SERVICESOURCE INTERNATIONAL, INC.
Form DEF 14A
April 04, 2019
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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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-2

SERVICESOURCE INTERNATIONAL, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.
Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:
(2) Aggregate number of securities to which transaction applies:
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
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(1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

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Dear Fellow Stockholders:

You are cordially invited to join us for our 2019 annual meeting of stockholders, which will be held on May 14, 2019, at 3:00 p.m. local time at our Corporate Headquarters located at 717 17th Street, 5th Floor, Denver, Colorado 80202. Holders of record of our common stock as of March 19, 2019 are entitled to notice of, and to vote at, the 2019 annual meeting.

The Notice of Annual Meeting of Stockholders and the proxy statement that follow describe the business to be conducted at the meeting. We may also report on matters of current interest to our stockholders at that meeting.

We are pleased to be furnishing these materials to our stockholders via the internet. We believe this approach provides you with the information that you need while expediting your receipt of these materials, lowering our costs of delivery, and reducing the environmental impact of our annual meeting. If you would like us to send you printed copies of our proxy statement and accompanying materials, we will be happy to do so at no charge upon your request. For more information, please refer to the Notice of Internet Availability of Proxy Materials that we are mailing to you on or about April 4, 2019.

You are welcome to attend the meeting. However, even if you plan to attend, please vote your shares promptly and prior to the meeting to ensure they are represented at the meeting. You may submit your proxy by internet or telephone, as described in the following materials, or, if you request printed copies of these materials, by completing and signing the proxy or voting instruction card enclosed therein and returning it in the envelope provided. If you decide to attend the meeting and wish to change your proxy, you may do so automatically by voting in person at the meeting.

If your shares are held in the name of a broker, bank, trust or other nominee, you may be asked for proof of ownership of these shares to be admitted to the meeting.

We thank you for your support.

Sincerely,

Gary B. Moore

Chief Executive Officer

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NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS

DATE:	May 14, 2019
TIME:	3:00 p.m., Mountain Time
PLACE:	ServiceSource International, Inc., Corporate Headquarters 717 17th Street, 5th Floor, Denver, Colorado 80202
RECORD DATE:	March 19, 2019
ITEMS OF BUSINESS:	

1. To elect the seven nominees for director as listed in this proxy statement;

2. To authorize our board of directors, in its discretion, to amend our certificate of incorporation to effect a reverse stock split of our common stock in a ratio of not less than one-for-four and not more than one-for-six, to be determined by the board of directors;

3. To approve, on an advisory basis, our 2018 executive compensation; and

4. To ratify the appointment of Ernst & Young LLP as our independent auditor for fiscal 2019.

We also will transact any other business that may properly come before the meeting or at any adjournments thereof. We are not aware of any other business to come before the meeting at this time.

Only stockholders of record at the close of business on March 19, 2019, or their valid proxies, are entitled to attend and vote at the meeting and any and all adjournments or postponements of the meeting.

Your vote is important. Whether or not you plan to attend the annual meeting, we encourage you read the proxy statement and to vote as promptly as possible. For specific instructions on how to vote your shares, please refer to the instructions in the section entitled How to Vote beginning on page 1 of the proxy statement.

By order of the board of directors,

Gary B. Moore

Chief Executive Officer

Denver, Colorado

April 4, 2019

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 14, 2019: THIS PROXY STATEMENT AND SERVICESOURCE S 2018 ANNUAL REPORT ON FORM 10-K ARE AVAILABLE AT *IR.SERVICESOURCE.COM.* ADDITIONALLY, AND IN ACCORDANCE WITH RULES OF THE U.S. SECURITIES AND EXCHANGE COMMISSION (SEC), YOU MAY ACCESS THESE MATERIALS AT WWW.PROXYDOCS.COM/SREV.

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Proxy Statement

We are providing these proxy materials in connection with the solicitation by our board of directors of proxies to be voted at our 2019 annual meeting of stockholders, which will take place on Tuesday, May 14, 2019 at 3:00 p.m., Mountain Time, at our Corporate Headquarters located at 717 17th Street, 5th Floor, Denver, Colorado 80202. As a stockholder, you are invited to attend the annual meeting and are requested to vote on the items of business described in this proxy statement.

This proxy statement and the accompanying proxy card, notice of annual meeting and voting instructions are being distributed and made available on or about April 4, 2019 to all stockholders of record entitled to vote at the annual meeting.

How To Vote

in advance of the annual meeting

Even if you plan to attend the annual meeting in person, please vote as promptly as possible using one of the following voting methods. Make sure you have your proxy/voting instruction card in hand and follow the instructions. You can vote in advance in one of the following three ways and in *each case*, votes must be cast prior to 5 p.m., Mountain Time on Monday, May 13, 2019:

VIA THE INTERNET	BY TELEPHONE	BY MAIL
Visit the website listed on your notice or proxy/voting instruction card and follow the instructions	**Call the telephone number listed on your notice or proxy/voting instruction card and follow the instructions**	**Sign, date and return your proxy/voting instruction card in the enclosed envelope if you did not receive one, you may request one by following the instructions in your notice**

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PROXY SUMMARY

Proxy Summary

This summary highlights information generally contained elsewhere in this proxy statement. This summary does not contain all of the information you should consider, and you should read the entire proxy statement carefully before voting.

Date, Time and Place of Meeting

Date:	May 14, 2019
Time:	3:00 p.m., Mountain Time
Place:	717 17th Street, 5th Floor, Denver, Colorado 80202
Record Date:	Stockholders of record as of the close of business on March 19, 2019 are entitled to attend, and to vote at, the annual meeting.
Admission Requirements:	You must bring proof that you owned ServiceSource stock on the record date in order to be admitted to the annual meeting.

Voting Matters and Board Recommendations

The following proposals will be considered at the annual meeting:

		Board Recommendation	More Information
Proposal 1	Election of directors	**FOR each nominee**	Page 12
Proposal 2	Vote to authorize the board of directors, in its discretion, to amend our certificate of incorporation to effect a reverse stock split	**FOR**	Page 18

Proposal 3	Advisory vote to approve executive compensation	**FOR**	Page 25
Proposal 4	Ratification of appointment of Ernst & Young LLP as independent registered public accounting firm	**FOR**	Page 26

Other Matters

The management and board of directors of the Company know of no other matters to be brought before the meeting. If other matters are properly presented to the stockholders for action at the meeting or any adjournments or postponements thereof, it is the intention of the proxy holders named in this proxy to vote in their discretion on all matters on which the shares of common stock represented by such proxy are entitled to vote. The entire cost of this solicitation of proxies will be borne by the Company, including expenses incurred in connection with preparing, assembling and mailing the Notice. The Company may reimburse brokers or persons holding stock in their names or in the names of their nominees for their expenses in sending the proxy materials to beneficial owners who request paper copies. Certain officers, directors and regular employees of the Company, who will receive no extra compensation for their services, may solicit proxies by mail, telephone, facsimile, email or personally.

Corporate Governance Practices at a Glance

Annual Election of Directors	
Majority Voting with Resignation in Non-Contested Elections	
Independent Directors Meet in Executive Session without Management Present	
Code of Conduct for Directors, Officers and Employees	

Board Role in Risk Oversight	
Stock Ownership Guidelines for Named Executive Officers and Directors	
Anti-Hedging and Pledging Policy	
Executive Compensation Pay for Performance Metrics	

Board of Directors Overview

The members of our board of directors as of March 19, 2019 are:

Board Member	Independent	Director Since	Committees
Robert G. Ashe		2013	Nominating & Corporate Governance (Chair), Audit
Christopher M. Carrington		2014	
Bruce W. Dunlevie*		2004	Compensation (Chair)
John R. Ferron		2019	Audit
Thomas F. Mendoza		2011	Compensation, Nominating & Corporate Governance
Gary B. Moore**		2016	-
Madhu Ranganathan		2017	Audit (Chair), Nominating & Corporate Governance
Richard G. Walker		2017	-

* Lead Independent Director
** Chairman of the board of directors

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Role and Composition of the Board

As of March 19, 2019, our board of directors is composed of eight members. Upon the recommendation of our nominating and corporate governance committee, we are nominating Robert G. Ashe, Bruce W. Dunlevie, John R. Ferron, Thomas F. Mendoza, Gary B. Moore, Madhu Ranganathan and Richard G. Walker for re-election to our board of directors. If re-elected, Messrs. Ashe, Dunlevie, Ferron, Mendoza, Moore and Walker, and Ms. Ranganathan, will each hold office for a one (1) year term until our annual meeting of stockholders to be held in 2020. Mr. Carrington has not been nominated for re-election at our annual meeting.

Each director s term continues until the election and qualification of his or her successor, or his or her earlier death, resignation or removal. Our board of directors is responsible for, among other things, overseeing the conduct of our business, reviewing and, where appropriate, approving our long-term strategic, financial and organizational goals and plans, and reviewing the performance of our Chief Executive Officer and other members of senior management.

Board Leadership Structure

Chairperson of the Board

Our board of directors currently has no established policy on whether the roles of Chief Executive Officer and Chairperson of the board of directors should be separated. Our board of directors believes that it is most appropriate to make that determination based on the Company s circumstances. In November 2018, Mr. Moore was appointed as our executive Chairman. In December 2019, in connection with Mr. Moore s appointment as our Chief Executive Officer, our board of directors determined that the most effective leadership model for the Company is for Mr. Moore to serve as both Chairman and Chief Executive Officer. The board of directors believes its current structure is functioning effectively. The board of directors does not believe that introducing a separate Chairman at this time would provide appreciably better direction for the Company.

Lead Independent Director

Mr. Dunlevie is our lead independent director. As our lead independent director, he is responsible for helping to set the agendas for board meetings, coordinating the activities of the independent directors and presiding over board meetings if the chairperson is absent. In addition, the lead independent director presides over executive sessions without the presence of the non-independent directors or members of the Company s management from time to time as deemed necessary or appropriate. The role given to the lead independent director helps ensure a strong, independent and active board of directors.

