and TL Valenti Investments, LP, through their control as co-trustees of the general partner, The Valenti Living Trust. Also includes stock options exercisable for 399,675 shares of our common stock within 60 days of August 31, 2015.
- (11) Includes stock options exercisable for 89,582 shares of our common stock within 60 days of August 31, 2015.
- (12) Includes stock options exercisable for 332,187 shares of our common stock within 60 days of August 31, 2015.
- (13) Includes stock options exercisable for 56,250 shares of our common stock within 60 days of August 31, 2015.
- (14) Includes stock options exercisable for 207,812 shares of our common stock within 60 days of August 31, 2015.
- (15) Following his resignation from the Company during fiscal year 2015, Mr. Hahn sold all of his shares of our common stock from his own individual account as well as that of his family trust.
- (16) Includes stock options exercisable for 2,355,687 shares of our common stock within 60 days of August 31, 2015. This number does not include Mr. Hahn, as his employment terminated as of November 14, 2014.
- (17) Based on the Schedule 13G/A filed with the SEC on February 13, 2015 by FMR LLC.
- (18) Based on the Schedule 13G/A filed with the SEC on January 5, 2015 by Royce & Associates, LLC.
- (19) Based on the Schedule 13G/A filed with the SEC on March 4, 2015 by Private Capital Management, LLC.



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Includes 3,247,578 shares held by SPVC V, LLC and 70,844 shares held by SPVC Affiliates Fund I, LLC, each of which is jointly managed by Split Rock Partners, LLC and Vesbridge Partners, LLC. Voting and investment power over the shares, however, has been delegated solely to Split Rock Partners, LLC. Split Rock Partners, LLC has delegated voting and investment decisions with respect to the shares to three individuals (one of whom is James R. Simons) who require a two-thirds vote to act. Split Rock Partners, LLC and Mr. Simons disclaim (20) beneficial ownership of the reported securities, except to the extent of any pecuniary interest therein. Also includes stock options exercisable for 145,000 shares of our common stock within 60 days of August 31, 2015 and 10,000 shares of common stock, which are held directly by Mr. Simons. Pursuant to a letter agreement, Mr. Simons holds these securities for the sole benefit of SPVC V, LLC. Split Rock Partners, LLC disclaims beneficial ownership of the reported securities, except to the extent of any pecuniary interest therein. Based in part on the Schedule 13G/A filed with the SEC on January 21, 2015 by Split Rock Partners, LLC.

(21) Based on the Schedule 13G/A filed with the SEC on February 2, 2015 by BlackRock, Inc.

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

Based upon a review of filings with the SEC and/or written representations that no other reports were required, we believe that all reports for the Company's executive officers and directors that were required to be filed under Section 16 of the Securities Exchange Act, as amended, were timely filed for fiscal year 2015, except for one Form 4 by our Director Mr. Sands, which was inadvertently filed late on November 25, 2014, reporting the acquisition of shares of the Company's common stock in the open market by Mr. Sands' family trust on November 7, 2014.

### **Certain Relationships and Related Person Transactions**

On April 23, 2015, the Company appointed Mr. Huizinga to the Board of Directors and the Audit Committee. Mr. Huizinga has served as senior vice president and chief financial officer of eHealth, Inc. (NASDAQ: EHTH, eHealth) since May 2000. The Company and eHealth conduct business pursuant to standard commercial agreements and have done so since 2006. Since the beginning of the Company's last fiscal year, the Company has received approximately \$191,000 in payments from eHealth under those agreements. Although Mr. Huizinga does not have a material interest in these transactions, the Company's Audit Committee approved the existing eHealth transaction in accordance with the Company's related person transactions policy, and Mr. Huizinga did not participate in such approval process.

We have entered into indemnification agreements with each of our directors and executive officers. These indemnification agreements require us to indemnify each of our directors and executive officers to the fullest extent permitted by Delaware law.

### **Policies and Procedures for Transactions with Related Persons**

Our Board of Directors has adopted a written related person transactions policy, which sets forth the policies and procedures for the review and approval or ratification of related person transactions. This policy covers any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which the Company and a related person were, are, or will be participants and in which the amount involved exceeds \$120,000. Only related person transactions in which the amount involved exceeds \$120,000 will be required to be disclosed in applicable SEC filings as required by the Securities Act of 1933, as amended (Securities Act), the Exchange Act, and related rules. Pursuant to the Company's related person transactions policy, our Audit Committee, among other things, (i) reviews the relevant facts and circumstances of each proposed related person transaction, including if the transaction is on terms comparable to those that could be obtained in arm's-length dealings with an unrelated third-party and the extent of the related person's interest in the transaction and (ii) takes into account the

conflicts of interest and corporate opportunity provisions of our Code of Conduct and Ethics. Management will present to our Audit Committee each proposed related person transaction, including all relevant facts and circumstances relating thereto, and will update the Audit Committee as to any material changes to any related person transaction.

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Any related person transaction may only be consummated or continued if our Audit Committee has approved or ratified such transaction in accordance with the guidelines set forth in our related person transactions policy. Certain types of transactions are not subject to the policy, including: (i) transactions involving compensation for services provided by an employee, consultant, or director that are approved by our Compensation Committee; and (ii) transactions in the ordinary course of business where the interest of the related person arises solely from the ownership of a class of QuinStreet equity securities where all holders of such class of equity securities will receive the same benefit on a pro rata basis. Any member of the Audit Committee who is a related person with respect to a transaction under review may not participate in the deliberations or vote on the approval of the transaction. In the event that it is inappropriate for the Audit Committee to review the transaction due to conflicts of interest or otherwise, after taking into account possible recusals by Audit Committee members, the related person transaction is reviewed by another independent body comprised of members of our Board of Directors.

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# EXECUTIVE COMPENSATION

## Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides an overview of the material components of our executive compensation program for our Named Executive Officers :

Douglas Valenti, Chairman of our Board of Directors and our Chief Executive Officer;  
Gregory Wong, our Chief Financial Officer and Senior Vice President;  
Nina Bhanap, our Chief Technology Officer and President, Product and Technology;  
Peter Brooks, our Senior Vice President;  
Martin J. Collins, our General Counsel, Chief Compliance Officer, and Senior Vice President; and  
Kenneth Hahn, our former Chief Operating Officer and Executive Vice President.  
This Compensation Discussion and Analysis is organized into five sections:

Section 1 Executive Summary

Section 2 Compensation Philosophy, Objectives, and Design

Section 3 Compensation-Setting Process

Section 4 Compensation Components

Section 5 Other Compensation Information and Policies

## Section 1 Executive Summary

### Financial Highlights

We continued to manage through challenges and uncertainties in fiscal year 2015 and invest heavily in new products and markets in our strategy to return the Company to growth. Company revenue grew year-over-year in each of the last three quarters of fiscal year 2015, and, through continued discipline in controlling operating costs, we were able to achieve a positive adjusted EBITDA margin of 4%, representing \$10.0 million and positive free cash flow, while also making good progress on a broad range of initiatives to address challenges and establish new avenues for revenue growth.

We recorded the following financial results for fiscal year 2015:

For the year, we generated net revenue of \$282.1 million, compared to \$282.5 million for fiscal year 2014. GAAP net loss for the year was \$20.0 million, or \$(0.45) per diluted share, compared to GAAP net loss of \$146.4 million, or \$(3.36) per diluted share, for fiscal year 2014.

Adjusted EBITDA (as defined below) for the year was \$10.0 million, or 4% of net revenue, compared to \$24.2 million, or 9% of net revenue for fiscal year 2014.

For purposes of the 2015 Annual Incentive Plan, Adjusted EBITDA was defined as net (loss) income less benefit from (provision for) taxes, depreciation expense, amortization expense, stock-based compensation expense, interest and other expense, net, impairment of goodwill and restructuring.



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### **Executive Compensation Actions**

As reflected in our compensation philosophy below, the Compensation Committee sets the compensation of our executive officers, including the Named Executive Officers, based on their ability to successfully execute our annual operating plan, which is intended to further our long-term business objectives and to create sustainable long-term stockholder value in a cost-effective manner. Accordingly, our fiscal year 2015 compensation actions and decisions were based on each executive officer's contribution to both individual and Company-wide performance goals, consistent with our pay-for-performance philosophy. As described below, actual total cash compensation for our executive officers in fiscal year 2015 was below the target total cash compensation for the year due to financial results that fell short of those established in our annual operating plan.

For fiscal year 2015, the Compensation Committee took the following actions with respect to the compensation of the Named Executive Officers:

Increased the base salary for Mr. Wong by 4.36% to recognize his progress in his role, but did not increase base salaries for the other Named Executive Officers;

Made annual bonus payments of between 18% and 37% of the target bonus opportunity for each of the Named Executive Officers, according to achievement of their respective performance goals under the 2015 Annual Incentive Plan;

Approved equity awards in the form of service-vesting RSUs to the Named Executive Officers and a combination of service-vesting RSUs and performance shares to our Chief Executive Officer; and

Determined that 37% of the target number of performance shares were earned by our Chief Executive Officer, according to achievement of the performance goals for the performance period beginning July 1, 2014 and ending June 30, 2015.

