

TrueCar, Inc.  
Form DEF 14A  
April 06, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A

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

Filed by the Registrant   
Filed by a Party other than the Registrant   
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

TrueCar, Inc.  
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1    ) Title of each class of securities to which transaction applies:
  - (2    ) Aggregate number of securities to which transaction applies:  
Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11
  - (3    ) (set forth the amount on which the filing fee is calculated and state how it was determined):
  - (4    ) Proposed maximum aggregate value of transaction:
  - (5    ) Total fee paid:
- Fee paid previously with preliminary materials.  
Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  - (1    ) Amount Previously Paid:
  - (2    ) Form, Schedule or Registration Statement No.:
  - (3    ) Filing Party:
  - (4    ) Date Filed:



120 Broadway, Suite 200  
Santa Monica, California 90401

NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS

To Be Held At 8:30 a.m. On Thursday, May 19, 2016

Dear TrueCar Stockholders:

We are pleased to invite you to attend our 2016 Annual Meeting of Stockholders (the "Annual Meeting") to be held on May 19, 2016 at 8:30 a.m. Pacific Time. At the Annual Meeting, we will ask you to consider the following proposals as more fully described in the accompanying proxy statement:

To elect three Class II directors to serve until the 2019 annual meeting of stockholders or until their successors are duly elected and qualified;

To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016; and

To transact such other business that may properly come before the Annual Meeting or any adjournment or postponement thereof.

Our board of directors has fixed the close of business on March 23, 2016 as the record date for the Annual Meeting. Only stockholders of record as of March 23, 2016 are entitled to notice of and to vote at the Annual Meeting or any postponements or adjournments thereof. Further information regarding voting rights and the matters to be voted upon is presented in the accompanying proxy statement.

The Annual Meeting will be a completely virtual meeting of stockholders. All stockholders are cordially invited to attend the Annual Meeting via live webcast. You will not be able to attend the Annual Meeting in person. We believe that holding a virtual stockholder meeting provides greater access to those who may want to attend and therefore have chosen this over an in-person meeting. To participate, vote or submit questions during the Annual Meeting via live webcast, please visit [www.virtualshareholdermeeting.com/True2016](http://www.virtualshareholdermeeting.com/True2016).

In accordance with rules and regulations adopted by the U.S. Securities and Exchange Commission, we are once again pleased to provide our stockholders access to our proxy materials via the Internet at

<https://materials.proxyvote.com/89785L> rather than in paper form. On or about April 6, 2016 our stockholders will have the ability to request a printed set of the proxy materials be sent to them by following the instructions in the Notice of Internet Availability.

Your vote is important. Whether or not you plan to attend the Annual Meeting via live webcast, we urge you to submit your vote via the Internet, telephone or mail to ensure your shares are represented. For specific instructions on how to vote your shares, please refer to the section entitled "General Information" and the instructions on the Notice of Internet Availability. For additional instructions on voting by telephone or the Internet, please refer to your proxy card. Returning the proxy does not deprive you of your right to attend the virtual meeting and to vote your shares at the virtual meeting. Please vote as soon as possible.

Sincerely,  
/s/ Chip Perry  
Chip Perry  
President and Chief Executive Officer  
Santa Monica, California  
April 6, 2016

TrueCar, Inc.  
PROXY STATEMENT

---

2016 ANNUAL MEETING OF STOCKHOLDERS  
To Be Held On Thursday, May 19, 2016

---

TABLE OF CONTENTS

	Page
<u>GENERAL INFORMATION</u>	<u>1</u>
<u>EXECUTIVE OFFICERS, DIRECTORS AND CORPORATE GOVERNANCE</u>	<u>7</u>
<u>Executive Officers and Directors</u>	<u>7</u>
<u>Board Composition</u>	<u>9</u>
<u>Board Meetings and Director Communications</u>	<u>10</u>
<u>Policy Regarding Nominations</u>	<u>10</u>
<u>Director Independence</u>	<u>10</u>
<u>Board Committees</u>	<u>11</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>13</u>
<u>Code of Business Conduct and Ethics</u>	<u>13</u>
<u>Board Leadership Structure</u>	<u>13</u>
<u>Board's Role in Risk Oversight</u>	<u>14</u>
<u>Information on Compensation Risk Assessment</u>	<u>14</u>
<u>Non-Employee Director Compensation</u>	<u>14</u>
<u>Outside Director Compensation Policy</u>	<u>15</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>17</u>
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	<u>18</u>
<u>EXECUTIVE COMPENSATION</u>	<u>22</u>
<u>2015 Summary Compensation Table</u>	<u>22</u>
<u>Executive Employment Arrangements</u>	<u>23</u>
<u>2015 Incentive Plan</u>	<u>29</u>
<u>Outstanding Equity Awards at Fiscal Year-End</u>	<u>31</u>
<u>CERTAIN RELATIONSHIPS AND RELATED PARTY AND OTHER TRANSACTIONS</u>	<u>34</u>
<u>AUDIT COMMITTEE REPORT</u>	<u>37</u>
<u>PROPOSAL ONE: ELECTION OF DIRECTORS</u>	<u>38</u>
<u>PROPOSAL TWO: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS</u>	<u>39</u>

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 19, 2016:** This proxy statement, along with the 2015 Annual Report to Stockholders, is available at the following website: <https://materials.proxyvote.com/89785L>.

By furnishing a Notice of Internet Availability and access to our proxy materials by the Internet, we are lowering the costs and reducing the environmental impact of our Annual Meeting.

The Notice of Internet Availability will also provide instructions on how you may request that we send future proxy materials to you electronically by electronic mail or in printed form by mail. If you choose to receive future proxy materials by electronic mail, you will receive an electronic mail next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by electronic mail or printed form by mail will remain in effect until you terminate it. We encourage you to choose to receive future proxy materials by electronic mail, which will (i) allow us to provide you with the information you need in a more timely manner, (ii) reduce printing and mailing documents to you, and (iii) conserve natural resources.

## GENERAL INFORMATION

Q: Why am I receiving these materials?

A: This Proxy Statement is furnished to you by the board of directors of TrueCar, Inc. (the "Board of Directors") and contains information related to the Annual Meeting of Stockholders to be held on Thursday, May 19, 2016 beginning at 8:30 a.m. Pacific Time and at any postponements or adjournments thereof. You can attend the virtual Annual Meeting by visiting [www.virtualshareholdermeeting.com/True2016](http://www.virtualshareholdermeeting.com/True2016), where you will be able to participate, submit questions and vote online. References in this Proxy Statement to "we," "us," "our," "the Company" or "TrueCar" refer to TrueCar, Inc.

Q: What is included in these materials?

A: These materials include this Proxy Statement for the Annual Meeting of Stockholders and our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as filed with the Securities and Exchange Commission, or the SEC, on March 10, 2016 (the "Annual Report"). These materials were first made available to you on the Internet on or about April 6, 2016. Our principal executive offices are located at 120 Broadway, Suite 200, Santa Monica, CA 90401, and our telephone number is (800) 200-2000. We maintain websites at [www.TrueCar.com](http://www.TrueCar.com) and [www.true.com](http://www.true.com). The information on our websites is not a part of this Proxy Statement.

Q: What items will be voted on at the Annual Meeting?

A: Stockholders will vote on the following items at the Annual Meeting:

- to elect Robert Buce, Thomas Gibson and John Krafcik as Class II directors to serve until the 2019 annual meeting of stockholders or until their successors are duly elected and qualified;
- to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016; and
- to transact such other business that may properly come before the Annual Meeting or at any adjournment or postponement thereof.

Q: How does the Board of Directors recommend I vote on these proposals?

A: The Board recommends a vote:

- FOR the election of Robert Buce, Thomas Gibson and John Krafcik as Class II directors; and
- FOR the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016.

Q: Who is making this solicitation?

A: The proxy for the Annual Meeting is being solicited on behalf of TrueCar's Board of Directors.

Q: Who pays for the proxy solicitation process?