Director Independence and Tenure

Under the rules of the NASDAQ Global Select Market (NASDAQ), where our common stock trades, independent directors must constitute a majority of a listed company s board of directors. In addition, the rules of NASDAQ require that, subject to specified exceptions, each member of a listed company s audit, compensation and nominating and corporate governance committees be independent. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. Under the rules of NASDAQ, a director will only qualify as an independent director if, in the opinion of that company s board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee, accept, directly or indirectly, any consulting, advisory or other compensatory fee from the listed company or any of its subsidiaries, or be an affiliated person of the listed company or any of its subsidiaries.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors has determined that none of the following non-employee directors has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is independent as that term is defined under the rules of NASDAQ: Robert G. Ashe, Bruce W. Dunlevie, John R. Ferron, Thomas F. Mendoza, and Madhu Ranganathan. Our board of directors also determined each of the members of our audit committee, our compensation committee, and our nominating and corporate governance committee satisfy the independence standards for those committees established by the applicable rules and regulations of the SEC and NASDAQ.

In making these determinations, our board of directors considered the relationships that each non-employee director has with our Company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director.

Board s Role in Risk Oversight

Our board of directors, as a whole and through its committees, has responsibility for the oversight of risk management. Our senior management is responsible for assessing and managing our risks on a day-to-day basis.

- Our audit committee oversees and reviews with management our policies with respect to risk assessment and risk management and our significant financial risk exposures and the actions management has taken to limit, monitor or control such exposures.

- Our nominating and corporate governance committee reviews and recommends corporate governance policies and practices to reduce the risk of wrongdoing and to promote good corporate governance.

- Our compensation committee reviews our executive and non-executive compensation programs and practices to design compensation not to encourage unnecessary or excessive risk-taking.

Each of our committees reports to the full board of directors with respect to these matters, among others.

At periodic meetings of the board of directors and its committees and in other meetings and discussions, management reports to and seeks guidance from the board of directors and its committees with respect to the most significant risks that could affect our business, such as legal, compliance, financial, tax and audit related risks. In addition, among other matters, management provides our audit committee periodic reports on our compliance programs and efforts.

Board Committees

Our board of directors has three standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee. The composition and primary responsibilities of each committee are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors.

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BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Committee Composition

	Committee		
Board Member	**Audit**	**Compensation**	**Nominating and Corporate Governance**
Robert G. Ashe*(1)	M		C
Christopher M. Carrington			
Bruce W. Dunlevie*		C	
John R. Ferron*(1)	M		
Thomas F. Mendoza*		M	M
Gary B. Moore			
Madhu Ranganathan*(1)(2)	C		M
Richard G. Walker			
Total Number of Meetings in Fiscal 2018	8	3	2

***** Independent Director **M** Member **C** Chair

(1) Financially Sophisticated under NASDAQ rules

(2) Audit Committee Financial Expert as defined under SEC rules

Audit Committee

Our audit committee oversees our corporate accounting and financial reporting processes and each committee member meets the financial literacy requirements under applicable rules and regulations of the SEC and NASDAQ.

Members (all independent)*

Madhu Ranganathan (Chair)

Robert G. Ashe

John R. Ferron

Our audit committee operates under a written charter approved by our board of directors. The charter is available on our website at *www.servicesource.com* in the Corporate Governance section of our investor relations webpage.

* Each of our audit committee members is Financially Sophisticated under NASDAQ rules. Ms. Ranganathan is our Audit Committee Financial Expert under SEC rules

Our audit committee is responsible for, among other things:

- evaluating our independent registered public accounting firm s qualifications, independence and performance and approving the audit and non-audit services performed by our independent auditors;
- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to financial statements or accounting matters;
- reviewing the adequacy and effectiveness of our internal control policies and procedures;
- discussing the scope and results of the audit with the independent registered public accounting firm and reviewing our interim and year-end operating results with management and the independent auditors;
- preparing the audit committee report that the SEC requires in our annual proxy statement; and
- reviewing annually the audit committee charter and the committee s performance.

Compensation Committee

Our compensation committee reviews and recommends policies relating to the compensation and benefits of our officers and employees and each committee member meets the definition of outside directors under Section 162(m) of the Internal Revenue Code of 1986, as amended and also qualifies as a non-employee director for purposes of Rule 16b-3 under the Exchange Act.

Members (all independent)

Bruce W. Dunlevie (Chair)

Thomas F. Mendoza

Our compensation committee operates under a written charter approved by the board of directors. The charter is available on our website at *www.servicesource.com* in the Corporate Governance section of our investor relations webpage.

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Our compensation committee is responsible for, among other things:

- overseeing our compensation policies, plans and benefit programs, including the approval of stock grants;
- reviewing and approving for our executive officers: the annual base salary, the annual incentive bonus, including the specific goals and amount, equity compensation, employment agreements, severance arrangements and change of control arrangements and any other benefits, compensation or arrangements;
- preparing the compensation committee report that the SEC requires to be included in our annual proxy statement;
- administering, reviewing and making recommendations with respect to our equity compensation plans; and
- reviewing annually the compensation committee charter and the committee s performance.

See *Compensation of Non-Employee Directors* and *Executive Compensation* for a description of our processes and procedures for the consideration and determination of director and executive compensation.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee oversees and assists our board of directors in reviewing and recommending nominees for election as directors.

Members (all independent)

Robert G. Ashe (Chair)

Thomas F. Mendoza

Madhu Ranganathan

Our nominating and corporate governance committee operates under a written charter approved by the board of directors. The charter is available on our website at *www.servicesource.com* in the Corporate Governance section of our investor relations webpage.

Our nominating and corporate governance committee is responsible for, among other things:

- evaluating and making recommendations regarding the organization and governance of our board of directors and its committees;

- establishing procedures for the submission of candidates for election to our board of directors (including recommendations by stockholders of the Company);
- establishing procedures for identifying and evaluating nominees for director;
- creating a succession plan in the event of key executive departures;
- assessing the performance of members of our board of directors and making recommendations regarding committee and chair assignments; and
- recommending desired qualifications for board membership and conducting searches for potential board members.

2018 Board Meetings

During 2018, our board of directors met nine times. Each of our incumbent directors attended or participated in at least 75% of the aggregate of (i) the total number of meetings of our board of directors held during the period for which he or she has been a director and (ii) the total number of meetings held by all committees of our board of directors on which he or she served during the time he or she was a member of such committee in 2018.

Executive Sessions of Independent Directors

Independent members of our board of directors convene executive sessions without the presence of our non-independent directors or members of the Company s management from time to time as deemed necessary or appropriate. Messrs. Moore and Walker do not, and Mr. Carrington did not participate in such sessions in 2018 during the period in which each of them served as executive officers of the Company.

Compensation Committee Interlocks and Insider Participation

Messrs. Dunlevie, Mendoza, Moore, Reynolds, and Walker served as members of our compensation committee during 2018. Messrs. Moore and Walker resigned from the compensation committee upon becoming executive officers of the Company. None of the members of our compensation committee is, or was during 2018, an officer or employee of ours. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Code of Business Conduct and Ethics

We are committed to the highest standards of integrity and ethics in the way we conduct our business. Accordingly, we adopted a Code of Business Conduct and Ethics that applies to our board of directors, officers and employees, including our Chief Executive Officer, Chief Financial Officer and other principal executive and senior financial officers. Our Code of Business Conduct and Ethics establishes our policies and expectations with respect to a wide range of business conduct, including preparation and maintenance of financial and accounting information, compliance with laws and conflicts of interest.

Under our Code of Business Conduct and Ethics, each of our employees, officers and directors is required to report suspected or actual violations to the extent permitted by law. In addition, we have adopted separate procedures concerning the receipt and investigation of complaints relating to accounting or audit matters. These procedures have been adopted and are administered by our audit committee.

Our Code of Business Conduct and Ethics is available on our website at *www.servicesource.com* in the Corporate Governance section of our investor relations webpage. We will disclose on our website any amendments to the Code of Business Conduct and Ethics, as well as any waivers of the Code of Business Conduct and Ethics, that are required to be disclosed by the rules of the SEC or NASDAQ.

Considerations in Identifying and Evaluating Director Nominees

In its evaluation of director candidates, including the members of the board of directors eligible for re-election, our nominating and corporate governance committee will consider the following:

- the current size and composition of our board of directors and the needs of the board of directors and its respective committees;
- factors such as character, integrity, judgment, age, independence, skills, education, expertise, business acumen, business experience, length of service, understanding of our business and other commitments and the like, without assigning any particular weighting or priority to any of these factors;

- diversity of skills, backgrounds, experience, age, gender, sexual orientation and identification, cultural and ethnic composition of the board of directors and the candidate, and historically under-represented groups that are most appropriate to the Company s long-term business needs; and
- other factors that our nominating and corporate governance committee may consider appropriate.

Our nominating and corporate governance committee requires the following minimum qualifications to be satisfied by any nominee for a position on the board of directors:

- the highest personal and professional ethics and integrity;
- proven achievement and competence in the nominee s field and the ability to exercise sound business judgment;
- skills that are complementary to those of the existing board of directors;
- the ability to assist and support management and make significant contributions to our success; and
- an understanding of the fiduciary responsibilities that are required of a member of the board of directors and the commitment of time and energy necessary to diligently carry out those responsibilities.

If our nominating and corporate governance committee determines that an additional or replacement director is required, the nominating and corporate governance committee may take such measures as it considers appropriate in connection with its evaluation of a director candidate, including candidate interviews, inquiry of the person or persons making the recommendation or nomination, engagement of an outside search firm to gather additional information, or reliance on the knowledge of the members of the nominating and corporate governance committee, board of directors or management.

Process for Recommending Candidates to the Board of Directors

Our nominating and corporate governance committee is responsible for, among other things, determining the criteria for membership to our board of directors and recommending candidates for election to the board of directors.

It is our nominating and corporate governance committee s policy to consider candidates recommended by such stockholders in the same manner as candidates recommended to the committee from other sources. See *Shareholder Proposals Director Candidate Recommendations and Director Candidate Nominations*.

Director Attendance at Annual Meetings

Although we do not have a formal policy regarding attendance by members of our board of directors at annual meetings of stockholders, we encourage, but do not require, directors to attend. The 2018 annual meeting of Stockholders was attended by Messrs. Moore and Carrington.

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COMPENSATION OF NON-EMPLOYEE DIRECTORS

COMPENSATION OF NON-EMPLOYEE DIRECTORS

The Compensation Committee is currently evaluating our director compensation program.

Under our current program, our non-employee directors receive the following cash compensation for board service:

	Cash Compensation
Non-Employee Directors	$20,000 Annual Cash Retainer
Lead Independent Director	
Audit or Compensation Committees	$25,000 annual Chairmanship retainer; $17,500 annual membership retainer
Nominating and Governance Committee	$10,000 annual Chairmanship retainer; $7,500 annual membership retainer

In addition, we reimburse non-employee directors for travel, lodging, and other reasonable expenses incurred in connection with their attendance at board or committee meetings.