In deciding to make new equity awards to our Named Executive Officers, the Compensation Committee took into consideration the desire to maintain market-competitive total compensation, the need to retain key executive officers, the desire to reward individual performance in the preceding fiscal year (especially for significant contributions to initiatives aimed at developing new avenues for revenue growth), and the desire to provide our Named Executive Officers with an incentive to manage our business as owners. In addition, commencing in fiscal year 2016, the Company expanded its practice of making a portion of equity awards performance-based and extended the program from the Chief Executive Officer to employees more broadly. For example, in July 2015, the Company issued performance shares to employees which are earned only if the Company's stock price increases by 25%. The equity awards have the effect of subjecting a significant portion of our Named Executive Officers' total compensation to fluctuations in the market price of our common stock, thus helping to align the interests of our Named Executive Officers with stockholder interests. In making the bonus payments and equity awards, the Compensation Committee took into account the advice of Compensia, Inc. (Compensia), an independent national consulting firm providing executive compensation advisory services, which was engaged by the Committee to assist in executive compensation matters for fiscal year 2015.

### **Pay for Performance**

In accordance with our Annual Incentive Plan, target bonus payouts for executive officers, as well as the target number of performance shares for our Chief Executive Officer, in fiscal year 2015 were tied to achievement of revenue growth (Plan Revenue Growth) and adjusted EBITDA (Plan Adjusted EBITDA). Due to continuing challenges and uncertainties in fiscal year 2015 particularly in our core financial services and education client verticals, the Company did not achieve the target levels of Plan Revenue Growth and Plan Adjusted EBITDA in fiscal year 2015. As a result, pursuant to our Annual Incentive Plan for fiscal year 2015, our Named Executive Officers were eligible to receive a bonus payout of only 18% to 37% of target levels, as further explained in Compensation

Discussion and Analysis Compensation Components Performance-Based Cash Bonuses below. Our Chief Executive Officer was eligible to receive approximately 37% of his target number of performance shares, as further explained in Compensation Discussion and Analysis Compensation Components Long-Term Equity Incentive Awards below. The Compensation Committee determined that payouts at these levels were appropriate due to management's performance in the

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face of the year's challenges and uncertainties, and progress made on initiatives to address the challenges and to establish new avenues for revenue growth, as further discussed below under "Compensation Discussion and Analysis - Compensation Components - Performance-Based Cash Bonuses". The table below shows, for each of our Named Executive Officers for fiscal year 2015, their target bonus, their actual bonus payout, and their actual bonus payout as a percent of the targets pursuant to their respective incentive plans:

Named Executive Officer	Fiscal Year 2015 Target Bonus (\$)	Fiscal Year 2015 Bonus Payout (\$)	Fiscal Year 2015 Actual Bonus Payout as a Percentage of Fiscal Year 2015 Target Bonus (%)
Douglas Valenti	425,000	156,870	37
Gregory Wong	125,000	46,138	37
Nina Bhanap	154,000	56,842	37
Peter Brooks	145,000	26,760	18
Martin J. Collins	150,000	55,366	37
Kenneth Hahn	190,000	(1)	

- (1) Mr. Hahn's employment terminated as of November 14, 2014, and, accordingly, he was not eligible for a bonus under the Annual Incentive Plan for fiscal year 2015.

### **Advisory Vote on Executive Compensation**

We conducted our annual stockholder advisory vote on executive compensation at our 2014 annual meeting of stockholders. While this vote was not binding on the Company, we believe that it is important for our stockholders to have an opportunity to have an advisory vote on executive compensation on an annual basis as a means to express their views regarding our executive compensation philosophy, our compensation policies and programs, and our decisions regarding executive compensation, all as disclosed in our proxy statements. The Board of Directors and the Compensation Committee value the opinions of our stockholders and, to the extent that there is any significant vote against the compensation of the Named Executive Officers as disclosed in this proxy statement, we will consider our stockholders' concerns, and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

At the 2014 annual meeting of stockholders, for the fourth year in a row, more than 96% of the votes cast on the advisory vote on executive compensation proposal were in favor of the Named Executive Officers' compensation as disclosed in the 2014 proxy statement. The Compensation Committee reviewed the final vote results and, largely based on this significant level of support, determined that there were no significant stockholder concerns that would require us to make any significant changes to our executive compensation program at this time.

We have determined that our stockholders should have the opportunity to cast an advisory vote on executive compensation each year, consistent with the preference expressed by our stockholders at the 2011 annual meeting of stockholders.



## Compensation Governance

We maintain the following corporate governance policies to ensure executive compensation practices that support our pay-for-performance philosophy and serve to manage our compensation risks:

our Compensation Committee is comprised solely of independent directors;  
our Compensation Committee has engaged its own independent compensation consultant to assist it with its review of executive compensation;

none of our executive officers has an employment agreement;  
we provide only limited double trigger vesting acceleration for equity awards for our senior executive officers (discussed in greater detail below), and we have no formal cash severance plans and no single trigger vesting acceleration;

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there are no special executive perquisite programs, and executive officers have the same benefit plans as all other employees;

there are no tax reimbursements for our executive officers for perquisites or personal benefits; the Compensation Committee grants equity awards primarily at regularly scheduled quarterly Committee meetings set at the beginning of each fiscal year;

our insider trading policy provides that directors and officers may not hold in margin accounts or pledge the Company's shares;

our insider trading policy provides that directors and officers may not engage in short sales of the Company's shares or in derivative transactions in the Company's shares, e.g., publicly traded options contracts, such as puts or calls; and while we do not have formal stock ownership guidelines, our Chief Executive Officer beneficially owns more than 12% of the Company's shares, which greatly exceeds even the most robust formal stock ownership guidelines.

We currently do not have a general compensation recovery ( "clawback" ) policy covering our annual and long-term incentive award plans and arrangements, but we intend to adopt a "clawback" policy after the SEC adopts final rules implementing the requirement of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

## **Section 2 Compensation Philosophy, Objectives, and Design**

### **Philosophy**

We recognize that our success is in large part dependent on our ability to attract and retain talented employees. We endeavor to create and maintain compensation programs that reward performance, teamwork, commitment, and rapid progress in order to effectively align the interests of our executive officers and stockholders. Our Compensation Committee and management are committed to this pay-for-performance philosophy in designing our compensation policies and plans.

### **Objectives**

The principles and objectives of our compensation and benefits programs for our employees generally, and for our executive officers specifically, are to:

closely align compensation with our business and financial objectives and the long-term interests of our stockholders;

motivate and reward individuals whose skills and performance promote our continued success;

attract, motivate, and retain highly-talented, experienced individuals who are incentivized to achieve our strategic objectives; and

offer total compensation that is competitive, reasonable, and fair.

### **Design and Pay Mix**

The compensation of our executive officers consists of the following primary components:

base salary;

performance-based annual cash bonuses;

long-term equity incentive compensation (both service-vesting RSUs and performance RSUs);

employee health and welfare benefits; and

limited change in control benefits.

Each compensation component has a role in meeting the objectives described above. While we believe we offer competitive base salaries and performance-based cash bonus opportunities, we believe that long-term incentive compensation is a critical compensation component for Internet and other growth-oriented



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technology companies. We believe that equity compensation provides long-term incentives that align the interests of employees and executive officers with the long-term interests of stockholders. We carefully track equity compensation practices of competitors and other comparable companies to ensure that our policies are competitive and generally consistent with peer group dilution rates.

We strive to achieve an appropriate mix between cash and equity compensation to meet our objectives. We do not apply any formal or informal policies or guidelines for allocating compensation between current and long-term compensation, between cash and equity compensation, or among different forms of equity compensation. As a result, the allocation between cash and equity varies between executive officers. The mix of compensation components is designed to reward short-term results and motivate long-term performance through a combination of cash and equity awards. We believe the most important indicator of whether our compensation objectives are being met is our ability to motivate our executive officers to deliver superior performance and retain them to continue their careers with us on a cost-effective basis.

### **Section 3 Compensation-Setting Process**

#### **Role of the Compensation Committee**

The Compensation Committee of the Board of Directors is responsible for administering and overseeing the executive compensation program for our executive officers, including the Named Executive Officers, and reports to the full Board of Directors on its discussions, decisions, and other actions.

Our management and the Compensation Committee conduct an annual review of senior management compensation for purposes of setting executive compensation for the upcoming fiscal year. For fiscal year 2015, this review occurred at two meetings in May 2014 and August 2014. At that time, management and the Compensation Committee reviewed the information on market-based executive compensation provided by Compensia, in light of the compensation we offer, to ensure that the executive compensation program established for fiscal year 2015 is competitive, reasonable, and fair.