A: TrueCar will pay the cost of preparing, assembling, printing, mailing and distributing these proxy materials and soliciting votes. We may, on request, reimburse brokerage firms and other nominees for their expenses in forwarding proxy materials to beneficial owners. In addition to soliciting proxies by mail, we expect that our directors, officers and employees may solicit proxies in person or by telephone or facsimile. None of these individuals will receive any additional or special compensation for doing this, although we may reimburse these individuals for their reasonable out-of-pocket expenses.

Q: Who may vote at the Annual Meeting?

A: Stockholders of record as of the close of business on March 23, 2016 (the "Record Date") are entitled to receive notice of, to attend online and to vote at the Annual Meeting via live webcast. Each share of TrueCar's common stock

is entitled to one vote on each matter.

1

---

Q: What is the difference between a stockholder of record and a beneficial owner of shares held in street name?

A: Stockholder of Record. If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., you are considered the stockholder of record with respect to those shares, and these proxy materials were sent directly to you by TrueCar.

Beneficial Owner of Shares Held in Street Name. If your shares are held in an account at a brokerage firm, bank, broker-dealer or other similar organization, then you are the "beneficial owner" of shares held in "street name," and these proxy materials were forwarded to you by that organization. The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to instruct that organization on how to vote the shares held in your account.

Q: If I am a stockholder of record of TrueCar shares, how do I vote?

A: If you are a stockholder of record, there are four ways to vote:

• Via the Internet. You may vote by proxy via the Internet by following the instructions found on the proxy card.

• By Telephone. You may vote by proxy by calling the toll free number found on the proxy card.

• By Mail. You may vote by proxy by filling out the proxy card and returning it in the envelope provided.

• During the Meeting. You may vote during the Annual Meeting live via the Internet by following the instructions posted at [www.virtualshareholdermeeting.com/True2016](http://www.virtualshareholdermeeting.com/True2016).

Please note that the Internet and telephone voting facilities will close at 11:59 p.m. Eastern Time on May 18, 2016.

Q: If I am a beneficial owner of shares held in street name, how do I vote?

A: If you are a beneficial owner of shares held in street name, you should have received from your broker, bank or other nominee instructions on how to vote or instruct the broker to vote your shares, which are generally contained in a "vote instruction form" sent by the broker, bank or other nominee. Please follow their instructions carefully. Street name stockholders may generally vote by one of the following methods:

Via the Internet. You may vote by proxy via the Internet by following the instructions found on the vote instruction form provided to you by your broker, bank, trustee or nominee. Additional Instructions can be found at [www.virtualshareholdermeeting.com/True2016](http://www.virtualshareholdermeeting.com/True2016).

• By Telephone. You may vote by proxy by calling the toll free number found on the vote instruction form provided to you by your broker, bank, trustee or nominee.

• By Mail. You may vote by proxy by filling out the vote instruction form and returning it in the envelope provided to you by your broker, bank, trustee or nominee.

Q: If I submit a proxy, how will it be voted?

A: When proxies are properly dated, executed and returned, the shares represented by such proxies will be voted at the Annual Meeting in accordance with the instructions of the stockholder. If no specific instructions are given, the shares will be voted in accordance with the recommendations of our Board of Directors as described above. If any matters not described in the Proxy Statement are properly presented at the Annual Meeting, the proxy holders will use their own judgment to determine how to vote your shares. If the Annual Meeting is adjourned, the proxy holders can vote your shares on the new meeting date as well, unless you have revoked your proxy instructions, as described below under "Can I change my vote or revoke my proxy?"

Q: What should I do if I get more than one proxy or voting instruction card?

A: Stockholders may receive more than one set of voting materials, including multiple copies of these proxy materials and multiple proxy cards or voting instruction cards. For example, stockholders who hold shares in more than one brokerage account may receive separate sets of proxy materials for each brokerage account in which shares are held. Stockholders of record whose shares are registered in more than one name will receive more than one set of proxy materials. You should vote in accordance with all of the proxy cards and voting instruction cards you receive relating



to our Annual Meeting to ensure that all of your shares are counted.

2

---

Q: Can I change my vote or revoke my proxy?

A: You may change your vote or revoke your proxy at any time prior to the taking of the vote at the Annual Meeting. If you are the stockholder of record, you may change your vote by (1) granting a new proxy bearing a later date (which automatically revokes the earlier proxy) using any of the methods described above (and until the applicable deadline for each method), (2) providing a written notice of revocation to TrueCar's Corporate Secretary at TrueCar, Inc., 120 Broadway, Suite 200, Santa Monica, California 90401 prior to your shares being voted, or (3) attending the virtual Annual Meeting and voting via the live webcast. Attending the Annual Meeting via the live webcast will not cause your previously granted proxy to be revoked unless you specifically so request or vote via the live webcast during the Annual Meeting.

For shares you hold beneficially in street name, you may generally change your vote by submitting new voting instructions to your broker, bank, trustee or nominee following the instructions they provided.

Q: Can I attend the meeting in person?

A: We will be hosting the Annual Meeting live via Internet webcast. You will not be able to attend the Annual Meeting in person.

Q: How do I participate in the Annual Meeting via the Internet?

A: Any stockholder may listen to the Annual Meeting and participate live via webcast at [www.virtualshareholdermeeting.com/True2016](http://www.virtualshareholdermeeting.com/True2016). The webcast will begin at 8:30 a.m. Pacific time on May 19, 2016, and stockholders may vote and submit questions during the Annual Meeting via live webcast. To enter the meeting, please have your 12-digit control number which is available on the Notice or, if you received a printed copy of the proxy materials, your proxy card. If you do not have your 12-digit control number, you will be able to listen to the meeting only. You will not be able to vote or submit questions during the meeting. Instructions on how to connect and participate via the Internet, including how to demonstrate proof of stock ownership, are posted at [www.virtualshareholdermeeting.com/True2016](http://www.virtualshareholdermeeting.com/True2016).

Q: How many shares must be present or represented to conduct business at the Annual Meeting?

A: At the Annual Meeting, the presence in person virtually or by proxy of a majority of the aggregate voting power of the stock issued and outstanding and entitled to vote at the Annual Meeting is required for the Annual Meeting to proceed. If you have returned valid proxy instructions or attend the Annual Meeting via live webcast, your shares of Common Stock will be counted for the purpose of determining whether there is a quorum, even if you wish to abstain from voting on some or all matters at the meeting.

Q: What is the voting requirement to approve each of the proposals?

A: Each director is elected by a plurality of the voting power of the shares present in person virtually or represented by proxy at the meeting and entitled to vote on the election of directors at the Annual Meeting. Accordingly, the three nominees receiving the highest number of affirmative votes will be elected as Class II directors to serve until the 2019 annual meeting of stockholders or until their successors are duly elected and qualified. Abstentions and broker non-votes will have no effect on the outcome of the vote.

The ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm requires the affirmative vote of a majority of shares present in person virtually or represented by proxy and entitled to vote on such proposal. Abstentions are treated as shares present and entitled to vote for purposes of such proposal and, therefore, will have the same effect as a vote "against" the proposal. Broker non-votes will have no effect on the outcome of the vote.

Q: What are broker non-votes?

A: Broker non-votes are shares held by brokers that do not have discretionary authority to vote on the matter and have not received voting instructions from their clients. If your broker holds your shares in its name and you do not instruct your broker how to vote, your broker will nevertheless have discretion to vote your shares on our sole "routine"

matter—the ratification of the appointment of the Company's independent registered public accounting firm. Your broker will not have discretion to vote on the election of directors absent direction from you.

Q: Who will tabulate the votes?

A: A representative of Carl Hagberg and Associates will serve as the Inspector of Election and will tabulate the votes at the Annual Meeting.

Q: What is the deadline to propose actions for consideration at next year's Annual Meeting of Stockholders or to nominate individuals to serve as directors?