In May 2018, pursuant to our then-current non-employee director compensation program, we granted 35,366 restricted stock units (RSUs) to each of our non-employee directors (at that time, Messrs. Ashe, Dunlevie, Mendoza, Moore, Reynolds, and Walker and Ms. Ranganathan). These RSU grants have a one-year vesting schedule, and were calculated based on $135,000 in value based on the 90-day average share price prior to the 2018 annual meeting.

In January 2019, we granted 75,000 RSUs and 25,000 options to purchase our common stock to John Ferron upon his joining the board of directors. These grants each have a two-year vesting schedule.

The 2011 Equity Incentive Plan provides that in the event we merge with or into another corporation or undergo a change of control, as defined in the 2011 Equity Incentive Plan, the successor corporation or its parent or subsidiary may assume or substitute an equivalent award for each outstanding award under the 2011 Equity Incentive Plan. If there is no assumption or substitution of the outstanding award, or if the director is terminated or asked to resign by the successor corporation, then all outstanding but unvested awards will become fully vested and exercisable.

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COMPENSATION OF NON-EMPLOYEE DIRECTORS

2018 Director Compensation

The following table sets forth information regarding compensation paid or accrued for services rendered to us by our non-employee directors during the year ended December 31, 2018. Because Messrs. Moore, Walker, and Carrington served as employee directors during part of 2018, their compensation, including compensation received as non-employee directors, is included in the Executive Compensation section of this proxy statement. See *Summary Compensation Table*.

Name	Fees Earned or Paid in Cash($)	Stock Awards ($)(1)	Total($)
Robert G. Ashe	47,500	141,464(2)	188,964
Bruce W. Dunlevie	26,375	141,464(2)	167,839
Thomas F. Mendoza	45,000	141,464(2)	186,464
Madhu Ranganathan	48,125	141,464(2)	189,589
Barry D. Reynolds(3)	26,250	141,464(2)	167,714

(1) The amount in this column reflects the grant date fair value of the award computed in accordance with FASB ASC Topic 718. The amount does not necessarily correspond to the actual value recognized by the non-employee director. The assumptions used in the valuation of this award are consistent with the valuation methodologies specified in the notes to our consolidated financial statement included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

(2) These amounts are represented by awards of RSUs made on May 16, 2018, all of which vest on May 16, 2019, provided that the applicable director continues to serve on our board of directors as of such vesting date.

(3) Mr. Reynolds resigned from our board of directors in August 2018 and as a result, his unvested restricted stock units were forfeited.

The aggregate number of shares subject to outstanding stock options and restricted stock units at December 31, 2018 for each non-employee director was as follows:

Name (1)	Aggregate Number of Stock Options	Aggregate Number of Stock Awards

	Outstanding as of December 31, 2018	Outstanding as of December 31, 2018
Robert G. Ashe	75,000(2)	35,366(3)
Bruce W. Dunlevie		35,366(3)
Thomas F. Mendoza		35,366(3)
Madhu Ranganathan		99,900(4)
Barry D. Reynolds	(5)	(5)

(1) Because Messrs. Moore and Walker served as employee directors during part of 2018, the aggregate number of shares subject to outstanding stock options and restricted stock units at December 31, 2018 that they received as non-employee directors, is included in the Executive Compensation section of this proxy statement. See *Outstanding Equity Awards at Fiscal Year End*.

(2) Stock options are fully vested and immediately exercisable.

(3) All of the restricted stock units vest on May 16, 2019, provided that the applicable director continues to serve on our board of directors as of such vesting date.

(4) Consists of 35,366 restricted stock units that vest on May 16, 2019, and 64,534 restricted stock units that vest in two equal annual installments on October 9, 2019 and October 9, 2020, provided that Ms. Ranganathan continues to serve on our board of directors as of such vesting dates.

(5) As reported by Mr. Reynolds to the Company as of March 1, 2019.

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PROPOSAL NUMBER 1

PROPOSAL NUMBER 1 Election Of Directors

Board Structure

Our board of directors is currently composed of eight members, who serve one-year terms.

Our bylaws provide for a majority voting standard for the election of directors in uncontested elections. In order for a nominee to be elected in an uncontested election, the number of votes cast for such nominee s election must exceed the number of votes cast against that nominee. Broker non-votes and abstentions will have no effect on the outcome of the election. Our majority voting standard includes a policy that if a director nominee does not receive majority support of the votes cast, his or her resignation will be automatically submitted to the board of directors for their consideration. The board of directors may then, in its discretion, determine whether to accept or reject such resignation.

Information Regarding our Directors

Our nominating and corporate governance committee recommended, and our board of directors nominated, Robert G. Ashe, Bruce W. Dunlevie, John R. Ferron, Thomas F. Mendoza, Gary B. Moore, Madhu Ranganathan and Richard G. Walker as nominees for election as directors at the 2019 annual meeting to hold office for a one-year term until our annual meeting of stockholders to be held in 2020. Mr. Carrington has not been nominated for re-election at our annual meeting.

Messrs. Ashe, Dunlevie, Ferron, Mendoza, Moore and Walker, and Ms. Ranganathan have agreed to serve if elected, and management has no reason to believe that any of the nominees will be unavailable to serve. In the event one of the nominees is unable or declines to serve as a director at the time of the 2019 annual meeting, proxies will be voted for any nominee who may be proposed by the nominating and corporate governance committee and designated by the present board of directors to fill the vacancy.

The following table sets forth the names, ages and positions of our directors as of March 13, 2019:

Robert G. Ashe

Independent Director	*Robert G. Ashe* has served as a member of our board of directors since March 2013. Mr. Ashe was most recently General Manager of Business Analytics at IBM, a position from which he retired in January 2012. Mr. Ashe worked at IBM from 2008 until his retirement. Prior to that, from 2004 to 2008, Mr. Ashe was President, Chief Executive Officer and Director of Cognos, a business intelligence and performance management

Director, ServiceSource International, Inc.

Age: 59

Director since 2013

Nominating & Corporate Governance Committee (Chair)

Audit Committee

company. He worked at Cognos from 1984 until 2008 when Cognos was acquired by IBM, holding various executive positions, including Chief Financial Officer. He currently serves on the boards of directors of MSCI Inc. (NYSE: MSCI), a provider of investment decision support tools and Shopify Inc. (NYSE: SHOP), an eCommerce company. Mr. Ashe also served on the board of directors of Halogen Software, Inc. (TSX: HGN) until May 2017, when it was acquired by Saba Software, Inc. Mr. Ashe is also a Chartered Accountant in Canada.

Board Skills and Qualifications

We believe that Mr. Ashe possesses specific attributes that qualify him to serve on our board of directors. In particular, he is an industry veteran with extensive experience in the technology sector and has intimate knowledge of how to grow innovative and market-leading businesses. Mr. Ashe also brings valuable operational expertise as the former chief executive officer and chief financial officer of a successful technology company. His experience as an accountant and as a chief financial officer of a public company contribute to the board of directors determination that he is Financially Sophisticated under NASDAQ rules and qualifies Mr. Ashe to serve as a member of our audit committee.

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PROPOSAL NUMBER 1

Christopher M. Carrington

Director

Director, ServiceSource International, Inc.

Age: 57

Director since 2014

Christopher M. Carrington has served as member of our board of directors since December 2014. Mr. Carrington also served as our Chief Executive Officer from December 2014 to December 2018. Prior to joining us, Mr. Carrington served as Executive Vice President, Global Delivery, at Sykes Enterprises Incorporated, a business process outsourcing services and IT-enabled services company, from September 2012 to June 2014. From July 2006 to September 2012, Mr. Carrington served as President, Chief Executive Officer and a director of Alpine Access, Inc., a privately held company, which was acquired by Sykes Enterprises Incorporated in August 2012.

Board Skills and Qualifications

We believe that Mr. Carrington possesses specific attributes that qualify him to serve as a member of our board of directors, including his substantial operational and business strategy expertise gained from serving as an executive officer in the technology and services industries.

Bruce W. Dunlevie

Lead Independent Director

General Partner, Benchmark Capital

Age: 62

Director since 2004

Bruce W. Dunlevie has served as a member of our board of directors since December 2004. Since May 1995, Mr. Dunlevie has been a General Partner of Benchmark Capital, a venture capital firm. He previously served as a member of the board of directors of Marin Software Incorporated (NYSE: MRIN), an online advertising management company from March 2008 until February 2017, and also served as a member of the board of directors of Rambus Inc. (NASDAQ: RMBS), a technology licensing company, from March 1990 to June 2011.

Board Skills and Qualifications

We believe that Mr. Dunlevie possesses specific attributes that qualify him to serve as a member of our board of directors. In particular, Mr. Dunlevie is a longstanding member of our board of directors with a deep understanding of our business and our customer

Compensation Committee (Chair)	base, and he has extensive experience as an investor in technology companies on behalf of Benchmark Capital. Mr. Dunlevie brings the experience of having served on the board of several other technology companies. In addition, his professional network has given us access to numerous prospective customers.

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PROPOSAL NUMBER 1

John R. Ferron

Independent Director

Chief Executive Officer, Resolve Systems

Age: 54

Director since 2019

Audit Committee

John R. Ferron joined our board of directors in January 2019. He is an executive leader, board member, and operating advisor with more than 30 years of experience in the technology industry, including IT and security-related infrastructure software, semiconductors, computing and storage, and video conferencing. Mr. Ferron has served as Chief Executive Officer and board member since July 2018 for Resolve Systems, an enterprise-wide automation and orchestration platform for IT, network and security incident resolution and a portfolio company of Insight Venture Partners. Previous to Resolve, Mr. Ferron spent more than a decade as an operating advisor with Clearlake Capital Group, L.P., a leading private investment firm, where he served as an executive for several Clearlake portfolio companies, including serving from February 2017 to June 2018 as Executive Chairman at Ivanti, an IT service management software vendor formed by the $1.6 billion merger of LANDesk and Heat Software, where Ferron served as Chief Executive Officer from January 2016 to February 2018. Mr. Ferron also served from October 2014 to January 2016 as President and Chief Executive Officer at NetMotion Software, a Clearlake mobile performance management software vendor that was sold to Carlyle Group in 2016. From April 2008 to September 2014, he served as President and Chief Executive Officer of Purple Communications, a leading technology-enabled professional interpreting and communication assistance services provider formed by the merger of five companies under Mr. Ferron s leadership. Earlier in his career, he spent more than 15 years in senior finance leadership roles at companies including Kinetics Holding Corporation, Compaq Computer, and Science Applications International Corporation. In addition to ServiceSource, Mr. Ferron also serves on the board of directors for Resolve Systems, Ivanti, and Provation Medical. He holds a Master of Science in Tax and Financial Planning from San Diego State University and a Bachelor of Science in Business Management from Northern Arizona University.