The Compensation Committee (together with our Chief Executive Officer with respect to performance of the other executive officers) reviews the performance of each executive officer on an annual basis, and based on this review and the factors described below, sets his or her compensation package, including salaries, bonus payouts under our Annual Incentive Plan, and the size and structure of equity awards for the upcoming fiscal year. The Compensation Committee is solely responsible for determining the compensation of our Chief Executive Officer.

The Compensation Committee expects to continue to conduct an annual review process of all compensation components at the end of each fiscal year to ensure consistency with our compensation philosophy and as part of its responsibilities in administering our executive compensation program. The Compensation Committee is authorized to retain the services of third-party executive compensation specialists from time to time, as the Committee sees fit, in connection with the establishment of cash and equity compensation and related policies.

#### **Role of our Chief Executive Officer**

Our Chief Executive Officer makes recommendations to the Compensation Committee for the compensation of all the executive officers other than himself, attends committee meetings (except for sessions discussing and setting his compensation) and has been and is involved in the determination of compensation for our executive officers. Typically, our Chief Executive Officer makes recommendations to the Compensation Committee regarding base

salaries, target bonus amounts, and annual and long-term incentive compensation for our executive officers (other than himself). Our Chief Executive Officer bases his recommendations on the Company's financial and operational results, the individual executive officer's contribution toward these results, individual and Company-wide performance toward goal achievement, an analysis of competitive market data, input from certain other executive officers and input from our compensation consultant. Our Chief Executive Officer does not make any recommendation as to his own compensation.

The Compensation Committee reviews our Chief Executive Officer's recommendations, the competitive market data, and other relevant information and determines each executive officer's total compensation, as well as each of their individual compensation components. The Compensation Committee's decisions

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regarding executive compensation are based on its subjective evaluation of the performance of the Company and each individual executive officer, the judgment and experience of each of its members in determining compensation, the input of the Chief Executive Officer and our compensation consultant, a review of market data as described below, and other factors, such as prevailing industry trends.

### **Role of Compensation Consultant**

Since November 2009, the Compensation Committee has engaged Compensia as a compensation consultant to help evaluate our compensation philosophy and provide guidance in administering our executive compensation program. Compensia reports directly to the Compensation Committee and does not provide any services to the Company other than the services provided to the Compensation Committee. The Compensation Committee believes that Compensia does not have any conflicts of interest in advising the Compensation Committee under applicable SEC or NASDAQ rules. Since fiscal year 2010, Compensia has also assisted the Compensation Committee in developing the compensation peer group described below and in providing market data based on the compensation practices of the peer group and from general industry surveys.

### **Competitive Market Data**

We believe it is important when making compensation-related decisions to be informed as to current practices of similarly-situated companies. Consequently, we select a group of companies that are broadly similar to the Company in terms of industry and financial comparability as a reference point for evaluating the market practices of our peers in formulating compensation recommendations and to assist the Compensation Committee in its consideration of executive compensation.

For fiscal year 2015, our compensation peer group (the Peer Group ) consisted of the following companies:

Angie's List	Digital River
Blucora	Internap Network Services
Chegg	IntraLinks Holdings
comScore	Millennial Media
Constant Contact	Move
Demand Media	NIC
Dice Holdings	ReachLocal
	RealNetworks

Each of the companies in the Peer Group met the following criteria: (1) were operating in the Internet software and services industry or in the software industry, (2) had annual revenues of between \$206.0 million to \$574.0 million (or approximately 0.7x to 1.9x that of the Company's revenue), and (3) had a market capitalization of between \$263.0 million to \$1.29 billion (or approximately 0.9x to 4.3x that of the Company's market capitalization). In addition, all are headquartered in the United States.

We supplement the data derived from the Peer Group with broader compensation data provided by market surveys. Compensia provided compensation data from Compensia's proprietary database for positions comparable to those of the executive officers at Internet companies with revenues of between \$200.0 million and \$500.0 million in the San Francisco Bay Area to the extent the Peer Group data was not sufficient.

While the Compensation Committee does not benchmark pay levels against the Peer Group due to the unique aspects of our business, it believes that evaluating market data is useful to understand market practice and to provide a general

context for its decisions. The Compensation Committee exercises its discretion in determining the nature and extent of the use of market data, which varies by executive officer.

## **Section 4 Compensation Components**

The compensation we offer to our employees and each of our executive officers, including our Named Executive Officers, has the following major components: (a) base salaries; (b) performance-based cash bonuses; and (c) long-term equity incentive awards.

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The initial base salaries for our executive officers, including the Named Executive Officers, are established through arm's-length negotiation at the time of hire, taking into account each individual's qualifications, experience and prior salary history, and prevailing market compensation for similar roles among the companies in the Peer Group and from the survey data of similarly sized companies in the Internet industry based in the San Francisco Bay Area. Thereafter, the base salaries of our executive officers are reviewed annually by the Compensation Committee, with significant input from our Chief Executive Officer (except with respect to his own base salary) to determine whether any adjustment is warranted. Base salaries are also reviewed in the case of promotions or other significant changes in responsibility.

In determining a base salary adjustment, the Compensation Committee considers several factors, including the Company's overall performance, an executive officer's relative job scope and impact in the Company, individual performance history, prior and anticipated future contributions to the Company, anticipated increase in responsibilities, length of time each individual has been employed with the Company, retention incentives, prior experience and an analysis of competitive market data (including the base salary practices of the Peer Group and the survey data). The Compensation Committee may also take into account the executive officer's current base salary, equity ownership, and internal pay equity (i.e., the amounts paid to the executive officer's peers inside the Company for comparable positions). We also draw upon the experience of members of the Compensation Committee with other companies.

In May 2014, the Compensation Committee reviewed the base salaries of our executive officers, including the Named Executive Officers, for fiscal year 2015. The Compensation Committee reviewed salary data derived from the Peer Group and summary cash compensation data from Compensia's proprietary database for positions comparable to those of the executive officers at Internet companies with revenues of between \$200.0 million and \$500.0 million in the San Francisco Bay Area.

After reviewing input from Compensia and taking into consideration the recommendations of our Chief Executive Officer (except with respect to his own base salary), the Compensation Committee determined that, using the factors described above, the base salaries of the Named Executive Officers would not be increased for fiscal year 2015 other than for Mr. Wong as described in the footnote to the table below:

Named Executive Officer	Fiscal Year 2014 Annual Base Salary (\$)	Fiscal Year 2015 Annual Base Salary (\$)	Percent Change (%)
Douglas Valenti	525,000	525,000	
Gregory Wong	275,000	287,000	4.36 <sup>(1)</sup>
Nina Bhanap	362,000	362,000	
Peter Brooks	275,000 <sup>(2)</sup>	275,000	
Martin J. Collins	300,000	300,000	
Kenneth Hahn	391,600	391,600	

(1) The Compensation Committee approved an increase in Mr. Wong's base salary for fiscal year 2015, which it determined to be appropriate given market rates of compensation for his role and internal pay equity, as well as Mr. Wong's increased experience and his performance in the preceding fiscal year. None of our other Named Executive Officers received a raise in annual base salary from fiscal year 2014 to fiscal year 2015. The total compensation



paid to the Named Executive Officers in fiscal year 2015 is set forth in the Summary Compensation Table below.  
(2) During fiscal year 2014, in October 2013, Mr. Brooks' base salary was increased from \$245,000 to \$275,000 in connection with an increase in responsibilities.

**(b) Performance-Based Cash Bonuses**

We use performance-based cash bonuses under our Annual Incentive Plan to motivate our executive officers, including the Named Executive Officers, to achieve our annual financial and operational goals while making rapid and sustainable progress toward our longer-term objectives. These bonuses are designed to reward both Company and individual performance.

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For fiscal year 2015, the Compensation Committee awarded cash bonuses to our executive officers according to target bonuses and criteria set by the Compensation Committee in accordance with the Annual Incentive Plan. The Compensation Committee has the discretion to reduce the amount of any actual award under the Annual Incentive Plan below the amount calculated under the terms of the Annual Incentive Plan.

### Target Bonus Opportunities

Under the Annual Incentive Plan for fiscal year 2015, each Named Executive Officer's target bonus opportunity was expressed as a total dollar amount, with individual target award opportunities ranging from 43% to 81% of base salary. Target bonus opportunities were determined based on the Compensation Committee's analysis of total cash compensation as described above, with generally higher target levels for the individuals with the most responsibility for the success of the business.

### Performance Measures

For fiscal year 2015, the performance goals under the Annual Incentive Plan remained generally consistent with prior years and were based on our annual operating plan and budget. As in prior years, the performance goals were designed to be achievable yet challenging. This is demonstrated by our executive officers receiving actual performance bonuses that were below their target bonus payout opportunity for the past several years. For executive officers who are focused on particular verticals, including our Named Executive Officer Mr. Brooks, up to 25% of performance bonuses was based on Plan Revenue Growth, 25% on Plan Adjusted EBITDA, and 50% or more on revenue growth of the relevant vertical. For all other executive officers, 50% of performance bonuses was based on Plan Revenue Growth and 50% on Plan Adjusted EBITDA. The bonus payout was calculated between the threshold and maximum possible bonus payouts for each executive officer as set forth in the table under the heading "Grant of Plan-Based Awards" below. The threshold of 0% of the target bonus payout opportunity corresponded with 0% achievement of the applicable performance goals for each executive officer, while the maximum of 200% of the target bonus opportunity corresponded with 200% achievement of the applicable performance goals.