A: Stockholder Proposals: Stockholders may present proper proposals for inclusion in our proxy statement and for consideration at our next annual meeting of stockholders by submitting their proposals in writing to TrueCar's Corporate Secretary in a timely manner. For a stockholder proposal to be considered for inclusion in our proxy statement for our 2017 Annual Meeting of Stockholders, the Corporate Secretary of TrueCar must receive the written proposal at our principal executive offices no later than December 8, 2016. If we hold our 2017 Annual Meeting of Stockholders more than 30 days before or after May 19, 2017 (the one-year anniversary date of the Annual Meeting of Stockholders), we will disclose the new deadline by which stockholders proposals must be received under Item 5 of Part II of our earliest possible Quarterly Report on Form 10-Q or, if impracticable, by any means reasonably determined to inform stockholders. In addition, stockholder proposals must otherwise comply with the requirements of Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such proposals also must comply with SEC regulations under Rule 14a-8 regarding the inclusion of stockholder proposals in company-sponsored proxy materials.

Stockholder proposals should be addressed to:

TrueCar, Inc.

Attn: Corporate Secretary

120 Broadway, Suite 200

Santa Monica, California 90401

Our amended and restated bylaws (our "Bylaws") also establish an advance notice procedure for stockholders who wish to present a proposal before an annual meeting of stockholders but do not intend for the proposal to be included in our proxy statement. Our Bylaws provide that the only business that may be conducted at an annual meeting is business that is (1) pursuant to our proxy materials with respect to such meeting, (2) by or at the direction of our Board of Directors, or (3) by a stockholder who is a stockholder of record both at the time the stockholder provides proper written notice of the proposal that the stockholder seeks to present at our annual meeting and on the record date for the determination of stockholders entitled to vote at the annual meeting, and who has timely complied in proper written form with the notice procedures set forth in our Bylaws. In addition, for business to be properly brought before an annual meeting by a stockholder, such business must be a proper matter for stockholder action pursuant to our Bylaws and applicable law. To be timely for our 2017 Annual Meeting of Stockholders, our Corporate Secretary must receive the written notice at our principal executive offices:

not earlier than the close of business on January 20, 2017, and

not later than the close of business on February 19, 2017.

If we hold our 2017 Annual Meeting of Stockholders more than 30 days before or more than 60 days after May 19, 2017 (the one-year anniversary date of the Annual Meeting of Stockholders), then notice of a stockholder proposal that is not intended to be included in our proxy statement must be received by our Corporate Secretary at our principal executive offices:

- not earlier than the close of business on the 120th day prior to such annual meeting, and

not later than the close of business on the later of (i) the 90th day prior to such annual meeting, and (ii) the tenth day following the day on which public announcement of the date of such annual meeting is first made.

To be in proper written form, a stockholder's notice to the Corporate Secretary shall set forth as to each matter of business the stockholder intends to bring before the annual meeting (1) a brief description of the business intended to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (2) the

name and address of the stockholder(s) and their associated person(s) proposing such business, (3) the class and number of shares of the Company's common stock which are held of record or are beneficially owned by the stockholder(s) and their associated person(s), (4) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of such stockholder(s) or their associated person(s) with respect to any securities of the Company, and a description of any other similar agreement, arrangement or understanding, (5) any material interest of the stockholder(s) and their associated person(s) in such business, and (6) a statement whether such stockholder(s) or their associated person(s) will deliver a proxy

4

---

statement and form of proxy to the Company's stockholders. In addition, to be in proper written form, a stockholder's notice to the Corporate Secretary must be supplemented not later than five days following the record date to disclose the information contained in clauses (3) and (4) in this paragraph as of the record date. A stockholder's "associated person" is defined as (1) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (2) any beneficial owner of shares of stock of the Company owned of record or beneficially by such stockholder and on whose behalf the proposal or nomination, as the case may be, is being made, or (3) any person controlling, controlled by or under common control with such person referred to in the preceding clauses (1) and (2).

**Nomination of Director Candidates:** As set forth in our Policies and Procedures for Director Candidates, as described below, stockholders holding at least one percent (1%) of the fully diluted capitalization of TrueCar continuously for at least 12 months may propose director candidates for consideration by our nominating and corporate governance committee. Any such recommendations should include the nominee's name, contact information, biography, qualifications, a consent signed by the nominee, and a statement from the recommending stockholder in support of the nominee, and should be directed to the Secretary of the Company at our principal executive offices.

In addition, our Bylaws permit certain stockholders to nominate directors for election at an annual meeting of stockholders. To be eligible, a stockholder must be a stockholder of record as of the date notice of the annual meeting is given and as of the record date determining stockholders entitled to vote at the annual meeting.

To be in proper written form, a stockholder's notice to the Secretary of the Company shall set forth, as to each nominee whom the stockholder proposes to nominate for election or re-election as a director: (1) the name, age, business address and residence address of the nominee, (2) the principal occupation or employment of the nominee, (3) the class and number of shares of the Company that are held of record or are beneficially owned by the nominee and any derivative positions held or beneficially held by the nominee, (4) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of the nominee with respect to any securities of the Company, and a description of any other similar agreement, arrangement or understanding, the effect or intent of which is to mitigate loss to, or to manage the risk or benefit of share price changes for, or to increase or decrease the voting power of the nominee, (5) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons pursuant to which the nominations are to be made by the stockholder, (6) a written statement executed by the nominee acknowledging that as a director of the Company, the nominee will owe a fiduciary duty under Delaware law with respect to the Company and its stockholders, and (7) any other information relating to the nominee that would be required to be disclosed about such nominee if proxies were being solicited for the election of the nominee as a director, or that is otherwise required (including without limitation the nominee's written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected). As to such stockholder(s) giving notice of the director nomination, such notice must also include the following information as to the stockholder and any stockholder associated person: (1) the name and address of the stockholder(s) and their associated person(s) proposing such business, (2) the class and number of shares of the Company which are held of record or are beneficially owned by the stockholder(s) and their associated person(s), (3) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of such stockholder(s) or their associated person(s) with respect to any securities of the Company, and a description of any other similar agreement, arrangement or understanding, (4) any material interest of the stockholder(s) and their associated person(s) in such business, and (5) a statement whether such stockholder(s) or their associated person(s) will deliver a proxy statement and form of proxy to the Company's stockholders. In addition, to be in proper written form, a stockholder's notice to the Secretary of the Company must be supplemented not later than five days following the record date to disclose the information contained in clauses (2) and (3) in this paragraph as of the record date. In addition, the stockholder must give timely notice to our Corporate Secretary in accordance with our Bylaws, which, in general, require that the notice be received by our Corporate Secretary within the time period described above under "Stockholder Proposals" for stockholder proposals that are not intended to be included in our proxy statement.

Q: I share an address with another stockholder, and we received only one paper copy of the proxy materials. How may I obtain an additional copy of the proxy materials?

A: The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process is commonly referred to as "householding."

Brokers with account holders who are TrueCar stockholders may be householding our proxy materials. A single set of proxy materials may be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that it will be householding communications to your address, householding will continue until you are notified otherwise or until you notify your broker or TrueCar that you no longer wish to participate in householding.

If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement and annual report, you may (1) notify your broker, (2) direct your written request to: Investor Relations, TrueCar, Inc., 120 Broadway, Suite 200, Santa Monica, California 90401, or (3) contact our Investor Relations department by email at [investors@true.com](mailto:investors@true.com). Stockholders who currently receive multiple copies of the Proxy Statement or Annual Report at their address and would like to request householding of their communications should contact their broker. In addition, we will promptly deliver, upon written or oral request to the address or telephone number above, a separate copy of the annual report and proxy statement to a stockholder at a shared address to which a single copy of the documents was delivered.

Q: What if I have questions about lost stock certificates or need to change my mailing address?

A: You may contact our transfer agent, Computershare Trust Company, N.A., by telephone at 1-877-373-6374 (U.S.) or +1-781-575-2879 (outside the U.S.), or by email at [web.queries@computershare.com](mailto:web.queries@computershare.com), if you have lost your stock certificate or need to change your mailing address.