Board Skills and Qualifications

We believe that Mr. Ferron possesses specific attributes that qualify him to serve as a member of our board of directors. In particular, Mr. Ferron has experience as Chief Executive Officer, and he has extensive experience running technology service companies on behalf of Clearlake Capital Group. Mr. Ferron also has experience in mergers and acquisitions at several other technology companies which experiences contribute to the board of directors determination that he is Financially Sophisticated under NASDAQ rules.

Thomas F. Mendoza

Independent Director

Vice Chairman of NetApp, Inc.

Age: 68

Director since 2011

Compensation Committee

Nominating & Corporate Governance Committee

Thomas F. Mendoza has served as a member of our board of directors since March 2011. Since March 2008, Mr. Mendoza has served as vice chairman of NetApp, Inc., a storage and data management solutions provider. From October 2000 to March 2008, Mr. Mendoza served as president of NetApp, Inc. Prior to October 2000, he served in various capacities at NetApp, Inc., including senior vice president, worldwide sales and marketing, senior vice president, worldwide sales and vice president, North American sales. He has also served as a member of the board of directors of Varonis Systems, Inc. (NASDAQ: VRNS), a data software provider, since June 2015. Mr. Mendoza has also served as a director of many other technology companies.

Board Skills and Qualifications

We believe that Mr. Mendoza has specific attributes that qualify him to serve as a member of our board of directors, including a strong mix of operational experience and deep understanding of the technology industry that adds to our board of directors collective level of expertise, skill and qualifications. In particular, he brings to our board of directors over thirty years of operational experience he gained from holding various executive positions at technology companies, including a publicly traded company. Mr. Mendoza also brings an important customer perspective to our board of directors as the vice chairman of one of our largest customers.

Gary B. Moore

Chairman and Chief Executive Officer, ServiceSource International, Inc.

Age: 69

Director since 2016

Gary B. Moore has served as our Chief Executive Officer since December 2018, as the Executive Chairman of our board of directors since November 2018, and as a member of our board of directors since November 2016. He served from October 2012 to June 2015 as President and COO of Cisco Systems, Inc., a global leader in networking and connectivity with more than $49 billion revenue and over 70,000 employees across more than 400 offices worldwide. Prior to his promotion to this role, Moore was named the first COO in Cisco s history in 2011, and joined Cisco in 2001 as Senior Vice President of the Advanced Services Division and ultimately went on to lead Cisco Global Services. Prior to joining Cisco, Moore was President and CEO of Netigy, a network consulting business. Moore began his career in 1973 at Electronic Data Systems (EDS) where he held a number of executive roles over a 26-year career. Additionally, Moore was a member of EDS s Global Operations Council where he was responsible for multiple business units, including manufacturing, retail and distribution customers globally. Moore also led the formation of EDS s joint venture with Hitachi Limited, Hitachi Data Systems, and served as its President and CEO during its initial three years of operations. Moore is a part-time Executive in Residence at The Ohio State University Fisher College of Business (OSU), working in the areas of Operational Excellence, Cyber Security and Mid-Market studies but he has not taught at OSU since becoming our Chief Executive Officer. In addition to our board of directors, Moore also serves on the board for Finjan Holdings, Inc. (NASDAQ: FNJN) and on KLA-Tencor Corporation s (NASDAQ: KLAC) board as a member of the compensation committee. His past board involvement includes VCE, the Smithsonian Institution, Unigraphics Solutions, A.T. Kearney, Japan Systems Limited and Hitachi Data Systems. Moore s experience also includes a four-year tour of duty with the U.S. Army.

Board Skills and Qualifications

We believe that Mr. Moore possesses several unique attributes that qualify him to serve as a member of our board of directors, including his leadership experience with one of our largest customers as well as his years of experience with business process outsourcing and IT-enabled services companies, which provide unique insights into our business and overall market trends. In addition, Mr. Moore s financial and accounting expertise qualified him to serve as a member of our audit committee during 2018 prior to his appointment as our Chief Executive Officer.

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PROPOSAL NUMBER 1

Madhu Ranganathan

Independent Director

Chief Financial Officer and Executive Vice President, OpenText Corporation

Age: 54

Director since 2017

Audit Committee (Chair)

Nominating & Corporate Governance Committee

Madhu Ranganathan has served as a member of our board of directors since October 2017. Since April 2018, she has served as the Chief Financial Officer and Executive Vice President of OpenText Corporation (NASDAQ: OTEX, TSX: OTEX), a leading enterprise information management company. Through March 2018, Ms. Ranganathan served as the Global Chief Financial Officer of [24]7, a software and services company that uses artificial intelligence and machine learning to dramatically improve customer experiences. Prior to joining [24]7 in 2008, Ms. Ranganathan held executive leadership roles including serving as Chief Financial Officer of Rackable Systems, a server and storage company, which merged with Silicon Graphics International Corp. (NASDAQ: SGI) and is now part of Hewlett Packard Enterprises. Prior to Rackable, she served as Vice President and Corporate Controller at Redback Networks (now part of Ericsson), an advanced networking equipment company. Ms. Ranganathan also led finance operations at emerging growth companies, Jamcracker, a services platform, and BackWeb Technologies, an e-Business software provider, including during its successful IPO. Earlier in her career, she was in public accounting with PriceWaterhouse Coopers LLP. Ms. Ranganathan currently serves on the board of directors of Watermark. She is a Chartered Accountant from India, Certified Public Accountant in California and holds an M.B.A. in Finance from the University of Massachusetts.

Board Skills and Qualifications

We believe that Ms. Ranganathan possesses specific attributes that qualify her to serve as a member of our board of directors. In particular, she brings over 20 years of financial, operational and business strength, along with Big 4 public accounting experience to the Company, which contribute to the board of directors determination that she is an Audit Committee Expert under SEC rules and Financially Sophisticated under NASDAQ rules, and qualifies Ms. Ranganathan to serve as a member of our audit committee. She also brings deep financial and operational expertise to our board of directors.

Richard G. Walker

Chief Financial Officer, ServiceSource International, Inc. **Age:** 55 **Director since** 2017	*Richard G. Walker* has served as our Chief Financial Officer since November 2018 and as a member of our board of directors since October 2017. In October 2016, he founded The Bison Group, LLC, a private partnership formed to identify and pursue acquisition opportunities in the information services category. Prior to founding The Bison Group, from April 2015 to December 2015, Mr. Walker was Executive Vice President Strategy and Corporate Development for Ascent Capital Group, Inc. (NASDAQ: ASCMA). From December 2013 to December 2016, he served as a Director and Chairman of the Board of Trusted Media Brands, Inc. (formerly known as Readers Digest Association), where he supported a new Chief Executive Officer and executive leadership team in executing a successful three-year turnaround. Previous to Ascent, from 2006 to February 2014, Mr. Walker served as a core member of the executive leadership team at IHS (now IHS Markit Ltd. (NASDAQ: INFO)), where he was instrumental in driving the strategic direction, operational execution, and organic and acquisition-related growth of the business, including in roles as Executive Vice President and Chief Financial Officer and then as Executive Vice President of Global Finance. He is a member of the boards of directors of the Presidents Leadership Class at the University of Colorado, the Capuchin-Franciscans, and Cherry Hills Country Club. Mr. Walker holds a B.A. in Business Accounting from the University of Colorado at Boulder and began his career as a Certified Public Accountant with Arthur Andersen. He also obtained his M.B.A. from the University of Denver Daniels College of Business. **Board Skills and Qualifications** We believe that Mr. Walker possesses specific attributes that qualify him to serve as a member of our board of directors. His years of experience in finance, strategy and operational execution and in his board leadership position provide Mr. Walker with a unique perspective on our business and competitive opportunities.

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Required Vote

If a quorum is present, our directors will each be elected by a vote of the majority of the votes cast. A majority of the votes cast means the number of votes cast FOR such nominee s election exceeds 50% of the number of votes cast with respect to that nominee s election.

You may vote FOR, AGAINST, or ABSTAIN with respect to each director nominee. Broker non-votes and abstentions will have no effect on the outcome of the election, although they will be counted for purposes of determining whether there is a quorum. Shares represented by executed proxies will be voted, if authority to do so is not expressly withheld (as indicated on the proxy card), for the election of Messrs. Ashe, Dunlevie, Ferron, Mendoza, Moore, and Walker and Ms. Ranganathan.

Recommendation

Our board of directors recommends a vote ***FOR*** the election to the board of directors of ***each of Robert G. Ashe, Bruce W. Dunlevie, John R. Ferron, Thomas F. Mendoza, Gary B. Moore, Madhu Ranganathan, and Richard G. Walker*** as director.

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PROPOSAL NUMBER 2

PROPOSAL NUMBER 2 Vote to Authorize the Board of Directors, in its Discretion, to Amend Our Certificate of Incorporation to Effect a Reverse Stock Split in a Ratio of Not Less Than One-for-Four and Not More than One-for-Six, to be Determined by the Board of Directors

Background

On February 27, 2019, our board of directors unanimously approved, and recommended that our stockholders approve, a proposal to authorize the board of directors, in its discretion, to amend our Certificate of Incorporation, as amended (the Certificate Amendment) to effect a reverse stock split at a ratio of not less than one-for-four and not more than one-for-six, with the exact ratio to be set within this range by our board of directors in its sole discretion (the Reverse Stock Split). The final decision of whether to proceed with the Reverse Stock Split and the effective time of the Reverse Stock Split is to be determined by the board of directors, in its sole discretion.

If the stockholders approve the Reverse Stock Split, and the board of directors decides to implement it, the Reverse Stock Split will become effective as of a date and time to be determined by the board of directors that will be specified in the Certificate Amendment (the Effective Time). If the board of directors does not decide to implement the Reverse Stock Split within twelve months from the date of the annual meeting, the authority granted in this proposal to implement the Reverse Stock Split will terminate.