In addition, the Compensation Committee considered the following in determining whether to give full credit for the achievement of the performance goals:

- the assessed sustainability of revenue growth;
- progress on initiatives to address challenges;
- the development of future growth potential and diversification of our revenue streams; and
- the individual contributions of the executive officer.

### Fiscal Year 2015 Bonus Decisions

To determine actual bonus awards under the Annual Incentive Plan for fiscal year 2015, the Compensation Committee first reviewed the Company's overall financial results for fiscal year 2015. The Compensation Committee then considered the performance measures as outlined above, as well as the Chief Executive Officer's recommendation for the Named Executive Officers (other than himself). The Committee noted that the Company continued to invest in its revenue streams, which actions are expected to lay the foundation for future sustainable revenue growth. The Committee also determined that all of the executive officers had performed strongly given another challenging year for the Company, largely driven by external economic and regulatory factors outside the control of the executive officers.

Based on these reviews and the financial results described above under the heading "Compensation Discussion and Analysis" Executive Summary Pay for Performance, the Compensation Committee approved bonus payments of

between 18% and 37% of the target bonus amounts for the Named Executive Officers.

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The chart below shows, for the Named Executive Officers, their fiscal year 2014 bonus payouts, their fiscal year 2015 target bonus opportunities and payouts, as well as the fiscal year 2015 bonus payouts as a percent of targets and the percent change in bonus payouts from fiscal year 2014 to fiscal year 2015:

Named Executive Officer	Fiscal Year 2014 Bonus Payout (\$)	Fiscal Year 2015 Target Bonus Opportunity (\$) <sup>(1)</sup>	Fiscal Year 2015 Bonus Payout (\$)	Fiscal Year 2015 Bonus Payout as a % of Target (%)	% Change in Fiscal Year 2015 Bonus Payout Compared to Fiscal Year 2014 (%)
Douglas Valenti	99,875	425,000	156,870	37	57
Gregory Wong	21,378	125,000	46,138	37	116
Nina Bhanap	36,190	154,000	56,842	37	57
Peter Brooks	34,075	145,000	26,760	18	(21)
Martin J. Collins	8,813	150,000	55,366	37	528 <sup>(2)</sup>
Kenneth Hahn <sup>(3)</sup>	44,650	190,000			

The target bonus opportunities in fiscal year 2015 for our Named Executive Officers remained the same as their target bonus opportunities in fiscal year 2014, except for Mr. Wong whose target bonus opportunity in fiscal year (1) 2015 was increased by the Compensation Committee to \$125,000 (from \$100,000 in fiscal year 2014), in consideration of market rates of compensation for his role and internal pay equity, as well as Mr. Wong's increased experience and his performance in the preceding fiscal year.

Mr. Collins joined the Company in April 2014, and accordingly his bonus was pro-rated for his three months of (2) employment in fiscal year 2014, which accounts for the significant percentage increase in bonus payout from fiscal year 2014 to fiscal year 2015.

Mr. Hahn's employment terminated as of November 14, 2014, and accordingly, he was not eligible to receive a (3) bonus for fiscal year 2015.

### (c) Long-Term Equity Incentive Awards

We use long-term incentive awards, in the form of options to purchase shares of our common stock as well as service-vesting RSUs and performance shares, to attract and retain our executive officers, including the Named Executive Officers, to motivate and reward them for outstanding Company and individual performance and to align their interests with those of our stockholders. In August 2014, the Compensation Committee awarded service-vesting RSUs to each of our Named Executive Officers and a combination of service-vesting RSUs and performance shares to our Chief Executive Officer. We use service-vesting RSUs to provide a strong retention component to our equity compensation while still providing an alignment with stockholders' interests since the value of the RSUs is determined by our stock price. We also believe that the RSUs and stock options can serve as an effective retention tool due to vesting requirements that are based on continued service with the Company and can help create an ownership culture.

The four-year vesting schedule for our options, performance shares, and RSUs is designed to encourage long-term employment with the Company while allowing our executive officers to realize increased compensation in line with the value they have created for our stockholders. At this time, the Compensation Committee believes that service-based vesting provides the appropriate incentive for our Company when combined with equity awards' direct tie to our stock price performance. For Mr. Valenti, the Compensation Committee believes that awarding a mix of service-vesting RSUs and performance shares provides the appropriate incentive, given our Chief Executive Officer's role and his ability to impact the Company's performance.

We grant stock options both at the time of initial hire and then in some cases, through annual additional or refresher awards for key executive officers, and since fiscal year 2013, we have granted annual refresher grants consisting in part or in whole of service-vesting RSUs. Our practice has been to grant refresher awards shortly after the end of the fiscal year, at the Compensation Committee's first regularly scheduled meeting after the end of the fiscal year, and this practice was followed in fiscal year 2015. However, the Compensation Committee retains discretion to grant stock options or RSUs to our executive officers at any time, including in connection with a promotion, to reward an executive officer, for retention purposes, or for other circumstances recommended by our Chief Executive Officer. In fiscal year 2015, the Compensation Committee determined it was appropriate to award service-vesting RSUs (but no options) in connection with

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the annual refresher program for the Named Executive Officers due to the significant holdings of unexercised stock options held by many of the Named Executive Officers that had limited in-the-money value at the then-current stock price and to provide a greater emphasis on retention in light of the difficult operating environment the Company continued to face.

In determining the size of the equity awards to be granted to our executive officers, including the Named Executive Officers, the Compensation Committee takes into account several factors, including our Chief Executive Officer's recommendation for the other executive officers, our short-term and long-term financial and strategic objectives, an executive officer's relative job scope, the value of his or her then-current equity incentive award holdings, individual performance history, prior and anticipated future contributions to the Company, the size of prior awards, an analysis of competitive market data (including the equity award practices of the Peer Group), our annual equity budget, and the net aggregate amount of the shares proposed to be awarded to all employees for the fiscal year. After considering these factors, the Compensation Committee determines the size of the equity awards at levels it considers appropriate to create a meaningful opportunity for reward predicated on the creation of long-term stockholder value.

After reviewing a compensation analysis prepared by Compensia and taking into consideration the recommendations of our Chief Executive Officer (as to executive officers other than himself), the Compensation Committee determined the size of each executive officer's RSU grant using the factors described above.

The service-vesting RSUs granted to the Named Executive Officers in fiscal year 2015 were as follows:

Named Executive Officer	Number of Shares Subject to RSU Grant (#)	Grant Date Fair Value of RSU Grant (\$)
Douglas Valenti	150,000	789,000
Gregory Wong	100,000	526,000
Nina Bhanap	150,000	789,000
Peter Brooks	50,000	263,000
Martin J. Collins	20,000	105,200
Kenneth Hahn <sup>(1)</sup>	150,000	789,000

(1) Mr. Hahn's 2015 RSU grant was cancelled in connection with the termination of his employment on November 14, 2014.

The Compensation Committee also awarded Mr. Valenti a target of 150,000 performance shares for the performance period beginning July 1, 2014 and ending June 30, 2015. The number of performance shares that Mr. Valenti could earn was calculated 50% based on Plan Revenue Growth and 50% on Plan Adjusted EBITDA between the threshold and maximum number of performance shares as set forth in the table below.

Named Executive Officer	Estimated Future Payouts under Equity Incentive Plan Award (Performance	Estimated Future Payouts under Equity Incentive Plan Award (Performance	Estimated Future Payouts under Equity Incentive Plan Award (Performance
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	Shares): Threshold (#)	Shares): Target (#)	Shares): Maximum (#)
Douglas Valenti	0 <sup>(1)</sup>	150,000 <sup>(2)</sup>	300,000 <sup>(3)</sup>

- (1) Indicates the threshold number of performance shares that could be earned based on 0% achievement of the target performance goals.
- (2) Indicates the target number of performance shares that could be earned based on 100% achievement of the target performance goals.
- (3) Indicates the maximum number of performance shares that could be earned based on 200% achievement of the target performance goals.

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In evaluating Mr. Valenti's individual performance and the Company's overall performance during fiscal year 2015, the Compensation Committee had discretion to adjust downward the number of earned performance shares calculated pursuant to the terms of Mr. Valenti's performance share award. Following the end of fiscal year 2015, the Compensation Committee determined that Mr. Valenti had earned 55,500 (or approximately 37%) of the total target 150,000 performance shares awarded based on the achievement of his performance goals, with no discretionary adjustments. One-fourth of such earned performance shares were vested and released following the determination date, and the remainder vest quarterly thereafter over three years.

### **Equity Award Grant Policy**

The Compensation Committee grants options and RSUs primarily at regularly scheduled, quarterly Compensation Committee meetings set at the beginning of each fiscal year.