## EXECUTIVE OFFICERS, DIRECTORS AND CORPORATE GOVERNANCE

## Executive Officers and Directors

The following table sets forth the names, ages and positions of our executive officers and directors as of March 31, 2016:

Name	Age	Position
Executive Officers		
Chip Perry	62	President, Chief Executive Officer and Director
Michael Guthrie	50	Chief Financial Officer
John Stephenson	57	Chief Risk Officer

## Non-Employee Directors

Abhishek Agrawal	37	Director
Todd Bradley	57	Director
Robert Buce	67	Director
Christopher Claus	55	Director
Steven Dietz	52	Director
Thomas Gibson	73	Director
John Krafcik	54	Director
Ion Yadigaroglu	46	Director

## Executive Officers

Chip Perry has served as our President, Chief Executive Officer and a member of our Board of Directors since December 2015. Prior to joining us, Mr. Perry was the President and Chief Executive Officer of RentPath LLC, an operator of online real estate rental websites and mobile apps, since July 2015. Mr. Perry was President and Chief Executive Officer of AutoTrader Group, Inc., an online automotive marketplace, from August 1997 until March 2013, and served as a member of its board of directors between August 1999 and March 2013. Mr. Perry has served as a member of the boards of Auto Trader Group PLC (UK), MXC Solutions India Private Ltd. and The Car Trader Proprietary Ltd. since April 2014, June 2014 and February 2014, respectively.

We believe Mr. Perry is qualified to serve as a member of our Board of Directors because of his substantial industry, operational and business strategy expertise gained from serving as a chief executive officer in the online automotive industry.

Michael Guthrie has served as our Chief Financial Officer since January 2012 and served as our Interim Chief Operating Officer from September 2015 until December 2015. Prior to joining us, Mr. Guthrie was Senior Vice President, Business Development at SharesPost, Inc., an online private capital marketplace, from January 2011 to October 2011. From February 2009 to January 2011, Mr. Guthrie served as a principal at Saful Consulting, where he advised public and private technology companies on strategic matters. From January 2007 to January 2009, Mr. Guthrie was managing director at Symphony Technology Group, LLC, a private equity firm, and from October 2000 to December 2006, Mr. Guthrie was a principal in private equity firms TPG Ventures and Garnett & Helfrich Capital. Earlier in his career, Mr. Guthrie was an investment banker at Credit Suisse First Boston focused on financing and advising technology companies. Mr. Guthrie is also a Senior Advisor to Rubicon Technology Partners, a technology-focused private equity firm. Mr. Guthrie holds a B.A. in Economics from the University of Virginia and an M.B.A. from the Stanford Graduate School of Business.

John Stephenson has served as our Chief Risk Officer since April 2014. From September 1984 to April 2014, Mr. Stephenson was a litigation partner at the law firm of Alston & Bird LLP, our outside regulatory counsel. Mr. Stephenson has substantial experience in corporate governance and complex commercial litigation. Mr. Stephenson holds a B.A. in Political Science and Government and a J.D. from the University of North Carolina at Chapel Hill.

## Board of Directors

Abhishek Agrawal has served as a member of our Board of Directors since November 2013. Since April 2013, Mr. Agrawal has served as Managing Director at Vulcan Capital, an investment firm, and head of its Palo Alto office.

Mr. Agrawal directs Vulcan Capital's growth investments in the Internet and technology sectors globally. Prior to joining Vulcan Capital, from June 2006 to April 2013, Mr. Agrawal was with General Atlantic LLC, a global growth equity firm, where he served as a principal, driving investments in the Internet and technology space. Prior to General Atlantic LLC, Mr. Agrawal was with Lazard Technology Partners, or Lazard, an Internet and technology focused venture capital firm, and previously

7

---

served in Lazard's investment banking group. Mr. Agrawal serves on the board of directors of Zuora, Inc., an enterprise software company that designs and sells software-as-a-service applications for companies with a subscription business model and Scytl, a software company that provides election modernization solutions, and was previously on the boards of directors of Bazaarvoice, Inc., a software-as-a-service company providing social commerce solutions, and Network Solutions, LLC, a technology company providing web services to small and medium-sized businesses. Mr. Agrawal holds a B.S. in Economics with a concentration in Finance from the Wharton School at the University of Pennsylvania and an M.B.A. from Harvard Business School, where he graduated with highest distinction and was a Baker Scholar.

We believe Mr. Agrawal is qualified to serve as a member of our Board of Directors because of his corporate finance, business strategy and corporate development expertise gained from his significant experience in the venture capital and private equity industries, analyzing, investing in, serving on the boards of, and providing guidance to various technology companies. We also value his perspective as a representative of one of our largest stockholders.

Todd Bradley has served as a member of our Board of Directors since September 2013. Since January 2016, Mr. Bradley has served as Chief Executive Officer of Mozido, LLC, a global provider of trusted digital payment and commerce solutions. From June 2014 through December 2014, Mr. Bradley served as President of TIBCO Software, Inc., a global infrastructure and business intelligence software company. Prior to joining TIBCO, from June 2005 to June 2014, Mr. Bradley served as an executive vice president of Hewlett-Packard Company, a public information technology corporation, most recently as Executive Vice President, Strategic Growth Initiatives, responsible for enhancing Hewlett-Packard's business in China and extending Hewlett-Packard's partner relationships. Mr. Bradley also currently serves on the board of the Newseum. Mr. Bradley holds a B.S. in Business Administration from Towson State University.

We believe Mr. Bradley is qualified to serve as a member of our Board of Directors because of his track record of identifying and fostering strategic partnerships in the technology sector and his substantial corporate governance, corporate development, business strategy and financial expertise gained as an executive in the technology and finance industries and from holding various executive positions at a publicly traded technology company.

Robert Buce has served as a member of our Board of Directors since April 2005. Mr. Buce served as our Executive Vice President and Chief Financial Officer from September 2005 to September 2008. Prior to joining us, Mr. Buce founded and served as Chief Financial Officer and a senior member of the management team of Build-To-Order, Inc., an automotive company focused on modularized outsourced manufacturing of vehicles. Prior to Build-To-Order, Mr. Buce held a variety of senior management positions, including Managing Partner, at KPMG LLP, an accounting and advisory firm, and Managing Director at BearingPoint, Inc., a related consulting firm. Mr. Buce also served on the board of directors of KPMG LLP from March 1991 to November 1995. Since July 2000 Mr. Buce has served as Chairman of PalisadesHoldings, a sole proprietorship providing independent advisory assistance to a variety of technology services and consumer products and services commercial enterprises. Mr. Buce served on the board of Intersection Technologies, Inc., parent company of F&I Express, a provider of software and services to the automotive industry. Mr. Buce is a Certified Public Accountant (inactive) in the State of California and a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. Mr. Buce holds a B.S. in Mechanical Engineering from Lehigh University and an M.B.A. from the Anderson School of Management at the University of California, Los Angeles.

We believe Mr. Buce is qualified to serve as a member of our Board of Directors because of his historical expertise gained from serving as our Executive Vice President and Chief Financial Officer and his substantial corporate governance, operational and financial expertise gained as Managing Partner at KPMG LLP, Managing Director at BearingPoint and from his experience serving on the boards of directors and boards of advisors of several private companies. As our longest serving members of our Board of Directors, we also value his deep understanding of our business as it has evolved over time.

Christopher Claus has served as a member of our Board of Directors since April 2014. From December 1994 to March 2014, Mr. Claus served in various senior executive roles at USAA, a Fortune 150 diversified financial services company, most recently as Executive Vice President of USAA Enterprise Advice Group and President of USAA Financial Services Group. Previously, he served as the Senior Vice President and then President of USAA Investment

Management Company. Mr. Claus also served as the Vice President of Investment Sales and Service. Prior to USAA, Mr. Claus was Vice President of Equity Trading and Retirement Plans at Norwest Investment Services, Inc. Mr. Claus holds a B.A. in Business Administration from the University of Minnesota—Duluth and an M.B.A. from the University of St. Thomas.

We believe Mr. Claus is qualified to serve as a member of our Board of Directors because of his substantial business strategy and corporate development and governance expertise gained as an executive and counselor at several companies in the finance industry.