The Reverse Stock Split will be realized simultaneously for all outstanding common stock. The Reverse Stock Split will affect all holders of common stock uniformly and each stockholder will hold the same percentage of common stock outstanding immediately following the Reverse Stock Split as that stockholder held immediately prior to the Reverse Stock Split, except for minor changes that may result from the treatment of fractional shares, as described below. The Reverse Stock Split will not change the par value of our common stock and will not reduce the number of authorized shares of common stock. Outstanding shares of common stock resulting from the Reverse Stock Split will remain fully paid and non-assessable.

The text of the proposed Certificate Amendment to effect the Reverse Stock Split is included as Appendix A to this proxy statement. Any amendment to our Certificate of Incorporation to effect the Reverse Stock Split will include the Reverse Stock Split ratio fixed by our board of directors, within the range approved by our stockholders.

Criteria to Be Used for Decision to Proceed with the Reverse Stock Split

If our stockholders approve the Reverse Stock Split, our board of directors will be authorized to proceed with the Reverse Stock Split. The exact ratio of the Reverse Stock Split, within the one-for-four to one-for-six range, would be determined by our board of directors, in its sole discretion, and publicly announced by us prior to the Effective Time. In determining whether to proceed with the Reverse Stock Split and setting the appropriate ratio for the Reverse Stock Split, our board of directors will consider, among other things, factors such as:

NASDAQ s minimum price per share requirements;

the historical trading prices and trading volume of our common stock;

the number of shares of our common stock outstanding;

the then-prevailing and expected trading prices and trading volume of our common stock and the anticipated impact of the Reverse Stock Split on the trading market for our common stock;

the anticipated impact of a particular ratio on our ability to reduce administrative and transactional costs;

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PROPOSAL NUMBER 2

business developments affecting us; and

prevailing general market and economic conditions.

Reasons for the Reverse Stock Split

The board of directors believes that the increased market price of the common stock expected as a result of implementing the Reverse Stock Split could improve the marketability and liquidity of our common stock and will encourage interest and trading in our common stock, and, importantly, would enable the common stock to continue to be listed on the NASDAQ Global Select Market, the listing rules of which require that the minimum bid price for our common stock equal or exceed $1.00 per share. The Reverse Stock Split could allow a broader range of institutions to invest in our common stock, potentially increasing trading volume and liquidity of our common stock. The Reverse Stock Split could also help increase analyst and broker interest in our common stock as their policies can discourage them from following or recommending companies with low stock prices.

The board of directors (or any authorized committee of the board of directors) reserves the right to elect to abandon the Reverse Stock Split, notwithstanding stockholder approval, if it determines, in its sole discretion, that the Reverse Stock Split is no longer in the best interests of the Company.

Procedure for Effecting Reverse Stock Split

If the Reverse Stock Split is approved by the Company s stockholders, and if at such time the board of directors still believes that a Reverse Stock Split is in the best interests of the Company and its stockholders, the board of directors will determine the exact timing of the filing of the Certificate Amendment. We will then file the Certificate Amendment, the form of which is attached hereto as Appendix A, with the Secretary of State of the State of Delaware to effect the Reverse Stock Split. The text of the Certificate of Amendment is subject to modification to include such changes as may be required by the office of the Secretary of State of the State of Delaware and as the board of directors deems necessary and advisable to effect the Reverse Stock Split.

All shares of our common stock that were issued and outstanding immediately prior to the Effective Time would automatically be converted into new shares of our common stock based on the Reverse Stock Split ratio by reclassifying and combining all of our outstanding shares of common stock into a proportionately smaller number of shares. For example, if the board of directors decides to implement a one-for-six Reverse Stock Split of common stock, then a stockholder holding 6,000 shares of common stock before the Reverse Stock Split would instead hold 1,000 shares of common stock immediately after the reverse stock split . If the board of directors does not decide to implement the Reverse Stock Split within twelve months from the date of the annual meeting, the authority granted in this proposal to implement the Reverse Stock Split will terminate.

As soon as practicable after the Effective Time of the Reverse Stock Split, stockholders of record at the Effective Time would receive a letter from our transfer agent asking them to return the outstanding certificates representing pre-split shares of common stock, which would be cancelled upon receipt by our transfer agent, and new certificates representing the post-split shares of common stock would be sent to each of our stockholders. We will bear the costs of the issuance of the new stock certificates. Stockholders who hold uncertificated shares, either as direct or beneficial owners, will have their holdings electronically adjusted by the Company s transfer agent (and, for beneficial owners, by their brokers or banks that hold in street name for their benefit, as the case may be) to give effect to the Reverse Stock Split. Stockholders who hold uncertificated shares as direct owners will be sent a statement of holding from the Company s transfer agent that indicates the number of shares owned in book-entry form.

Beginning after the effectiveness of the Reverse Stock Split, each certificate representing shares of pre-split common stock will be deemed for all corporate purposes to evidence ownership of post-split common stock.

STOCKHOLDERS SHOULD NOT DESTROY ANY STOCK CERTIFICATES AND SHOULD NOT SUBMIT THEIR STOCK CERTIFICATES UNTIL THEY RECEIVE A TRANSMITTAL FORM FROM OUR TRANSFER AGENT.

Principal Effects of the Reverse Stock Split

If the Reverse Stock Split is approved and our board of directors elects to effect the Reverse Stock Split, the number of outstanding shares of common stock will be reduced in proportion to the ratio of the Reverse Stock Split chosen by our board of directors.

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PROPOSAL NUMBER 2

Common Stock

With the exception of the number of shares issued and outstanding and any adjustment that may occur due to the provisions for the treatment of fractional shares, the rights and preferences of outstanding shares of common stock prior and subsequent to the Reverse Stock Split would remain the same. Holders of the Company s common stock would continue to have no preemptive rights. Following the Reverse Stock Split, each full share of the Company s common stock resulting from the Reverse Stock Split would entitle the holder thereof to one vote per share and would otherwise be identical to the shares of our common stock immediately prior to the Reverse Stock Split. Following the Reverse Stock Split, our common stock will continue to be listed on The Nasdaq Global Select Market, under the symbol SREV, although it would receive a new CUSIP number.

The table below shows the possible Reverse Stock Split ratios, together with the implied number of issued and outstanding shares of common stock resulting from a Reverse Stock Split in accordance with such ratio and the effects on our remaining authorized shares of common stock , for illustrative purposes, based on 93,038,726 shares of our common stock issued and outstanding as of March 13, 2019.

		After Reverse Stock Split		
	Before Reverse Stock Split	1-for-4	1-for-5	1-for-6
Common Stock Authorized	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Common Stock Outstanding	93,038,726	23,259,682	18,607,745	15,506,454
Treasury Stock Outstanding	121,000	30,250	24,200	20,167
Common Stock Underlying Options and Warrants	9,416,457	2,354,114	1,883,291	1,569,410
Common Stock Available for Grant under Company Stock Plans	19,600,525	4,900,131	3,920,105	3,266,754
Total Common Stock Authorized but Unreserved	897,423,817	974,355,954	979,484,764	982,903,969

As reflected in the table above, the Reverse Stock Split will have the effect of significantly increasing the number of authorized but unissued shares of common stock in proportion to the number of outstanding shares of common stock. The number of authorized shares of common stock will not be decreased and will remain at 1,000,000,000. Because the number of outstanding shares will be reduced as a result of the Reverse Stock Split, the number of shares available for issuance will be increased. These shares may be used by us for various purposes in the future without further stockholder approval (subject to NASDAQ listing rules), including, among other things, financings, strategic partnering arrangements or the acquisitions of assets or businesses, although we currently have no specific plans, arrangements or understandings, whether written or oral, with respect to the increase in shares available for issuance as a result of the Reverse Stock Split.

Effects of the Reverse Stock Split on 2011 Equity Incentive Plan and Outstanding Equity Awards

If the Reverse Stock Split is implemented, the number and type of shares subject to the 2011 Equity Incentive Plan and outstanding awards and/or unexercised options exercisable for shares of common stock shall be adjusted by the Compensation Committee of the board of directors.

Accounting Matters

As a result of the Reverse Stock Split, the stated capital on the Company s balance sheet attributable to the common stock, which consists of the par value per share of the common stock multiplied by the aggregate number of shares of common stock issued and outstanding, will be reduced in proportion to the size of the Reverse Stock Split. Correspondingly, the Company s additional paid-in capital account, which consists of the difference between the Company s stated capital and the aggregate amount paid to the Company upon issuance of all currently outstanding shares of the common stock, will be credited with the amount by which the stated capital is reduced.

Fractional Shares

No fractional shares will be issued in connection with the Reverse Stock Split. Instead, the Company will issue one full share of the post-Reverse Stock Split common stock to any stockholder who would have been entitled

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to receive a fractional share of common stock as a result of the Reverse Stock Split. Each holder of common stock will hold the same percentage of the outstanding common stock immediately following the Reverse Stock Split as that stockholder did immediately prior to the Reverse Stock Split, except for minor adjustments due to the additional net share fraction that will need to be issued as a result of the treatment of fractional shares.

Risks Associated with the Reverse Stock Split

Before voting on this proposal, you should consider the following risks associated with the implementation of the Reverse Stock Split.

The Reverse Stock Split may result in or contribute towards an ownership change under Section 382 of the Code.

If the Company were to undergo an ownership change under Section 382 of the Code, the Company s ability to use its net operating loss carryovers incurred prior to the ownership change against income arising after the ownership change will be significantly limited. In general, an ownership change under Section 382 of the Code occurs with respect to the Company if, over a rolling three-year period, the Company s 5-percent shareholders increase their aggregate stock ownership by more than 50 percentage points over their lowest stock ownership during the rolling three-year period. Although we do not expect the Reverse Stock Split to result in an ownership change with respect to the Company, because we do not know the number of Company stockholders that may become 5-percent shareholders as a result of the Reverse Stock Split, it is uncertain at this time whether the Reverse Stock Split will result in an ownership change or the extent to which the Reverse Stock Split may contribute towards an ownership change over the rolling three year period following the Reverse Stock Split.

The Reverse Stock Split could result in a significant devaluation of the Company s market capitalization and the trading price of the common stock.

Although we expect that the Reverse Stock Split will result in an increase in the market price of the common stock, we cannot assure you that the Reverse Stock Split, if implemented, will increase the market price of the common stock in proportion to the reduction in the number of shares of the common stock outstanding or result in a permanent increase in the market price. Accordingly, the total market capitalization of the common stock after the Reverse Stock Split may be lower than the total market capitalization before the Reverse Stock Split and, in the future, the market price of the common stock following the Reverse Stock Split may not exceed or remain higher than the market price prior to the Reverse Stock Split.