## **Section 5 Other Compensation Information and Policies**

### **Welfare and Other Employee Benefits**

We have established a tax-qualified Section 401(k) retirement plan for all employees who satisfy certain eligibility requirements, including requirements relating to age and length of service. We currently do not match any contributions made to the plan by our employees, including executive officers. We intend for the plan to qualify under Section 401(a) of the Internal Revenue Code so that contributions by employees to the plan, and income earned on plan contributions, are not taxable to employees until withdrawn from the plan.

Our executive officers are entitled to participate in the same employee benefit plans, and on the same terms and conditions, as our other full-time, salaried employees. These benefits include medical, dental and vision benefits, medical and dependent care flexible spending accounts, short-term and long-term disability insurance, accidental death and dismemberment insurance, and basic life insurance coverage.

We believe these benefits are generally consistent with those of companies with which we compete for executive talent.

We design our employee benefits programs to be affordable and competitive in relation to the market, as well as compliant with applicable laws and practices. We adjust our employee benefits programs as needed based upon regular monitoring of applicable laws and practices and the competitive market.

### **Perquisites and Other Personal Benefits**

Currently, we do not view perquisites or other personal benefits as a significant component of our executive compensation program. Accordingly, we currently do not provide perquisites to our executive officers.

In the future, we may provide perquisites or other personal benefits in limited circumstances, such as where we believe it is appropriate to assist an individual executive officer in the performance of his or her duties, to make our executive officers more efficient and effective, and for recruitment, motivation, or retention purposes. All future practices with respect to perquisites or other personal benefits will be approved and subject to periodic review by the Compensation Committee.



### **Employment Arrangements**

We do not have any employment agreements with any of our executive officers, including the Named Executive Officers.

### **Post-Employment Compensation**

In the event stock options are assumed or replaced in connection with a change in control, 25% of the unvested shares of common stock subject to each option will vest if the employment of the executive officer is terminated under circumstances described below under the heading Executive Compensation Potential Payments Upon Termination or Change in Control following the change in control of the Company. In addition, as is common practice for technology companies, our equity incentive plan provides for full acceleration of vesting of outstanding stock options in the event of a change in control of the Company if the options are not assumed or replaced with substitute awards by a successor.

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The Compensation Committee approved these provisions for senior management (meaning executive officers with the title of the Vice President and above) because equity compensation is an important part of our executive compensation program, and so these partial double-triggers are intended to keep these executive officers engaged in the event of a potential change in control that would be beneficial to stockholders but could otherwise result in the executive officers not having the opportunity to continue to vest in this equity compensation. However, this acceleration benefit is limited to an amount that the Compensation Committee believes represents a reasonable portion of the awards.

For a summary of the material terms and conditions of these post-employment compensation arrangements, see [Executive Compensation Payments Upon Termination or Change in Control](#) below.

### **Stock Ownership Guidelines**

Currently, we have not implemented a policy regarding minimum stock ownership requirements for our executive officers, including the Named Executive Officers. As of August 31, 2015, our Chief Executive Officer beneficially owned approximately 12.4% of our outstanding common stock. In fiscal year 2015, our Compensation Committee conducted a review of current ownership levels of our executive officers, and based on the substantial level of holdings by our Chief Executive Officer, together with the equity interests of our other executive officers, the Committee determined that minimum stock ownership requirements were not necessary at this time to align the interests of our executive officers with that of our stockholders.

### **Compensation Recovery Policy**

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

### **Derivatives Trading and Hedging Policy**

We have a policy that prohibits our employees, executive officers, directors, contractors, and consultants, as well as family members of such persons, from engaging in short sales, hedging transactions such as in put or call options, or other inherently speculative transactions with respect to our equity securities or from holding our equity securities in margin accounts or pledging our equity securities as collateral for a loan.

### **Deductibility of Executive Compensation**

Section 162(m) of the Internal Revenue Code generally disallows public companies a tax deduction for federal income tax purposes of remuneration in excess of \$1.0 million paid to the chief executive officer and each of the three other most highly-compensated executive officers (other than the chief financial officer) in any taxable year. Generally, remuneration in excess of \$1.0 million may only be deducted if it is performance-based compensation within the meaning of the Internal Revenue Code. In this regard, the compensation income realized upon the exercise of stock options granted under a stockholder-approved stock option plan generally will be deductible so long as the options are granted by a committee whose members are non-employee directors and certain other conditions are satisfied.

The Compensation Committee considers the anticipated tax treatment to the Company and our executive officers when reviewing our executive and other compensation programs. While the tax impact of any compensation

arrangement is one factor to be considered, such impact is evaluated in light of the Compensation Committee's overall compensation philosophy and objectives. The Compensation Committee will consider ways to maximize the deductibility of executive compensation, while retaining the discretion it deems necessary to compensate our executive officers in a manner commensurate with performance and the competitive environment for executive talent.

In addition, the Compensation Committee reserves the right to exercise its judgment to award compensation to our executive officers that may be subject to the deduction limit when it believes that such compensation is appropriate, consistent with its compensation philosophy and in the Company's and our stockholders' best interests.

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Generally, the Compensation Committee seeks to structure our incentive-based compensation to be deductible. Nevertheless, there can be no assurance that our incentive-based compensation will be treated as qualified performance-based compensation under Section 162(m).

**Accounting for Stock-Based Compensation**

We follow Financial Accounting Standard Board Accounting Standards Codification Topic 718 ( ASC 718 ) for our stock-based compensation awards. ASC 718 requires companies to measure the compensation expense for all share-based payment awards made to employees and directors, including stock options, based on the grant date fair value of these awards. This calculation is performed for accounting purposes and reported in the compensation tables below, even though our executive officers may never realize any value from their awards. ASC 718 also requires companies to recognize the compensation cost of their stock-based awards in their income statements over the period that an employee is required to render service in exchange for the award.

**Compensation-Related Risk**

From time to time, the Compensation Committee reviews the potential risks associated with the structure and design of our various compensation plans. For fiscal years 2013, 2014, and 2015, the Compensation Committee requested that Compensia, our compensation consultant, assisted by our management, undertake a comprehensive review of the material compensation plans and programs for all employees and determined that none of our compensation policies and practices is reasonably likely to have a material adverse effect on the Company. Overall, the Compensation Committee believes that our programs generally contain a balance of fixed and variable features, as well as complementary metrics and reasonable goals, all of which operate to mitigate risk and reduce the likelihood of employees engaging in excessive risk-taking behavior with respect to the compensation-related aspects of their jobs. In addition, the material plans and programs operate within the Company's governance and review structure that serves and supports risk mitigation.

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## COMPENSATION COMMITTEE REPORT

*The following Compensation Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other QuinStreet filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate this Report by reference therein.*

The Compensation Committee of the Board of Directors has furnished the following report.

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis section of the proxy statement with management of QuinStreet, and, based on this review and discussion, recommended to the Board of Directors of QuinStreet that such Compensation Discussion and Analysis be included in QuinStreet's proxy statement for the 2015 annual meeting of stockholders for filing with the SEC.

Members of the Compensation Committee  
of the Board of Directors of QuinStreet, Inc.

*John G. McDonald (Chair)*

*Robin Josephs*

*Gregory Sands*

TABLE OF CONTENTS**Summary Compensation Table**

The following table sets forth information regarding the compensation for the last three completed fiscal years, paid to, or earned by, our Chief Executive Officer, our Chief Financial Officer, our other three most highly-compensated executive officers, and one former executive officer who would have been among such three most highly-compensated executive officers but for the fact that he was no longer serving as an executive officer at the end of fiscal year 2015. We collectively refer to such executive officers as our **Named Executive Officers** for fiscal year 2015.

Name and Position	Fiscal Year	Salary (\$)	Stock Awards (\$) <sup>(1)</sup>	Option Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>(2)</sup>	All Other Compensation (\$) <sup>(3)</sup>	Total Compensation (\$)
Douglas Valenti	2015	525,000	1,578,000		156,870		2,259,870
<i>Chairman and Chief Executive Officer</i>	2014	525,000	525,250	432,410	99,875		1,582,535
	2013	512,400			246,095	28,713	787,233
Gregory Wong	2015	287,000	526,000		46,138		859,138
<i>Chief Financial Officer and Senior Vice President</i>	2014	262,771	189,625	154,560	21,378		628,334
Nina Bhanap	2015	362,000	789,000		56,842		1,207,842
<i>Chief Technology Officer and President, Product and Technology</i>	2014	362,000	358,125	294,825	36,190		1,051,140
	2013	350,000	723,000		90,571	24,004	1,187,575
Peter Brooks	2015	275,000	263,000		26,760		564,760
<i>Senior Vice President</i>							
Martin J. Collins <sup>(4)</sup>	2015	300,000	105,200		55,366		460,566
<i>General Counsel and Senior Vice President</i>	2014	75,000	297,000	358,080	8,813		738,893
Kenneth Hahn <sup>(5)</sup>	2015	146,850	789,000				935,850
<i>Former Chief Operating Officer and Executive Vice President</i>	2014	391,600	525,250	432,410	44,650		1,393,910
	2013	379,600	1,205,000		108,262	40,847	1,733,709

The amounts reported in this column represent the aggregate grant date fair value for RSUs and option awards granted in the applicable fiscal year, computed in accordance with FASB ASC Topic 718 (*Compensation Stock* (1) *Compensation*). The assumptions used in the valuation of these awards are set forth in the notes to our consolidated financial statements, which are included in our Annual Report on Form 10-K for fiscal year 2015, filed with the SEC on August 19, 2015.