Steven Dietz has served as a member of our Board of Directors since February 2006. Mr. Dietz has been a Partner at Upfront Ventures, a venture capital firm, since its founding in 1996. During his career, Mr. Dietz has overseen numerous investments in the automotive industry. Mr. Dietz holds a B.S. in Finance from the University of Colorado.

We believe Mr. Dietz is qualified to serve as a member of our Board of Directors because of his substantial corporate finance, business strategy and corporate development expertise gained from his significant experience in the venture capital industry, analyzing, investing in and serving on the boards of directors of various private technology companies. We also value his perspective as a representative of one of our largest stockholders.

Thomas Gibson has served as a member of our Board of Directors since June 2012. Mr. Gibson was with Asbury Automotive Group, Inc., an automotive retailer, which he founded, from November 1994 to December 2007, during which time he served as Chairman, President and Chief Executive Officer from November 1994 to November 1999 and as Interim Chief Executive Officer from October 2001 to December 2001. Mr. Gibson serves on the boards of directors of Dealer Tire, LLC, a tire, maintenance and light-repair product distributor that partners with automobile manufacturers, since September 2003, Alliance Inspection Management, LLC, a new and pre-owned vehicle inspection partnership, since October 2006, and Leader Auto Resources LAR Inc., a car dealer cooperative buying group, since March 2011. He also served on the board of directors of Dealertrack Technologies, Inc., a provider of software solutions and services for the automotive industry, from June 2005 to February 2008. From February 2008 to February 2010, Mr. Gibson served on the board of directors of Guilford Mills, Inc., a manufacturer of performance textiles for automotive and specialty markets, and from February 2008 to July 2009, Mr. Gibson served on the board of directors of Chrysler LLC, an automobile manufacturer from October 2007 to June 2009. Mr. Gibson also served on the board of directors of Ikon Office Solutions, Inc., a provider of document management systems and services, from 1990 to 1999. Mr. Gibson has over 30 years of experience in the automotive industry, previously holding senior sales, marketing and management positions with Ford Motor Company and Chrysler LLC before becoming President and Chief Operating Officer of Subaru of America, Inc. from September 1981 to April 1993. Mr. Gibson holds a B.A. in Economics from DePauw University and an M.B.A. from Harvard University.

We believe Mr. Gibson is qualified to serve as a member of our Board of Directors because of his substantial corporate governance, business strategy and financial expertise gained from holding various executive positions in the automotive industry, serving on the boards of directors for several public and private companies, and working on several committees focused on strategy, finance, investment, compensation and auditing.

John Krafcik served as our President from April 2014 until September 2015. Mr. Krafcik has served as a member of our Board of Directors since February 2014. Since September 2015, Mr. Krafcik has been the Chief Executive Officer of Google, Inc.'s Self Driving Car Project. Mr. Krafcik was with Hyundai Motor America, a South Korean multinational automaker, from March 2004 to December 2013, during which time he served as President and Chief Executive Officer from November 2008 to December 2013. Mr. Krafcik was responsible for the strategic direction and management of Hyundai Motor America's operations in the United States. Prior to joining Hyundai Motor America, Mr. Krafcik was at Ford Motor Company, where he held various product development leadership positions. Mr. Krafcik holds a B.S. in Mechanical Engineering from Stanford University and an M.S. in Management from Sloan School of Management at the Massachusetts Institute of Technology.

We believe Mr. Krafcik is qualified to serve as a member of our Board of Directors because of his substantial corporate development, business strategy and automotive expertise gained as an executive in the automotive industry.

Ion Yadigaroglu has served as a member of our Board of Directors since August 2007. Since July 2004, Mr. Yadigaroglu has served as a Managing Principal at Capricorn Investment Group LLC, an investment firm. Mr. Yadigaroglu holds a Masters in Physics from Eidgenössische Technische Hochschule Zürich in Switzerland and a Ph.D. in Astrophysics from Stanford University.

We believe Mr. Yadigaroglu is qualified to serve as a member of our Board of Directors because of his substantial corporate finance, business strategy and corporate development expertise gained from his holding various executive positions and from his significant experience in the capital industry, analyzing, investing in and serving on the boards of directors of various private technology companies. We also value his perspective as a representative of one of our significant stockholders.

Our executive officers are appointed by, and serve at the discretion of our Board of Directors. There are no family relationships among any of our directors or executive officers.

**Board Composition**

Our business and affairs are managed under the direction of our Board of Directors. The number of directors is fixed by our Board of Directors, subject to the terms of our amended and restated certificate of incorporation and Bylaws that became

effective immediately prior to the completion of our initial public offering. Our Board of Directors currently consists of nine directors, seven of whom qualify as "independent" under the NASDAQ Stock Market listing standards. In accordance with our amended and restated certificate of incorporation and our Bylaws, our Board of Directors is divided into three classes with staggered three-year terms. Only one class of directors is elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Our directors are divided among the three classes as follows:

• the Class I directors are Messrs. Bradley, Perry and Yadigaroglu, and their terms will expire at the annual meeting of stockholders to be held in 2018;

• the Class II directors are Messrs. Buce, Gibson and Krafcik, and their terms will expire at the annual meeting of stockholders to be held in 2016, and they are standing for reelection at this annual meeting of stockholders; and

• the Class III directors are Messrs. Agrawal, Claus and Dietz, and their terms will expire at the annual meeting of stockholders to be held in 2017.

The division of our Board of Directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change of control. Under Delaware law, our directors may be removed for cause by the affirmative vote of the holders of a majority of our outstanding voting stock. Directors may not be removed by our stockholders without cause.

Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

#### Board Meetings and Director Communications

During fiscal year 2015, the Board of Directors held eleven meetings. During fiscal year 2015, each director attended at least 75% of the aggregate of the total number of meetings of the Board of Directors and the total number of meetings held by any of the committees of the Board of Directors on which such director served. Directors are also encouraged to attend annual meetings of the stockholders of the Company absent an unavoidable and irreconcilable conflict. Eight of the nine members of our Board of Directors attended our 2015 annual meeting of stockholders. Stockholders and other interested parties may communicate with the non-management members of the Board of Directors by mail to the Company's principal executive offices addressed to the intended recipient and care of our Corporate Secretary. Our Corporate Secretary will review all incoming stockholder communications (except for mass mailings, product complaints or inquiries, job inquiries, business solicitations and patently offensive or otherwise inappropriate material) and route such communications as appropriate to member(s) of the Board of Directors.

#### Policy Regarding Nominations

Our Board of Directors is responsible for identifying and nominating members for election to our Board of Directors. The Board of Directors considers recommendations from directors, stockholders and others, as it deems appropriate. Our Board of Directors may review from time to time the appropriate skills, experience and characteristics for members of the Board of Directors, including the appropriate role of diversity. In evaluating potential candidates for nomination, our Board of Directors considers these factors in the light of the specific needs of the Board of Directors at that time and shall also consider advice and recommendations from our President and Chief Executive Officer.

#### Director Independence

Our Board of Directors has undertaken a review of the independence of each director. Based on information provided by each director concerning his background, employment and affiliations, our Board of Directors determined that none of Messrs. Agrawal, Bradley, Buce, Claus, Dietz, Gibson and Yadigaroglu 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 applicable rules and regulations of the SEC and the listing requirements and rules of the NASDAQ Stock Market. In making these determinations, our Board of Directors considered the current and prior 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, and the transactions involving them described in the section titled "Certain Relationships and Related Party and Other Transactions." The Board of Directors also determined that each of Messrs. Bradley, Dietz and Agrawal is a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, and an outside director, as defined pursuant to

Section 162(m) of the Internal Revenue Code, as amended (the "Code").

10

---



## Board Committees

Our Board of Directors has an audit committee, a compensation committee, and a nominating and corporate governance committee. The Company also has a standing disclosure committee. The composition and responsibilities of each of the committees of our Board of Directors is described below. Members serve on these committees until their resignation or until otherwise determined by our Board of Directors. Each of these committees operates under a written charter adopted by our Board of Directors, which charters are available on the Investor Relations section of our website at <http://ir.true.com/corporate-governance.cfm>.