The effect the Reverse Stock Split may have upon the market price of the common stock cannot be predicted with any certainty. The market price of the common stock is dependent on many factors, including our business and financial performance, general market conditions, prospects for future success and other factors detailed from time to time in the reports we file with the SEC.

The Reverse Stock Split may result in some stockholders owning odd lots that may be more difficult to sell or require greater transaction costs per share to sell.

The Reverse Stock Split may result in some stockholders owning odd lots of less than 100 shares of common stock on a post-split basis. These odd lots may be more difficult to sell, or require greater transaction costs per share to sell, than shares in round lots of even multiples of 100 shares.

The Reverse Stock Split may not generate additional investor interest.

While the board of directors believes that a higher stock price may help generate investor interest, there can be no assurance that the Reverse Stock Split will result in a per share price that will attract institutional investors or investment funds or that such share price will satisfy the investing guidelines of institutional investors or investment funds. As a result, the trading liquidity of the common stock may not necessarily improve.

The reduced number of issued shares of common stock resulting from a Reverse Stock Split could adversely affect the liquidity of the common stock.

Although the board of directors believes that the decrease in the number of shares of common stock outstanding as a consequence of the Reverse Stock Split and the anticipated increase in the market price of common stock could encourage interest in the common stock and possibly promote greater liquidity for our stockholders, such liquidity could also be adversely affected by the reduced number of shares outstanding after the Reverse Stock Split.

Anti-Takeover and Dilutive Effects

The purpose of maintaining our authorized common stock at 1,000,000,000 after the Reverse Stock Split is not to establish any barriers to a change of control or acquisition of the Company; rather, shares of common stock that are authorized but unissued provide the Board with flexibility to effect, among other transactions, public or private financings, mergers, acquisitions, stock dividends, stock splits and the granting of equity incentive awards. However, these authorized but unissued shares may also be used by the Board, consistent with and subject to its fiduciary duties, to deter future attempts to gain control of us or make such actions more expensive and less desirable. The Certificate Amendment would give the Board authority to issue additional shares from time to time without delay or further action by the stockholders except as may be required by applicable law or NASDAQ rules. The Certificate Amendment is not being recommended in response to any specific effort of which the Company is aware to obtain control of the Company, nor does the Board have any present intent to use the authorized but unissued common stock to impede a takeover attempt. There are no plans or proposals to adopt other provisions or enter into any arrangements that have material anti-takeover effects.

In addition, the issuance of additional shares of common stock for any of the corporate purposes listed above could have a dilutive effect on earnings per share and the book or market value of the outstanding common stock, depending on the circumstances, and would likely dilute a stockholder s percentage voting power in the Company. Holders of common stock are not entitled to preemptive rights or other protections against dilution. The Board intends to take these factors into account before authorizing any new issuance of shares.

No Going Private Transaction

The board of directors does not intend for this transaction to be the first step in a going private transaction within the meaning of Rule 13e-3 of the Exchange Act. The Company has no plan at the date of this proxy statement to take itself private.

Material United States Federal Income Tax Consequences of the Reverse Stock Split

The following discussion is a summary of the material U.S. federal income tax consequences of the Reverse Stock Split to us and to U.S. Holders (as defined below) that hold shares of our common stock as capital assets (i.e., for investment) for U.S. federal income tax purposes. This discussion is based upon current U.S. tax law, which is subject to change, possibly with retroactive effect, and differing interpretations. Any such change may cause the U.S. federal income tax consequences of the Reverse Stock Split to vary substantially from the consequences summarized below.

We have not sought and will not seek any rulings from the Internal Revenue Service (the IRS) regarding the matters discussed below and there can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the Reverse Stock Split.

For purposes of this discussion, a U.S. Holder is a beneficial owner of our common stock that, for U.S. federal income tax purposes, is or is treated as (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or any other entity or arrangement treated as a corporation) created or organized under the laws of the United States, any state thereof, or the District of Columbia; (iii) an estate, the income of which is subject to U.S. federal income tax regardless of its source; or (iv) a trust if (1) its administration is subject to the primary supervision of a court within the United States and all of its substantial decisions are subject to the control of one or more United States persons (within the meaning of Section 7701(a)(30) of the Code, or (2) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

This summary does not address all aspects of U.S. federal income taxation that may be relevant to U.S. Holders in light of their particular circumstances or to stockholders who may be subject to special tax treatment under the Code, including, without limitation, dealers in securities, commodities or foreign currency, persons who are treated as non-U.S. persons for U.S. federal income tax purposes, certain former citizens or long-term residents of the United States, insurance companies, tax-exempt organizations, banks, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, retirement plans, persons whose functional currency is not the U.S. dollar, traders that mark-to-market their securities or persons who hold their shares of our common stock as part of a hedge, straddle, conversion or other risk reduction transaction. If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) is the beneficial owner of our common stock, the U.S. federal income tax treatment of the partnership (or other entity treated as a partnership) and a partner in the partnership will generally depend on the status of the partner and the activities of such partnership. Accordingly, partnerships (and other entities treated as partnerships for U.S. federal income tax purposes) holding our common stock and the partners in such entities should consult their own tax advisors regarding the U.S. federal income tax consequences of the Reverse Stock Split to them.

The state and local tax consequences, alternative minimum tax consequences, non-U.S. tax consequences and U.S. estate and gift tax consequences of the Reverse Stock Split are not discussed herein and may vary as to each U.S. Holder. Furthermore, the following discussion does not address any tax consequences of transactions effectuated before, after or at the same time as the Reverse Stock Split, whether or not they are in connection with the Reverse Stock Split. This discussion should not be considered as tax or investment advice, and the tax consequences of the Reverse Stock Split may not be the same for all stockholders. U.S. Holders should consult their own tax advisors to understand their individual federal, state, local, and foreign tax consequences.

Tax Consequences to the Company

We believe that the Reverse Stock Split should constitute a reorganization under Section 368(a)(1)(E) of the Code. Accordingly, we should not recognize taxable income, gain or loss in connection with the Reverse Stock Split.

Tax Consequences to U.S. Holders

Subject to the discussion below regarding the receipt of a fractional share, a U.S. Holder generally should not recognize gain or loss as a result of the Reverse Stock Split for U.S. federal income tax purposes. A U.S. Holder s aggregate adjusted tax basis in the shares of our common stock received pursuant to the Reverse Stock Split should equal the aggregate adjusted tax basis of the shares of our common stock exchanged therefor (increased by the amount of gain or income recognized, if any, attributable to the rounding up of a fractional share, as discussed below). The U.S. Holder s holding period in the shares of our common stock received pursuant to the Reverse Stock Split should include the holding period in the shares of our common stock exchanged therefor (except with respect to any fractional share of our common stock received, as discussed below). U.S. Treasury Regulations provide detailed rules for allocating the tax basis and holding period of shares of common stock surrendered in a recapitalization to shares received in such recapitalization. A U.S. Holder that acquired shares of our common stock on different dates and at different prices should consult their tax advisors regarding the allocation of the tax basis and holding period from shares of common stock surrendered in the Reverse Stock Split to shares received in the Reverse Stock Split.

Each fractional share issued pursuant to the Reverse Stock Split that is attributable to the rounding up of fractional shares to the nearest whole number of shares may be treated for U.S. federal income tax purposes as a disproportionate distribution. If so treated, a U.S. Holder that receives a fractional share of our common stock attributable to the rounding up of a fractional share to the nearest whole number of shares should recognize dividend income in an amount equal to the fair market value of such fractional share to the extent of the Company s current or accumulated earnings and profits, and to the extent that any portion of the distribution exceeds such current or accumulated earnings and profits, such portion will be treated as a return of tax basis and thereafter as gain from the sale or exchange. A U.S. Holder s holding period in any such fractional share commences on the effective date of the Reverse Stock Split.

YOU SHOULD CONSULT YOUR TAX ADVISOR AS TO THE PARTICULAR FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES OF THE REVERSE STOCK SPLIT IN LIGHT OF YOUR SPECIFIC CIRCUMSTANCES.

Reservation of Right to Abandon Reverse Stock Split

The board of directors reserves the right to not file the Certificate Amendment and to abandon any Reverse Stock Split without further action by our stockholders at any time before the effectiveness of the filing of the Certificate Amendment with the Secretary of the State of the State of Delaware, even if this proposal is approved by our stockholders at the annual meeting. By voting in favor of this proposal, you are expressly also authorizing the board of directors to delay, not proceed with, or abandon, the proposed Certificate Amendment if it should so decide, in its sole discretion, that such action is in the best interests of our stockholders.

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Required Vote

The affirmative FOR vote of the holders of two-thirds of the outstanding shares (assuming a quorum is present) is required for the approval of the Certificate Amendment to effect the Reverse Stock Split. Abstentions will act as a vote against the Reverse Stock Split.

Recommendation

Our board of directors unanimously recommends that you vote ***FOR*** approval of the amendment to the Certificate of Incorporation to effect the Reverse Stock Split.

PROPOSAL NUMBER 3 Advisory Vote on Executive Compensation

As required under Section 14A of the Exchange Act, we are asking our stockholders to approve, on an advisory basis, the compensation of our named executive officers as described in this proxy statement. This proposal, commonly known as a say-on-pay proposal, gives our stockholders the opportunity to express their views on the compensation of our named executive officers.

The say-on-pay vote is advisory, and therefore not binding on us or our compensation committee or 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 our compensation committee will be able to consider when determining executive compensation for the remainder of the current fiscal year and beyond. Our board of directors and compensation committee value the opinions of our stockholders. To the extent there is any significant vote against the named executive officer compensation disclosed in this proxy statement, we will consider our stockholders concerns and our compensation committee will evaluate whether any actions are necessary to address those concerns.

The advisory say-on-pay vote historically has been held annually, and the Company anticipates that the next advisory say-on-pay vote will occur at the 2020 annual meeting.

Information about our executive compensation practices and philosophy as well as our 2018 executive compensation is included in the Executive Compensation section of this proxy statement.

Compensation Philosophy and Programs

Our executive compensation programs are designed to attract, retain and motivate top-level executive talent and to provide compensation levels and structures that are both fiscally responsible and competitive within our industry and geography. Through our compensation programs, we strive to create a culture in which executive compensation aligns with our business model by rewarding our executives for results that benefit us, our customers and our stockholders. In line with our overall pay-for-performance philosophy, our practice has been to make a significant portion of an executive s total compensation performance-based, so that the executive will be rewarded through bonuses and equity if we perform well in the near term and over time.