The amounts reported in this column are performance-based cash bonuses under our annual incentive plans in (2) respect of performance for fiscal years 2013, 2014, and 2015. See the discussion in the Compensation Discussion and Analysis above.

In October 2012, the Company adopted an executive time-off policy. Pursuant to this policy, beginning with fiscal (3) year 2014, officers who are vice presidents and above do not accrue paid time-off. As a result, the Company does not attribute a monetary value to executive paid time-off.

(4)

Mr. Collins joined the Company in April 2014, and, accordingly, his salary and bonus for fiscal year 2014 were prorated.

- (5) Mr. Hahn's employment terminated as of November 14, 2014, and accordingly, he was not eligible to receive a bonus for fiscal year 2015. All of his outstanding equity awards from fiscal year 2015 were cancelled upon termination of his employment.

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The following table provides information regarding all grants of plan-based awards that were made to or earned by the Named Executive Officers during fiscal year 2015. Disclosure on a separate line item is provided for each award granted to a Named Executive Officer.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards: Threshold (\$) <sup>(1)</sup>	Estimated Future Payouts Under Non-Equity Incentive Plan Awards: Maximum (\$) <sup>(3)</sup>	Estimated Future Payouts Under Equity Incentive Plan Awards: Threshold (#)	Estimated Future Payouts Under Equity Incentive Plan Awards: Target (#)	Estimated Future Payouts Under Equity Incentive Plan Awards: Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock Awards (\$) <sup>(4)</sup>
Douglas Valenti		425,000	850,000					
	Aug 6, 2014			(5)	150,000 <sup>(6)</sup>	300,000 <sup>(7)</sup>		789,000
	Aug 6, 2014						150,000	789,000
Gregory Wong		125,000	250,000					
	Aug 6, 2014						100,000	526,000
Nina Bhanap		154,000	308,000					
	Aug 6, 2014						150,000	789,000
Peter Brooks		145,000	290,000					
	Aug 6, 2014						50,000	263,000
Martin J. Collins		150,000	300,000					
	Aug 6, 2014						20,000	105,200
Kenneth Hahn		190,000	380,000					
	Aug 6, 2014						150,000	789,000



- (1) This column represents the threshold bonus payout corresponding with 0% achievement of each executive officer's performance targets under our Annual Incentive Plan for fiscal year 2015.  
This column represents the target bonus payout corresponding with 100% achievement of each executive officer's performance targets under our Annual Incentive Plan for fiscal year 2015. The bonus plans provided for possible target bonus payouts ranging from 43% to 81% of the base salaries of our Named Executive Officers. Payout of the
- (2) bonuses was dependent on achievement against our Plan Revenue Growth and Plan Adjusted EBITDA and the individual executive officers' achievement against that plan and against other strategic objectives, as further described in Compensation Discussion and Analysis. The actual bonus payments for fiscal year 2015 are set forth in the Summary Compensation Table above.
- (3) This column represents the maximum bonus payout corresponding with 200% achievement of each executive officer's performance targets under our Annual Incentive Plan for fiscal year 2015.  
The amounts shown reflect the fair value of each equity award on the grant or modification date as determined under the principles used to calculate the value of equity awards for purposes of the Company's financial
- (4) statements. For a discussion of the assumptions and methodologies used to calculate the value of the equity awards, please see footnote (1) to the Summary Compensation Table above.
- (5) This column represents the threshold number of RSUs that could be earned for 0% achievement of Mr. Valenti's performance targets under his performance RSU grant for fiscal year 2015, as further described in Compensation Discussion and Analysis.
- (6) This column represents the target number of RSUs that could be earned for 100% achievement of Mr. Valenti's performance targets under his performance RSU grant for fiscal year 2015, as further described in Compensation Discussion and Analysis.
- (7) This column represents the maximum number of RSUs that could be earned for 200% achievement of Mr. Valenti's performance targets under his performance RSU grant for fiscal year 2015, as further described in Compensation Discussion and Analysis. Following the end of fiscal year 2015, in accordance with the terms of Mr. Valenti's performance shares, the Compensation Committee determined that Mr. Valenti had earned 55,500 of the total target 150,000 performance shares awarded. One-fourth of such earned performance shares were vested and released following the date of determination, and the remainder vest quarterly thereafter over three years.

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The following table presents information regarding outstanding equity awards held by the Named Executive Officers as of June 30, 2015, with the exception of Mr. Hahn, whose employment terminated on November 14, 2014 and who had no equity awards outstanding as of June 30, 2015.

Name	Grant Date	Option Awards				Stock Awards		Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$) <sup>(3)</sup>
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable <sup>(1)</sup>	Exercise Price (\$)	Option Expiration Date	Number of shares of units of stock that have not vested (#) <sup>(2)</sup>	Market value of shares or units of stock that have not vested (\$) <sup>(3)</sup>		
Douglas Valenti	August 6, 2014							150,000	967,500
	August 6, 2014					55,500 <sup>(4)</sup>	331,039		
	July 25, 2013					30,938	199,550		
	July 25, 2013	52,708	57,292	9.55	July 24, 2020				
	April 30, 2010	85,095		16.89	April 29, 2017				
	August 7, 2009	87,705		9.91	August 6, 2016				
	July 25, 2008	85,000		10.28	July 24, 2015				
Gregory Wong	January 31, 2007	165,000		10.34	January 30, 2017				
	August 6, 2014					100,000	645,000		
	September 18, 2013					7,813	50,394		
	September 18, 2013	10,937	14,063	9.44	September 17, 2020				
	July 25, 2013					4,219	27,213		
	July 25, 2013	7,187	7,813	9.55	July 24, 2020				
	January 28, 2013					6,563	42,331		

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	January 28, 2013	12,083	7,917	5.79	January 27, 2020		
	July 27, 2012					4,688	30,238
	July 27, 2012	21,875	8,125	9.64	July 26, 2019		
	August 4, 2011	23,958	1,042	11.67	August 3, 2018		
	August 7, 2009	5,000		9.01	August 6, 2016		
Nina Bhanap	August 6, 2014					150,000	967,500
	July 25, 2013					21,094	136,056
	July 25, 2013	35,937	39,063	9.55	July 24, 2020		
	July 27, 2012					23,438	151,175
	August 4, 2011	62,291	2,709	11.67	August 3, 2018		
	November 17, 2009	50,000		19.00	November 16, 2016		
	August 7, 2009	100,000		9.01	August 6, 2016		
	July 25, 2008	75,000		10.28	July 24, 2015		
	December 1, 2006	25,000		9.40	November 30, 2016		
	May 17, 2006	25,000		9.01	May 16, 2016		
	December 1, 2005	25,000		9.00	November 30, 2015		
Peter Brooks	August 6, 2014					50,000	322,500
	July 25, 2013					21,094	136,056
	July 25, 2013	35,937	39,063	9.55	July 24, 2020		
	July 27, 2012					7,813	50,394
	July 27, 2012	36,458	13,542	9.64	July 26, 2019		
	August 4, 2011	33,541	1,459	11.67	August 3, 2018		
	November 17, 2009	20,000		19.00	November 16, 2016		
	August 7, 2009	50,000		9.01	August 6, 2016		
	July 25, 2008	15,000		10.28	July 24, 2015		
	December 1, 2006	20,000		9.40	November 30, 2016		
Martin J. Collins	August 6, 2014					20,000	129,000
	April 25, 2014					37,500	241,875
	April 25, 2014	43,750	106,250	5.94	April 24, 2021		

(1) Each stock option granted to our executive officers vests over a four-year period as follows: 25% of the shares of our common stock underlying the option vest on the first anniversary of the date of the vesting commencement date, which is the date of grant, and the remainder of the shares of our common stock underlying the option vest in equal monthly installments over the remaining 36 months thereafter. In



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addition, 25% of the unvested shares subject to such options will vest if the employment of the executive officer is terminated without cause following a change in control of the Company.

The RSUs (other than Mr. Valenti's performance shares) vest over four years as follows: 25% of the RSU awards vest on the first anniversary of the date of the vesting commencement date, which is on or about the date of grant, and 6.25% of the RSU awards vest on each quarterly anniversary over the remaining 12 quarters thereafter. In addition, 25% of the unvested RSUs will vest if the employment of the executive officer is terminated without cause following a change in control of the Company. The vesting of Mr. Valenti's performance shares is described below in footnote 4 to this table.