### Audit Committee

Our audit committee is comprised of Messrs. Buce, Claus and Gibson. Mr. Buce serves as our audit committee chairperson. The composition of our audit committee meets the requirements for independence of audit committee members under current NASDAQ Stock Market listing standards and SEC rules and regulations. Each member of our audit committee meets the financial literacy requirements of the current listing standards. In addition, our Board of Directors has determined that Mr. Buce qualifies as an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act of 1933, as amended (the "Securities Act"). During fiscal year 2015, the audit committee held nine meetings. The responsibilities of our audit committee include, among other things:

- selecting and hiring the independent registered public accounting firm to audit our financial statements;
- helping to ensure the independence and performance of the independent registered public accounting firm;
- approving audit and non-audit services and fees;
  - reviewing financial statements and discussing with management and the independent registered public accounting firm our annual audited and quarterly financial statements, the results of the independent audit and the quarterly reviews, and the reports and certifications regarding internal controls over financial reporting and disclosure controls;
- preparing the audit committee report for inclusion in our annual proxy statement;
- reviewing reports and communications from the independent registered public accounting firm;
- reviewing the adequacy and effectiveness of our internal controls and disclosure controls and procedures;
- reviewing our policies on risk assessment and risk management;
- reviewing related party transactions;
- establishing and overseeing procedures for the receipt, retention and treatment of accounting related complaints and the confidential submission by our employees of concerns regarding questionable accounting or auditing matters; and
- reviewing and approving annually the audit committee charter and the committee's performance.

Our audit committee operates under a written charter that satisfies the applicable rules of the SEC and the listing standards of the NASDAQ Stock Market.

### Compensation Committee

Our compensation committee is comprised of Messrs. Bradley, Dietz and Agrawal. Mr. Bradley serves as our compensation committee chairperson. The composition of our compensation committee meets the requirements for independence under current NASDAQ Stock Market listing standards and SEC rules and regulations. Each member of the compensation committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, and an outside director, as defined pursuant to Section 162(m) of the Code. The purpose of our compensation committee is to oversee our compensation policies, plans and benefit programs and to discharge the responsibilities of our Board of Directors relating to compensation of our executive officers. During fiscal year 2015, the compensation committee held eight meetings. The responsibilities of our compensation committee include, among other things:

- overseeing our overall compensation philosophy and compensation policies, plans and benefit programs;
- reviewing and approving for our executive officers: the annual base salary, annual incentive bonus (including the specific goals and amounts), equity compensation, employment agreements, severance agreements, change in control arrangements, and any other benefits, compensation or arrangements;
- preparing the compensation committee report, when such report is required to be included in our annual proxy statement by the SEC; and

administering our equity compensation plans.

Our compensation committee engaged and receives advice from Compensia, an independent compensation consulting firm, with respect to executive compensation decisions and comparison benchmarking. Working with management, Compensia provided various data and recommendations during 2015.

Our compensation committee operates under a written charter that satisfies the applicable rules of the SEC and the listing standards of the NASDAQ Stock Market.

#### Nominating and Corporate Governance Committee

Our nominating and corporate governance committee is comprised of Messrs. Gibson and Agrawal. Mr. Gibson serves as our nominating and corporate governance committee chairperson. The composition of our nominating and corporate governance committee meets the requirements for independence under current NASDAQ Stock Market listing standards and SEC rules and regulations. During fiscal year 2015, the nominating and governance committee held five meetings. The responsibilities of our nominating and governance committee include, among other things: identifying, evaluating and making recommendations to our Board of Directors regarding nominees for election to our Board of Directors and its committees;

- considering and making recommendations to our Board of Directors regarding the composition of our Board of Directors and its committees;
- reviewing developments in corporate governance practices;
- evaluating the adequacy of our corporate governance practices and reporting;
- developing and making recommendations to our Board of Directors regarding our corporate governance guidelines;
- reviewing the succession planning for each of our executive officers; and
- evaluating the performance of our Board of Directors and of individual directors.

Our nominating and corporate governance committee believes that candidates for director should have certain minimum qualifications, including the highest professional and personal ethics and values, consistent with our Code of Business Conduct and Ethics, which is posted in the corporate governance section of our investor relations website at [www.true.com](http://www.true.com). Candidates should have broad experience and demonstrated excellence in his or her field. In addition, candidates for director should:

- possess relevant expertise upon which to be able to offer advice and guidance to management and be committed to enhancing stockholder value;
  - have sufficient time to devote to the affairs of the Company and to carry out their duties; and
  - have the ability to exercise sound business judgment and provide insight and practical wisdom based on experience.
- Each director must represent the interests of all stockholders. Their service on other boards of public companies should be limited to a number that permits them, given their individual circumstances, to perform responsibly all director duties. However, the nominating and corporate governance committee retains the right to modify these qualifications from time to time.

Candidates for director are reviewed in the context of the current composition of our Board of Directors, our operating requirements and the long-term interests of stockholders. In conducting this assessment, the nominating and corporate governance committee considers the appropriate skills, experience and characteristics for members of the Board of Directors, including the appropriate role of diversity and such other factors as it deems appropriate given the current needs of our Board of Directors and the Company, to maintain a balance of knowledge, experience and capability. In the case of incumbent directors, the nominating and corporate governance committee reviews such directors' overall service to the Company during their term, including the number of meetings attended, level of participation, quality of performance, and any other relationships and transactions that might impair such directors' independence. The nominating and corporate governance committee also determines whether the nominee can be considered independent by the Board of Directors for purposes of meeting the NASDAQ listing standards.

The nominating and corporate governance committee utilizes a variety of methods for identifying and evaluating nominees for director. The committee periodically assesses the appropriate size of our Board of Directors, and whether any vacancies on our Board of Directors are expected due to retirement or otherwise. Candidates may come to the attention of the nominating and corporate governance committee through current members of our Board of Directors, professional search firms, stockholders or other persons. The nominating and corporate governance committee conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of our Board of Directors. The nominating and corporate governance committee meets to discuss and consider the candidates' qualifications and then selects a nominee for recommendation to our Board of Directors by majority vote. These candidates are evaluated at meetings of the nominating and corporate governance committee, and may be considered at any point during the year.

The nominating and corporate governance committee will consider properly submitted stockholder recommendations for candidates for our Board of Directors who meet the minimum qualifications as described above. The requirements for proper submission are described under "General Information—What is the deadline to propose actions for consideration at next year's Annual Meeting of Stockholders or to nominate individuals to serve as directors?—A. Nomination of Director Candidates."

Our nominating and corporate governance committee operates under a written charter that satisfies the applicable rules of the SEC and the listing standards of the NASDAQ Stock Market.

#### Disclosure Committee

Our disclosure committee is comprised of John Pierantoni, our Chief Accounting Officer, and other members of our management team, including Chip Perry, our President and Chief Executive Officer, Mike Guthrie, our Chief Financial Officer, and John Stephenson, our Chief Risk Officer. Mr. Pierantoni serves as our disclosure committee chairperson. During fiscal year 2015, the disclosure committee held four meetings, one prior to the filing of each quarterly and annual report filed in 2015. The responsibilities of our disclosure committee include, among other things:

designing, adopting, implementing and monitoring appropriate procedures and policies, to ensure accurate and timely collection of information for inclusion into the Company's quarterly earnings press releases and periodic and current SEC reports;

establishing policies and procedures to ensure relevant Company personnel timely report information potentially requiring disclosure;

establishing responsibility and lines of communication throughout the Company's operations and business units for collecting relevant information on a timely basis, including making periodic inquiries with relevant Company personnel possessing information potentially requiring disclosure;

reviewing drafts of the Company's quarterly earnings press releases and periodic and current SEC reports in preparation for filing, and discussing disclosure matters and filings made by the Company to ensure completeness and accuracy of content;

coordinating, as necessary, the review of Company's quarterly earnings press releases and periodic and current SEC reports with independent accountants, internal auditors (if any), outside legal counsel and the audit committee of the Board of Directors; and

periodically reporting to the Chief Financial Officer and to the chairperson of the audit committee on disclosure issues and the committee's findings regarding the effectiveness of its procedures and policies, including any weaknesses identified therein or in the Company's disclosure controls and procedures generally.