Please refer to the Executive Compensation Compensation Discussion and Analysis section for a detailed discussion of out executive compensation practices and philosophy.

Our board of directors believes that our current executive compensation program has been effective at aligning the interests of our named executive officers with those of our stockholders. We are asking our stockholders to indicate their support for the compensation of our named executive officers as described in this proxy statement by voting in favor of the following resolution:

RESOLVED, that the compensation paid to the Company s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion & Analysis, compensation tables, and narrative discussion in the Company s proxy statement, is hereby APPROVED.

Required Vote

The affirmative FOR vote of a majority of the shares present, represented and entitled to vote on the proposal is required to approve, on an advisory basis, the compensation awarded to named executive officers for the year ended December 31, 2018. You may vote FOR, AGAINST or ABSTAIN on this proposal. Abstentions have the same effect as a vote against the proposal. Broker non-votes are not deemed to be votes cast, are not included in the tabulation of voting results on this proposal and will not affect the outcome of voting on this proposal. Unless marked to the contrary, executed proxies received will be voted FOR Proposal 3.

Recommendation

Our board of directors recommends a vote ***FOR***, on an advisory basis, the approval of the compensation of each named executive officer, as disclosed in this proxy statement.

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PROPOSAL NUMBER 4

PROPOSAL NUMBER 4 Ratification of Selection of Independent Registered Public Accounting Firm

Our audit committee has selected Ernst & Young LLP as the independent registered public accounting firm to audit our consolidated financial statements for the year ending December 31, 2019.

Notwithstanding the audit committee s selection of Ernst & Young LLP and even if our stockholders ratify the selection our audit committee, in its discretion, may appoint another independent registered public accounting firm at any time during the year if the audit committee believes that such a change would be in our best interests and in the best interests of our stockholders. Our audit committee is submitting the selection of Ernst & Young LLP to our stockholders because we value our stockholders views on our independent registered public accounting firm and as a matter of good corporate governance. If the appointment is not ratified by our stockholders, our audit committee may reconsider whether it should appoint another independent registered public accounting firm.

Representatives of Ernst & Young LLP are expected to attend the annual meeting, where they will be available to respond to appropriate questions and, if they desire, to make a statement.

Required Vote

Ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2019 requires the affirmative FOR vote of a majority of the shares present, represented, and entitled to vote on the proposal. You may vote FOR, AGAINST or ABSTAIN from voting on this proposal. Abstentions have the same effect as a vote against the proposal. Unless marked to the contrary, executed proxies received will be voted FOR Proposal 4.

Recommendation

Our board of directors recommends a vote ***FOR*** the ratification of the selection of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2019.

* * * * *

Principal Accounting Fees and Services

The following table sets forth the aggregate fees for audit services provided by Ernst & Young LLP for the years ended December 31, 2018 and December 31, 2017.

	2018	2017
Audit fees[(1)]	$ 1,282,939	$ 1,537,279
Audit-related fees[(2)]		
Tax fees[(3)]	230,047	171,976
All other fees[(4)]	3,600	
Total fees	$ 1,516,586	$ 1,709,255

(1) Consists of fees billed for professional services rendered in connection with the audit of our consolidated financial statements, review of our quarterly consolidated financial statements and services that are normally provided by our independent registered public accounting firm in connection with statutory audit and regulatory filings or engagements.

(2) Consists of fees billed for professional services rendered for consultations concerning financial accounting and reporting standards.

(3) Consists of fees billed for professional services for tax compliance and tax advice.

(4) Consists of subscriptions for a proprietary reference library.

PROPOSAL NUMBER 4

Pre-Approval of Audit and Non-Audit Services

Our audit committee pre-approves all audit and permissible non-audit services provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. The audit committee pre-approves services provided by the independent registered public accounting firm pursuant to its audit committee charter.

Report of the Audit Committee

The audit committee assists the board of directors in fulfilling its oversight responsibility over our financial reporting process. It is not the duty of the committee to plan or conduct audits or to prepare our financial statements. Management has the primary responsibility for preparing the financial statements and assuring their accuracy, effectiveness and completeness. Management is also responsible for the reporting process, including the system of internal controls. The independent registered public accounting firm is responsible for auditing our financial statements and internal control over financial reporting and expressing its opinion as to whether the statements present fairly, in accordance with accounting principles generally accepted in the United States, our financial condition, results of operations and cash flows. However, the audit committee does review and discuss the financial statements with management and the independent registered public accounting firm prior to the presentation of financial statements to our stockholders and, as appropriate, initiates inquiries into various aspects of our financial affairs.

Unless the committee has reason to question its reliance on management or the independent registered public accounting firm, the members of the committee necessarily rely on information provided to them by and on the representations made by management and the independent registered public accounting firm. Accordingly, the audit committee s oversight does not provide an independent basis to determine that management has applied appropriate accounting and financial reporting principles. Furthermore, the audit committee s authority and oversight responsibilities do not independently assure that the audits of our financial statements have been carried out in accordance with the standards of the Public Company Accounting Oversight Board or that the financial statements are presented in accordance with accounting principles generally accepted in the United States.

In this context, the committee has met and held discussions with management and the independent registered public accounting firm to review our audited 2018 consolidated financial statements (including the quality of our accounting principles). Management represented to the committee that our consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States, and the committee consulted with management and the independent registered public accounting firm prior to approving the presentation of the audited 2018 consolidated financial statements to stockholders. The committee discussed with the independent registered public accounting firm the matters required to be discussed by Auditing Standard No. 16, *Communications with Audit Committees*, issued by the Public Company Accounting Oversight Board in Rule 3200T.

The audit committee has discussed with the independent accountant the independent accountant s independence from us and our management. As part of that review, the committee received the written disclosures and letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant s communications with the audit committee concerning independence. Based on the reviews and discussions referred to above, the audit committee recommended to the board, and the board approved, our audited consolidated financial statements for the year ended December 31, 2018 for filing with the Securities and Exchange Commission as part of the Company s Annual Report on Form 10-K. The committee has selected Ernst & Young LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2019.

Members of the Audit Committee

Madhu Ranganathan (Chair)

Robert G. Ashe

John R. Ferron

The Report of the Audit Committee does not constitute soliciting material and shall not be deemed to be filed or incorporated by reference into any other filing by ServiceSource under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent ServiceSource specifically incorporates the Report of the Audit Committee by reference therein.

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EXECUTIVE OFFICERS

EXECUTIVE OFFICERS

The names of our executive officers, their ages, their positions with us, and other biographical information as of March 13, 2019, are set forth below. There are no family relationships among any of our directors or executive officers.

Gary B. Moore

Chief Executive Officer

Age: 69

Gary B. Moore has served as our Chief Executive Officer since December 2018, as the Executive Chairman of our board of directors since November 2018, and as a member of our board of directors since November 2016. He served from October 2012 to June 2015 as President and COO of Cisco Systems, Inc., a global leader in networking and connectivity with more than $49 billion revenue and over 70,000 employees across more than 400 offices worldwide. Prior to his promotion to this role, Moore was named the first COO in Cisco s history in 2011, and joined Cisco in 2001 as Senior Vice President of the Advanced Services Division and ultimately went on to lead Cisco Global Services. Prior to joining Cisco, Moore was President and CEO of Netigy, a network consulting business. Moore began his career in 1973 at Electronic Data Systems (EDS) where he held a number of executive roles over a 26-year career. Additionally, Moore was a member of EDS s Global Operations Council where he was responsible for multiple business units, including manufacturing, retail and distribution customers globally. Moore also led the formation of EDS s joint venture with Hitachi Limited, Hitachi Data Systems, and served as its President and CEO during its initial three years of operations. Moore is a part-time Executive in Residence at The Ohio State University Fisher College of Business (OSU), working in the areas of Operational Excellence, Cyber Security and Mid-Market studies but he has not taught at OSU since becoming our Chief Executive Officer. In addition to the ServiceSource Board of Directors, Moore also serves on the board for Finjan Holdings, Inc. (NASDAQ: FNJN) and on KLA-Tencor Corporation s (NASDAQ: KLAC) board as a member of the compensation committee. His past board involvement includes VCE, the Smithsonian Institution, Unigraphics Solutions, A.T. Kearney, Japan Systems Limited and Hitachi Data Systems. Moore s experience also includes a four-year tour of duty with the U.S. Army.

Deborah A. Dunnam

Chief Operating Officer

Deborah A. Dunnam has served as our Chief Operating Officer since November 2018 and as an Executive Vice President of the company since September 2018. She works

Age: 60

across all functions in the organization to optimize and digitally transform the company s solution set, service delivery model and client outcomes. Ms. Dunnam brings more than 35 years of domain expertise leading digital customer engagement, innovation, and transformation initiatives for cloud and software market leaders. From January 2016 to June 2018, she served as Corporate Vice President, Inside Sales, at Microsoft, leading the formation of a consultative digital sales capability for Microsoft across commercial segments, geographies and product lines. Ms. Dunnam s approach leveraged leading-edge technology, world-class infrastructure, and a highly-trained specialist salesforce to create trusted partnerships with customers throughout their digital transformation journey. Prior to her role at Microsoft, Ms. Dunnam spent nearly a decade in various senior leadership roles at Cisco Systems, most recently as Senior Vice President, Worldwide Service Sales and Global Customer Success, from March 2012 to December 2015, where she oversaw a $12 billion organization. Previous to Cisco, Ms. Dunnam held Vice President roles at Dell Technologies, Hewlett Packard Enterprise and StayWell Health Management. She holds a B.B.A. in management from Northwood University.

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Richard G. Walker

Chief Financial Officer **Age: 55**	*Richard G. Walker* has served as our Chief Financial Officer since November 2018 and as a member of our board of directors since October 2017. In October 2016, he founded The Bison Group, LLC, a private partnership formed to identify and pursue acquisition opportunities in the information services category. Prior to founding The Bison Group, from April 2015 to December 2015, Mr. Walker was Executive Vice President Strategy and Corporate Development for Ascent Capital Group, Inc. (NASDAQ: ASCMA). From December 2013 to December 2016, he served as a Director and Chairman of the Board of Trusted Media Brands, Inc. (formerly known as Readers Digest Association), where he supported a new Chief Executive Officer and executive leadership team in executing a successful three-year turnaround. Previous to Ascent, from 2006 to February 2014, Mr. Walker served as a core member of the executive leadership team at IHS (now IHS Markit Ltd. (NASDAQ: INFO)), where he was instrumental in driving the strategic direction, operational execution, and organic and acquisition-related growth of the business, including in roles as Executive Vice President and Chief Financial Officer and then as Executive Vice President of Global Finance. He is a member of the boards of directors of the Presidents Leadership Class at the University of Colorado, the Capuchin-Franciscans, and Cherry Hills Country Club. Mr. Walker holds a B.A. in Business Accounting from the University of Colorado at Boulder and began his career as a Certified Public Accountant with Arthur Andersen. He also obtained his M.B.A. from the University of Denver Daniels College of Business.