The market value of unvested RSUs is calculated by multiplying the number of unvested RSUs held by the applicable Named Executive Officer by the closing price of our common stock on June 30, 2015, the last trading day of fiscal year 2015, which was \$6.45.

In fiscal year 2015, the Compensation Committee awarded Mr. Valenti a target of 150,000 performance shares. In accordance with the terms of Mr. Valenti's performance shares, for the performance period ending on June 30, 2015, the Compensation Committee determined that Mr. Valenti had earned 55,500 of the total target 150,000 performance shares awarded. One-fourth of such earned performance shares were vested and released following the determination date, and the remainder vest quarterly thereafter over three years.

## Option Exercises and Stock Vested in Fiscal Year 2015

The following table presents information on the option exercises by, or vesting of stock awards held by, the Named Executive Officers during fiscal year 2015.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Douglas Valenti			24,062	122,648
Gregory Wong			15,468	77,055
Nina Bhanap			35,156	180,001
Peter Brooks			22,656	115,751
Martin J. Collins			12,500	66,250
Kenneth Hahn			32,812	155,023

## Pension Benefits

We do not maintain any defined benefit pension plans.

## Nonqualified Deferred Compensation

We do not maintain any nonqualified deferred compensation plans for our executive officers.



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The following table sets forth quantitative estimates of the benefits that would have been received by the Named Executive Officers pursuant to the agreements for their outstanding stock options and RSUs if, within six months following a change in control of the Company, their employment had been terminated by the Company without cause or they had resigned for good reason (which includes actions by the Company to materially reduce the executive officer's duties, salary or benefits or relocate his or her business office to more than 50 miles away). These estimates assume the change in control transaction and termination of employment both occurred on June 30, 2015 and, as provided in their agreements, the vesting of their outstanding stock options and RSUs had been accelerated as to 25% of the unvested shares of our common stock covered by such agreements.

Named Executive Officer	Value of Stock Award Acceleration Benefit (\$) <sup>(1)</sup>	Value of Option Award Acceleration Benefit (\$) <sup>(2)</sup>
Douglas Valenti	533,638	
Gregory Wong	198,794	1,306
Nina Bhanap	313,683	
Peter Brooks	127,238	
Martin J. Collins	92,719	13,547
Kenneth Hahn <sup>(3)</sup>		

(1) The aggregate dollar value reported in connection with the acceleration of the outstanding RSUs represents the aggregate fair market value of our common stock underlying the accelerated RSUs as of June 30, 2015, multiplied by the number of the accelerated RSUs.

(2) The aggregate dollar value reported in connection with the acceleration of the outstanding option awards represents the aggregate spread between the exercise price thereof and the fair market value of our common stock as of June 30, 2015, multiplied by the number of the accelerated options awards. Stock options subject to acceleration that were not in-the-money as of June 30, 2015 were excluded from this table.

(3) Mr. Hahn's employment terminated as of November 14, 2014. As of June 30, 2015, Mr. Hahn did not have any outstanding, unvested stock options or RSUs.

**Equity Compensation Plan Information**

The following table provides information as of June 30, 2015 with respect to shares of our common stock issuable under our existing equity compensation plans:

Plan Category	Number of Securities to be Issued upon Exercise of	Weighted-average Exercise Price of Outstanding Options,	Number of Securities Remaining Available for Future
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	Outstanding Options, Warrants and Rights (#)(a)	Warrants and Rights \$(b)(1)	Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (#)(c)
Equity compensation plans approved by security holders	9,609,371	10.07	10,151,821(2)
Equity compensation plans not approved by security holders			
Total	9,609,371	10.07	10,151,821

(1) The weighted-average exercise price excludes shares issuable upon vesting of outstanding stock awards, which have no exercise price.



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The number of shares available under our 2010 Equity Incentive Plan automatically increases each year, beginning July 1, 2010 through July 1, 2019, by an amount equal to the lesser of (i) 5% of the total number of shares of our outstanding common stock on June 30<sup>th</sup> of the preceding fiscal year or (ii) an amount determined by our Board.

- (2) Subject to our Board providing that there shall be a lesser increase for a given fiscal year, the number of shares available under our 2010 Non-Employee Directors Stock Award Plan automatically increases each year, beginning July 1, 2010 through July 1, 2019, by an amount equal to the sum of (i) 200,000 shares, plus (ii) the aggregate number of shares of our common stock subject to stock awards granted pursuant to Section 5 of the 2010 Non-Employee Directors Stock Award Plan during the immediately preceding fiscal year.

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**PROPOSAL 2:**

**RATIFICATION OF THE SELECTION OF  
PRICEWATERHOUSECOOPERS LLP  
AS OUR INDEPENDENT REGISTERED PUBLIC  
ACCOUNTING FIRM**

**Recommendation of the Board of Directors**

**The Board of Directors recommends that you vote FOR the ratification of the selection of PricewaterhouseCoopers LLP ( PwC ) as our independent registered public accounting firm for fiscal year 2016, which proposal is designated as Proposal No. 2.**

PwC served as QuinStreet's independent registered public accounting firm for fiscal years 2014 and 2015. PwC has advised QuinStreet that it has no direct or indirect financial interest in QuinStreet. Representatives of PwC are expected to be present at the 2015 annual meeting of stockholders, with the opportunity to make a statement should they desire to do so and will be available to respond to appropriate questions from stockholders. Our Audit Committee has retained PwC to continue to serve as QuinStreet's independent registered public accounting firm for fiscal year 2016. See Audit Committee Report below.

The following table sets forth fees for professional services rendered by PwC, our independent auditors, for fiscal years 2015 and 2014.

	Fiscal Year 2015 (\$)	Fiscal Year 2014 (\$)
Audit Fees	1,428,150	1,410,000
Audit-Related Fees		
Tax Fees	222,400	379,479
All Other Fees	1,800	2,111
Total	1,652,350	1,791,590

Audit Fees consist of professional services rendered for the audit of our consolidated financial statements; the review of our interim consolidated financial statements included in quarterly reports; and services provided in connection with comfort letters, consents, and statutory and regulatory filings.

Audit-Related Fees consist of assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under Audit Fees. These services include due diligence in connection with our acquisitions; other accounting consultations in connection with transactions; attest services that are not required by statute or regulation; and consultations concerning financial accounting and reporting

standards.

Tax Fees consist of professional services rendered for tax advice, planning and compliance (domestic and international). These services include the preparation and review of income tax returns, VAT tax returns, and international returns and assistance regarding: transfer pricing; VAT matters; federal, state and international tax compliance; acquisitions; and international tax planning.

All Other Fees consist of subscription service fees for use of accounting research software.

Other than the fees described above, we were not billed for any other fees for products or services provided by PwC in either of our last two fiscal years.

Management is required to review and obtain the prior approval of the Audit Committee for all non-audit services proposed to be provided by PwC. We review whether the provision of such services by PwC would be compatible with the maintenance of PwC's independence in the performance of its auditing functions for us.

The Audit Committee annually reviews its policy on audit and non-audit services performed by QuinStreet's independent registered public accounting firm. Unless a proposed service to be provided by QuinStreet's independent registered public accounting firm has received general pre-approval, it will require specific pre-approval by the Audit Committee. Any proposed services exceeding pre-approved fee levels will require additional pre-approval by the Audit Committee.

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The annual audit services engagement terms and fees are subject to the specific pre-approval of the Audit Committee. The Audit Committee must approve any significant changes in terms, conditions, and fees resulting from changes in audit scope, company structure, or other matters. Additional fees in excess of the amount initially approved in connection with the annual audit services require additional pre-approval by the Audit Committee. With respect to certain categories of non-audit services, the Audit Committee has concluded that the provision of such services does not impair QuinStreet's independent registered public accounting firm's independence, and the Audit Committee has provided (and the Audit Committee will annually review and provide) general pre-approved categories of services that may be provided by QuinStreet's independent registered public accounting firm without obtaining pre-approval for each specific non-audit assignment.

The term of any pre-approval is generally twelve months from the date of pre-approval, unless the Audit Committee provides for a different period. The Audit Committee may revise the list of general pre-approved services from time to time, based on subsequent determinations. The Audit Committee may delegate pre-approval authority to one or more of its members. The member or members to whom such authority is delegated shall report any pre-approval decisions to the Audit Committee at its next scheduled meeting. In addition, on a periodic basis, QuinStreet's management reports to the Audit Committee the services actually provided by QuinStreet's independent registered public accounting firm pursuant to the Audit Committee's pre-approval policy.

All audit and non-audit services described above were provided pursuant to pre-approval policies of the Audit Committee.

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## **AUDIT COMMITTEE REPORT**

*The following Audit Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other QuinStreet filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate this Report by reference therein.*

The Audit Committee of the Board of Directors has furnished the following report.