Our disclosure committee operates under a written charter that has been adopted by our Chief Executive Officer and Chief Financial Officer.

#### Compensation Committee Interlocks and Insider Participation

No member of our compensation committee has ever been an executive officer or employee of ours. None of our executive officers currently serve, or have served during the last completed year, on the compensation committee or Board of Directors of any other entity that has one or more executive officers serving as a member of our Board of Directors or compensation committee. A member of our Board of Directors and our compensation committee, Steven Dietz, is a partner at Upfront Ventures, which is a holder of more than 5% of our capital stock.

#### Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics that is applicable to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer and other executive and senior financial officers. The Code of Business Conduct and Ethics is available on our website at

<http://ir.true.com/corporate-governance.cfm>. We expect that any amendments to the code, or any waivers of its requirements, will be disclosed on our website.

#### Board Leadership Structure

Our Board of Directors currently believes that our Company is best served by separating the roles of a Chairman of the Board and Chief Executive Officer. Chip Perry, our President and Chief Executive Officer, is the director with the most in-depth understanding of and experience in our industry. Consequently, Mr. Perry is most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. Our Board of Directors has appointed Christopher Claus to serve as its chairman. Independent directors and management have different perspectives and roles in strategy development. Our independent directors bring experience, oversight and expertise from both within and outside the automotive industry, while our President and Chief Executive Officer brings company-specific perspective and industry expertise. Our Board of Directors believes that separating the roles of Chairman of the Board of Directors and Chief Executive Officer is the best leadership structure for us at the current time because it promotes the efficient and effective development and execution of our strategy and facilitates

information flow between management and our Board of Directors, which are essential to effective governance.

13

---

### Board's Role in Risk Oversight

Management, which is responsible for day-to-day risk management, continually monitors the material enterprise risks facing the Company, including strategic risks, operational risks, financial risks, credit risks, liquidity risks, as well as legal and compliance risks.

The Board of Directors is responsible for exercising oversight of the Company's identification and management of, as well as planning for, those risks. The Board of Directors has delegated to certain committees oversight responsibility for those risks that are directly related to their area of focus (see descriptions of our audit committee's, compensation committee's and nominating and corporate governance committee's areas of responsibilities, discussed above). The Board of Directors and its committees exercise their risk oversight function by receiving and evaluating reports from management and by making inquiries of management, as appropriate. In addition, the Board of Directors and its committees receive reports from our auditors and other consultants, and meet in executive sessions with these outside consultants. Board oversight of risk is enhanced by the fact that committee reports are provided to the full Board of Directors.

### Information on Compensation Risk Assessment

Management periodically reviews our incentive compensation programs at all levels within the organization.

Employee cash bonuses are based on company-wide and individual performance, and management (with respect to our non-executive employees) and our compensation committee (with respect to our executive officers) have discretion to adjust bonus payouts. Equity awards for new hires are based on the employee's position, prior experience, qualifications, and the market for particular types of talent; and any additional grants are based on employee performance and retention objectives. Equity awards generally have long-term vesting requirements to ensure that recipients' focus is on our long-term success. The incentive compensation structure was reviewed during 2015 by the compensation committee with the assistance of Compensia. Based on this review, the compensation committee does not believe that our compensation policies and practices, taken as a whole, create risks that are reasonably likely to have a material adverse impact on our Company.

### Non-Employee Director Compensation

The following table presents compensation information for our non-employee directors during the year ended December 31, 2015. Directors who are also our employees receive no additional compensation for their service as a director. For at least a portion of the year ended December 31, 2015, each of three directors, Mr. Perry, our President and Chief Executive Officer, Mr. Painter, our former Chief Executive Officer and Chairman of the Board, and Mr. Krafcik, our former President, were employees. Compensation paid to Messrs. Perry and Painter is discussed in "Executive Compensation."

Name	Fees Earned (\$)	Option Awards (\$)(1)	Total (\$)
Abhishek Agrawal (2)	37,500	124,590	162,090
Todd Bradley (2)	40,000	124,590	164,590
Robert Buce (2)	47,000	124,590	171,590
Christopher Claus (2)	50,000	124,590	174,590
Steven Dietz (2)	47,500	124,590	172,090
Thomas Gibson (2)	43,500	124,590	168,090
John Krafcik (2)(3)	8,723	—	8,723
Ion Yadigaroglu (2)	30,000	124,590	154,590

(1) This amount represents the aggregate grant date fair value of the stock options awarded, as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718. The assumptions used in calculating the grant date fair value of the stock options reported in this column are set forth in Note 9 to our audited consolidated financial statements included in our Annual Report on Form 10-K, as filed with the SEC.

(2)

At December 31, 2015, Mr. Agrawal held a total of 30,081 outstanding stock options and no restricted stock units ("RSUs"); Mr. Bradley held a total of 58,394 outstanding stock options and no RSUs; Mr. Buce held a total of 265,802 outstanding stock options and no RSUs; Mr. Claus held a total of 44,245 outstanding stock options and no RSUs; Mr. Dietz held a total of 30,081 outstanding stock options and no RSUs; Mr. Gibson held a total of 67,017 outstanding stock options and no RSUs; Mr. Krafcik held a total of 608,393 outstanding stock options and 55,016 RSUs; and Mr. Yadigaroglu held a total of 30,081 outstanding stock options and no RSUs.



Mr. Krafcik resigned from his position as the Company's President effective September 15, 2015. Fees Earned (3) reflects pro-rated annual fees earned by Mr. Krafcik as a non-employee director during 2015. Although Mr. Krafcik received stock and option awards as an employee during 2015, he earned no equity compensation for his service as a director during 2015.

The fair value of common stock issued in 2015 in lieu of cash compensation for 2014 board service was included in "Non-Employee Director Compensation" in our 2015 proxy statement and is not included in the table above.

#### Post-Initial Public Offering Outside Director Compensation Policy

Our Board of Directors approved the terms and parameters of the compensation for our non-employee directors ("Outside Directors"), and in April 2014, at the direction of the Board of Directors, our compensation committee memorialized these terms in a policy that became effective as of the date of our initial public offering. Under the policy, our Outside Directors received compensation in the form of equity granted under the terms of our 2014 Equity Incentive Plan, or the 2014 Plan, and cash, as described below:

**Initial Option Grant.** Any person who first became an Outside Director after the registration date would have been granted an option to purchase shares having a grant date fair value equal to \$300,000. No Outside Directors have joined our Board of Directors since the registration date.

**Annual Option Grant.** On the date of each annual meeting of our stockholders (each an "Annual Meeting"), each Outside Director who served on our Board of Directors for at least the preceding six months was entitled to receive an option to purchase shares having a grant date fair value equal to \$150,000, or the Annual Option. Our Board of Directors determined to reduce the Annual Option granted in 2015 to 88.5% of the full amount (based on the grant date fair value) to reflect the Company's 88.5% achievement of annual revenue and annual Adjusted EBITDA targets for fiscal year 2014. The shares underlying the Annual Option vest and become exercisable in 12 approximately equal monthly installments over one year from the grant date.

The exercise price per share of each stock option granted under the post-IPO outside director compensation policy was equal to the fair market value of a share of our common stock, as determined in accordance with our 2014 Plan, on the date of the option grant. With respect to the 2015 Annual Option, the grant date fair value was computed in accordance with the Black-Scholes option valuation methodology.

**Cash Compensation.** For fiscal year 2015, each Outside Director received an annual retainer of \$30,000 in cash for serving on our Board of Directors, or the 2015 Annual Fee. In addition to the 2015 Annual Fee, the lead independent director received an additional annual retainer of \$25,000 in cash.