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EXECUTIVE COMPENSATION

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Compensation Discussion and Analysis describes and analyzes our executive compensation philosophy and program in the context of the compensation paid during the last fiscal year to our Chief Executive Officer, our Chief Operating Officer, and our Chief Financial Officer (collectively referred to as our named executive officers) during 2018. Our named executive officers for 2018 are:

Name	Title
Gary B. Moore	Chief Executive Officer
Deborah A. Dunnam	Chief Operating Officer
Richard G. Walker	Chief Financial Officer
Christopher M. Carrington	Former Chief Executive Officer
Brian J. Delaney	Former Chief Operating Officer
Robert N. Pinkerton	Former Chief Financial Officer

This Compensation Discussion and Analysis is organized as follows:

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The following discussion and analysis of compensation arrangements of our named executive officers for 2018 should be read together with the compensation tables and related disclosures presented below. This discussion contains forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs.

Objectives and Principles of Our Executive Compensation

Our compensation philosophy is based on the following objectives and principles:

- attract, retain and motivate top-level executive talent;
- provide compensation levels and structures that are both fiscally responsible and competitive within our industry and geography;
- create a culture in which executive compensation aligns with our overall philosophy and business model;
- maintain simplicity, transparency and ease of administration; and
- provide long-term, performance-based, equity incentive compensation to align the interests of our management team with those of our stockholders.

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2018 Compensation and Corporate Governance Highlights

We endeavor to maintain strong governance standards in our executive compensation related policies and practices. Below is a summary of key executive compensation and corporate governance practices in place during 2018. Following that is a summary of certain other practices that, because we have not considered them to effectively drive long-term stockholder value, we have not implemented.

What We Do

Tie pay to performance, with each named executive officer s target annual cash compensation tied to pre-established corporate performance metrics.

Utilize the services of an independent compensation consultant retained directly by the compensation committee that does not perform other services for the Company.

Maintain stock ownership guidelines for all directors, named executive officers and Section 16 officers.

In connection with a change of control of the Company, with respect to Ms. Dunnam and Mr. Walker, require a double trigger severance event (both a qualifying termination of employment in addition to a change of control of the Company) before accelerated vesting or other change of control severance benefits would be triggered for these named executive officers.

What We Do Not Do

Provide severance payments to our Chief Executive Officer, Mr. Moore, other than in connection with a change of control of the Company.

Provide pension arrangements or retirement plans other than our 401(k) plan to our executive officers.

Provide for excise tax gross-ups related to change of control-related compensation.

Permit our executive officers or directors to engage in hedging or pledging of our securities.

Routinely provide our executive officers perquisites that are not generally available to all of our employees.

Compensation Decision Process

Role of the Board of Directors and Compensation Committee. The role of our compensation committee is to oversee our executive plans and policies, administer our equity plans and approve all compensation for our named executive officers. For a description of the composition of our compensation committee, see *Corporate Governance and Board of Directors Board Committees Compensation Committee*.

Role of Executive Officers. Our compensation committee generally seeks input from our Chief Executive Officer and our Head of Global Human Resources when discussing executive performance and compensation levels for named executive officers (other than their own compensation). Our Head of Global Human Resources has the responsibility of advising the compensation committee and coordinating with any third-party compensation advisors. The compensation committee also works with our Chief Financial Officer to evaluate the financial, accounting and tax implications, and with our General Counsel who advises on legal matters, regarding our various compensation programs. None of our named executive officers participates in deliberations regarding his or her own compensation. Our compensation committee charter also specifies that our compensation committee deliberates and determines compensation decisions related to our Chief Executive Officer in executive session, outside of the presence of the Chief Executive Officer.

Role of Compensation Advisors. Our compensation committee has the authority to engage its own advisors to assist in carrying out its responsibilities. In 2018, the Company retained Semler Brossy Consulting Group LLC (Semler Brossy), as an independent compensation consulting firm to provide advice to the compensation committee with respect to executive compensation decisions and comparison benchmarking. Working with management, Semler Brossy met with our compensation committee and provided various recommendations. Pursuant to SEC rules, our compensation committee has assessed the independence of Semler Brossy, and concluded that no conflict of interest exists that would prevent Semler Brossy from independently representing the compensation committee. Semler Brossy does not perform other services for us, and will not do so without the prior consent of the compensation committee. Our compensation committee intends periodically to review the need to independently retain a compensation consultant.

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2018 Advisory Vote on Executive Compensation. The advisory vote on executive compensation at our 2018 annual meeting received a favorable vote of 52% of votes cast by our stockholders. The compensation committee considers both the results of the annual advisory vote and any feedback from institutional investors in making compensation decisions, and consulted with Semler Brossy in 2018 to address stockholder feedback regarding our executive compensation program in connection with our 2018 advisory vote on executive compensation. Stockholder feedback will remain an important input into the compensation committee s work on our compensation programs. After considering the results of our 2018 advisory vote on executive compensation and Semler Brossy s input, the compensation committee determined to revise our Corporate Incentive Plan (the CIP) for 2019, as well as to move away from performance-based restricted stock awards (PSUs) and instead use time-based vesting restricted stock units and stock options to more fully align our named executive officers compensation with Company performance, as more fully described below.

Benchmarking. Although we have employed certain compensation benchmarking in prior years, in 2018 our compensation committee did not analyze specific peer group data for benchmarking or comparative purposes in connection with the compensation of Messrs. Carrington, Delaney, and Pinkerton. In connection with the appointments of Messrs. Moore and Walker, and Ms. Dunnam in fourth quarter 2018, our compensation committee consulted with Semler Brossy and determined what it believed were appropriate compensation packages to attract and retain these new executive officers, which analysis included benchmarking against our peer group shown below.

In connection with the appointment of Messrs. Moore and Walker, and Ms. Dunnam, and with designing our 2019 executive compensation program, the compensation committee consulted with Semler Brossy regarding an appropriate group of peer companies with respect to executive compensation and:

- analyzed a group of peer companies identified by our independent compensation consultant for purposes of benchmarking our levels of compensation;
- analyzed compensation data from those peer companies as well as from other available compensation surveys; and
- structured awards as part of the equity incentive element of our compensation program, which the compensation committee believed continued to be appropriate in form and amount.

The compensation committee considered compensation data and practices at public technology companies comparable to us with respect to size, complexity, financial performance and stage of development. These peer companies were selected at the time as they had similar financial size and valuation range relative to ServiceSource, and included industry classifications of IT Services and Professional Services.

The resulting peers used in our compensation benchmarking include the following:

ExlService Holdings	PROS Holdings, Inc.

Fluent Inc.	PRGX Global, Inc.
Harte Hanks	QuinStreet, Inc.
Model N, Inc.	TechTarget, Inc.
Perficient, Inc.	WNS (Holdings) Limited
PFSweb, Inc.	Zuora Inc.

We did not automatically tie compensation to a benchmark level for each member of our executive management team. Rather, we considered a number of individualized factors that are unique to our business, including individual performance, skill set, industry knowledge and experience, prior employment history, compensation at previous companies, recruiting efforts and negotiations, retention risk and an executive s overall compensation level relative to his or her peers.

Our Compensation Program

The four elements of our executive compensation package are:

- base salary,
- variable incentive cash compensation,
- equity-based rewards, and
- employee-benefits programs.

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We view these components of compensation as related in reviewing the total compensation packages of our executive officers. We determine the appropriate level for each compensation component based in part, but not exclusively, on information from analysis of third-party compensation surveys consistent with our recruiting and retention goals, our view of internal equity and consistency and overall Company and individual performance.

We compete with many other companies in seeking to attract and retain a skilled workforce, particularly companies in the technology sector. We have not adopted any formal or informal policies or guidelines for allocating compensation between long-term and currently paid-out compensation, between cash and non-cash compensation or among different forms of non-cash compensation. However, in line with our overall pay-for-performance philosophy of rewarding our employees for results that benefit us and our customers, the compensation committee s practice has been to make a significant portion of an employee s total compensation performance-based, so that the employee will be rewarded through bonuses and equity if we perform well in the near term and over time.

On-Target Earnings Base Salary and Variable Incentive Cash Compensation

When analyzing the cash compensation of our executive leadership team, we view the total cash compensation of base salary plus the variable incentive plan compensation as the on-target earnings for each of such executive officers.

In analyzing the total cash compensation, we assume that we will meet the targets necessary for our executives to earn their on-target bonuses. We did not change our named executive officers target compensation opportunity in 2018. Given our age as a Company, our size and our results of operations, the competitive market for high-caliber executive talent particularly in certain strategic roles and the new members of our executive team, including a newly appointed Chief Operating Officer, Chief Financial Officer, and Chief Executive Officer, we believe that the on-target earnings for our named executive officers were reasonable and appropriate for 2018.

Base Salary. We establish base pay that we believe is both reasonable and competitive in relation to the market, including the benchmarking data described above. We regularly monitor competitive base pay levels and adjust base pay as appropriate. In general, a named executive officer s base pay level should reflect the executive s overall performance and contribution to us over time. We also seek to structure competitive base pay for our named executive officers based upon applicable market data analysis. As described below, we design base pay to provide the ongoing reward for each named executive officer s work and contribution and to be competitive in attracting or retaining the executive. We do not provide automatic salary increases for our executive team.

Once base pay levels are initially determined, we conduct salary reviews based upon current market data and the executive s specific performance achievements. We also take into account salary levels for their retention effect. Salaries are also determined based on negotiations with our executive officers, in particular when we are trying to hire a new executive officer and we must be competitive. We believe this pay-for-performance approach reflects our cultural values and our business model.

The following are the effective annual base salaries for each of our named executive officers for 2016, 2017 and 2018:

Executive Officer	Effective Annual Base Salary[(1)] 2016