The charter of the Audit Committee of the Board of Directors of QuinStreet, Inc. ( QuinStreet ) specifies that the purpose of the Audit Committee is to act on behalf of the Board of Directors (the Board ) of QuinStreet in fulfilling the Board s oversight responsibilities with respect to:

QuinStreet s corporate accounting and financial reporting processes, systems of internal control over financial reporting and audits of financial statements, as well as the quality and integrity of QuinStreet s financial statements; reports and the qualifications, independence and performance of the independent registered public accounting firm or firms engaged as QuinStreet s independent outside auditors for the purpose of preparing or issuing an audit report or performing audit services and the performance of QuinStreet s internal audit function, if applicable; and

QuinStreet s legal, regulatory, and ethical compliance programs as established by management and the Board.

In addition, the Audit Committee is charged with providing an avenue of open communication among QuinStreet s independent registered public accounting firm, financial management, and any internal auditors.

The Audit Committee expects to consider further amendments to its Charter from time to time as rules and standards are revised and/or finalized by various regulatory agencies, including the SEC and the NASDAQ Stock Market, and to address any changes in QuinStreet s operations, organization, or environment.

The Audit Committee meets with management periodically to consider the adequacy of QuinStreet s disclosure and internal controls and compliance with applicable laws and Company policies, as well as the quality of its financial reporting, including the application of critical accounting policies.

As part of its oversight activities, the Audit Committee monitors the scope and adequacy of QuinStreet s internal auditing program, including reviewing staffing levels and steps taken to implement recommended improvements in internal controls. The Audit Committee discusses these matters with QuinStreet s independent registered public accounting firm and with appropriate Company financial personnel and internal auditors.

The Audit Committee s meetings include executive sessions with QuinStreet s independent registered public accounting firm, in each case without the presence of QuinStreet s management.

The Audit Committee appoints QuinStreet s independent registered public accounting firm for the purpose of issuing an audit report on QuinStreet s annual financial statements or performing related work and approves the firm s compensation.

As part of its oversight of QuinStreet s financial statements, the Audit Committee reviews and discusses with both management and QuinStreet s independent registered public accounting firm all annual and quarterly financial statements, including reviewing QuinStreet s specific disclosures under Management s Discussion and Analysis of Financial Condition and Results of Operations prior to their issuance.

During fiscal year 2015, the Audit Committee reviewed and discussed QuinStreet's financial statements with management, including significant accounting and disclosure matters. The Audit Committee reviewed and discussed with management and with its independent registered public accounting firm the audited consolidated financial statements in QuinStreet's Form 10-K for fiscal year 2015. Management has represented to the Audit Committee that the financial statements were prepared in accordance with accounting principles

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generally accepted in the United States of America. The Audit Committee also discussed QuinStreet's earnings press releases, as well as financial information and earnings guidance, in accordance with the NASDAQ Stock Market corporate governance rules.

The Audit Committee received and reviewed the written disclosures and the letter from PwC required by applicable requirements of the Public Company Accounting Oversight Board ( PCAOB ) regarding PwC's communications with the Audit Committee concerning independence, and the Audit Committee discussed with PwC its independence from QuinStreet.

The Audit Committee discussed with PwC matters required to be discussed by Auditing Standard No. 16 Communications with Audit Committees issued by the PCAOB.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in QuinStreet's Annual Report on Form 10-K for fiscal year 2015 for filing with the SEC.

Members of the Audit Committee  
of the Board of Directors of QuinStreet, Inc.

*Dana Stalder (Chair)*  
*Stuart M. Huizinga*  
*Robin Josephs*  
*John G. McDonald*  
*Marjorie T. Sennett*

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**PROPOSAL 3:**

**APPROVAL OF FISCAL YEAR 2015 COMPENSATION  
AWARDED TO  
NAMED EXECUTIVE OFFICERS**

**Recommendation of the Board of Directors**

**The Board of Directors recommends that you vote FOR the approval of fiscal year 2015 compensation awarded to our Named Executive Officers, which proposal is designated as Proposal No. 3.**

We are seeking an advisory, non-binding stockholder vote with respect to compensation awarded to our Named Executive Officers for fiscal year 2015. This proposal, commonly known as a say-on-pay proposal, gives our stockholders the opportunity to express their views on our Named Executive Officers' compensation as a whole. This vote is not intended to address any specific item of compensation or any specific Named Executive Officer but rather the overall compensation of all of our Named Executive Officers and the compensation philosophy, policies and practices described in this proxy statement.

The say-on-pay vote is advisory, and therefore not binding on QuinStreet, our Compensation Committee, or our Board of Directors. The say-on-pay vote will, however, provide information to us regarding investor sentiment about our executive compensation philosophy, policies and practices, which the Compensation Committee will be able to consider when determining executive compensation for the remainder of fiscal year 2016 and beyond. Our Board of Directors and our Compensation Committee value the opinions of our stockholders and to the extent there is any significant vote against the Named Executive Officer compensation as disclosed in this proxy statement, we will consider our stockholders' concerns, and the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

We believe that the information we have provided in the Executive Compensation section of this proxy statement, and in particular the information discussed in the Compensation Discussion and Analysis above, demonstrates that our executive compensation program was designed appropriately and is working to ensure management's interests are aligned with our stockholders' interests. Accordingly, we ask our stockholders to vote FOR the compensation awarded to our Named Executive Officers for fiscal year 2015, as disclosed under SEC rules, including the Compensation Discussion and Analysis, the compensation tables, and related narrative disclosures in this proxy statement.

**HOUSEHOLDING OF PROXY MATERIALS**

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for the Notice of Internet Availability of Proxy Materials (the Notice), and if applicable, the proxy statements and annual reports, with respect to two or more stockholders sharing the same address by delivering a single Notice or proxy statement addressed to those stockholders. This process, which is commonly referred to as



householding, potentially means extra convenience for stockholders and cost savings for companies.

This year, a number of brokers with account holders who are QuinStreet stockholders will be householding our Notice, and if applicable, our proxy materials. A single Notice, and if applicable, a single copy of our proxy materials, may be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that it will be householding communications to your address, householding will continue until you are notified otherwise or until you notify your broker or the Company that you no longer wish to participate in householding.

If, at any time, you no longer wish to participate in householding and would prefer to receive a separate Notice (or proxy materials), you may (1) notify your broker, (2) direct your written request to: QuinStreet, Inc., Attention: Investor Relations, 950 Tower Lane, Suite 600, Foster City, California 94404 or (3) contact our Investor Relations department by telephone at (650) 578-7950. Stockholders who currently receive multiple copies of our proxy materials at their address and would like to request householding of their communications should contact their broker.

In addition, the Company will promptly deliver, upon written or oral request to the address or telephone number above, a separate copy of the Notice (and if applicable, the proxy materials) to a stockholder at a shared address to which a single copy of the documents was delivered.

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## **ANNUAL REPORT**

Our annual report for fiscal year 2015 (including our Form 10-K filed with the SEC, the consolidated financial statements audited by PwC, our independent registered public accounting firm, and their report thereon dated August 19, 2015) will be mailed to all stockholders who have requested a printed copy of our proxy materials, and will also be sent to any stockholder without charge upon written request to: QuinStreet, Inc., Attention: Investor Relations, 950 Tower Lane, Suite 600, Foster City, California 94404. Our annual report on Form 10-K, along with this proxy statement, can also be reviewed by accessing the SEC's Internet site at <http://www.sec.gov> or our Internet site at <http://investor.quinstreet.com/annual-proxy.cfm>. This text is not an active link and our Internet site and the information contained on that site, or connected to that site, is not incorporated into this proxy statement.

## **OTHER MATTERS**

As of the date of this proxy statement, we know of no business that will be presented for consideration at the annual meeting of stockholders other than the items referred to above. If no other matter is properly brought before the meeting for action by stockholders, proxies returned to us will be voted in accordance with the recommendation of the Board of Directors or, in the absence of such a recommendation, in accordance with the judgment of the proxy holders.

## **STOCKHOLDER PROPOSALS**

Stockholders interested in submitting a proposal for inclusion in the proxy materials for our 2016 annual meeting of stockholders may do so by following the procedures prescribed in Exchange Act Rule 14a-8. To be eligible for inclusion, our Corporate Secretary must receive stockholder proposals no later than May 13, 2016.

Stockholders may wish to have a proposal presented at the annual meeting of stockholders in 2016, but without the Company being required to include that proposal in the Company's proxy statement relating to that annual meeting of stockholders. Such proposals must be received by the Corporate Secretary between June 28, 2016 and July 28, 2016. However, if our 2016 annual meeting of stockholders is advanced or delayed by more than 30 days from October 26, 2016 (the anniversary date of the prior year's annual meeting of stockholders), a stockholder's proposal will be timely if it is delivered no earlier than the 120<sup>th</sup> day prior to our 2016 annual meeting and no later than the later of the 90<sup>th</sup> day prior to such annual meeting or the 10<sup>th</sup> day following the announcement of the date of the meeting. If QuinStreet does not receive notification of the proposal within that time frame it will be considered untimely, and we will not be required to present it at the 2016 annual meeting of stockholders.

By order of the Board of Directors,

/s/ Douglas Valenti

*Douglas Valenti*  
*Chief Executive Officer*

September 10, 2015  
Foster City, California



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