For fiscal year 2015, the chairperson and members of the three standing committees of our Board of Directors were entitled to the following annual cash retainers:

Board Committee	Chairperson Fee	Member Fee
Audit Committee	\$17,000	\$7,500
Compensation Committee	\$10,000	\$5,000
Nominating and Corporate Governance Committee	\$6,000	\$2,500

All cash retainers under the policy were paid in quarterly installments to each Outside Director that served in the relevant capacity at any point during the immediately preceding fiscal quarter no later than 30 days following the end of such preceding fiscal quarter.

#### 2016 Outside Director Compensation Policy

In March 2016, the Board of Directors, upon the recommendation of our compensation committee, approved a policy for the compensation of Outside Directors, effective as of January 1, 2016, which we refer to as our 2016 Outside Director Compensation Policy. Under this policy, our Outside Directors receive compensation in the form of equity under the terms of the 2014 Plan, as described below, and, Outside Directors who are not affiliated with a venture capital investor in the Company ("Non-Affiliated Directors") also receive compensation in the form of cash.

**Initial Award.** Beginning with fiscal year 2016, each person who first becomes an Outside Director will be granted an option to purchase shares of our common stock having a grant date fair value equal to \$150,000, or the Initial

Option, and a

15

---

restricted stock unit with a grant date fair value equal to \$150,000, or the Initial RSU. The Initial Option and Initial RSU (collectively, the "Initial Award") will be automatically granted on the date the individual first becomes an Outside Director. If a director's status changes from an employee director to an Outside Director, he or she will not receive an Initial Award.

Except as set forth below, the shares underlying the Initial Award vest as follows. Shares underlying the Initial Option will vest and become exercisable in 36 approximately equal monthly installments over three years from the commencement of the individual's service as an Outside Director, subject to continued service as a director through the applicable vesting dates. The shares underlying the Initial RSU will vest in three approximately equal annual installments over three years from the 15th day of the month during which the individual commenced service as an Outside Director, subject to continued service as a director through the applicable vesting dates.

Any shares underlying the Initial Award that are scheduled to vest on or after the date of the End-of-Term Annual Meeting (as defined below) will instead vest on the day prior to the End-of-Term Annual Meeting. End-of-Term Annual Meeting means:

- with respect to an Initial Award granted at an Annual Meeting, the third Annual Meeting following the Annual Meeting at which such Annual Award was granted; and
- with respect to an Initial Award not granted at an Annual Meeting, the fourth Annual Meeting following the grant of the Initial Award.

Annual Award. On the date of each Annual Meeting, each Outside Director who has served on our Board of Directors for at least the preceding six months will be automatically granted an Annual Award, consisting of an option to purchase shares having a grant date fair value equal to \$75,000, or the Annual Option, and a restricted stock unit with a grant date fair value equal to \$75,000, or the Annual RSU. Except as set forth below, the shares underlying the Annual Award vest as follows. The shares underlying the Annual Option will vest and become exercisable in 12 approximately equal monthly installments over one year from the grant date, subject to continued service as a director through the applicable vesting dates. The shares underlying the Annual RSU will vest on the last day of the month that includes the twelve-month anniversary of the date of grant of the Annual RSU, subject to continued service as a director through the vesting date

Any shares underlying the Annual Award that are scheduled to vest on or after the date of the following year's Annual Meeting will instead vest on the day prior to the following year's annual meeting of stockholders.

The exercise price per share of each stock option granted under the 2016 Outside Director Compensation Policy will be the fair market value of a share of our common stock, as determined in accordance with our 2014 Plan, on the date of the option grant. With respect to the Initial Option and Annual Option, the grant date fair value is computed in accordance with the Black-Scholes option valuation methodology or such other methodology our Board of Directors or compensation committee may determine. Under the terms of the 2014 Plan, if the service of an Outside Director is terminated on or following a change in control, other than pursuant to a voluntary resignation, his or her options and restricted stock units will vest fully and, if applicable, become immediately exercisable.

Cash Compensation. Beginning with fiscal year 2016, each Non-Affiliated Director receives an annual retainer of \$55,000 in cash for serving on our Board of Directors, or the Annual Fee. In addition to the Annual Fee, beginning with the fiscal year 2016, a Non-Affiliated Director who serves as chairman of the board or lead independent director, as applicable, will be entitled to an additional annual retainer of \$25,000 in cash.

Also beginning with fiscal year 2016, Non-Affiliated Directors serving as chairperson and members of the audit and compensation committees of our Board of Directors are entitled to the annual cash retainers set forth below. No cash retainers are paid for service on the Nominating and Corporate Governance Committee after fiscal year 2015.

	Chairperson	Member
Board Committee	Fee	Fee
Audit Committee	\$20,000	\$10,000
Compensation Committee	\$15,000	\$7,500

All cash retainers under the policy will be paid in quarterly installments to each Non-Affiliated Director that served in the relevant capacity at any point during the immediately preceding fiscal quarter no later than 30 days following the end of such preceding fiscal quarter.



Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers, directors and ten percent stockholders to file reports of ownership and changes in ownership with the SEC. Based on a review of filings with the SEC and/or written representations that no other reports were required, we believe that all reports for the Company's executive officers and directors that were required to be filed under Section 16 of the Exchange Act were timely filed during 2015, except as disclosed below:

On November 27, 2015, 1,333,332 shares held by Scott Painter, then our Chief Executive Officer and Chairman of the Board of Directors, were canceled by mutual agreement of Mr. Painter and TrueCar, Inc. in exchange for a payment of \$100,000 from TrueCar, Inc. to Mr. Painter. These cancellations were reported late on December 2, 2015.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding beneficial ownership of our common stock as of February 29, 2016 by:

- each person or group of affiliated persons known by us to be the beneficial owner of more than 5% of our common stock;
- each of our named executive officers;
- each of our directors; and
- all of our current executive officers and directors as a group.

We have determined beneficial ownership in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially own, subject to community property laws where applicable. In computing the number of shares of our common stock beneficially owned by a person and the percentage ownership of that person, we deemed outstanding shares of our common stock subject to options or restricted stock units held by that person that are currently exercisable or exercisable within 60 days of February 29, 2016. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person. We have based percentage ownership of our common stock on 83,480,641 shares of our common stock outstanding as of February 29, 2016. Unless otherwise indicated, the address of each beneficial owner listed on the table below is c/o TrueCar, Inc., 120 Broadway, Suite 200, Santa Monica, California 90401.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Shares Outstanding
<i>5% Stockholders:</i>		
Entities affiliated with United Services Automobile Association (1)	13,364,669	15.9
Entities affiliated with Upfront Ventures (2)	9,585,332	11.5
Pacific Sequoia Holdings LLC (3)	8,304,457	9.9
Scott Painter (4)	8,721,672	9.7
UBS Group AG (5)	6,593,147	7.9
Morgan Stanley (6)	6,246,206	7.5
Entities affiliated with Anthem Ventures (7)	5,332,001	6.4
Vulcan Capital Growth Equity LLC (8)	4,860,775	5.8
PAR Capital (9)	4,200,041	5.0
<i>Named Executive Officers and Directors:</i>		
Chip Perry (10)	167,916	*
Michael Guthrie (11)	1,152,833	1.4
John Stephenson (12)	497,716	*
Scott Painter (4)	8,721,672	9.7
Abhishek Agrawal (13)	34,133	*
Todd Bradley (14)	58,330	*
Robert Buce (15)	483,230	*
Christopher Claus (16)	106,379	*
Steven Dietz (17)	9,662,950	11.6
Thomas Gibson (18)	72,946	*
John Krafcik (19)	462,543	*
Ion Yadigaroglu (20)	2,213,956	2.7
All current executive officers and directors as a group (11 persons) (21)	14,912,932	17.3

\* Represents beneficial ownership of less than 1%.

As reported on Form 4 filed with the SEC on February 3, 2016 and updated from Company records, consists of (i) 11,232,346 shares held of record by United Services Automobile Association ("USAA") (ii) 1,633,347 shares (1) held of record by USAA Property Holdings, Inc. ("UPHI"), a wholly owned subsidiary of USAA, and (iii) 498,976 shares issuable to USAA pursuant to a warrant exercisable within 60 days of February 29, 2016. The address for each of these entities is 9800 Fredericksburg Road, San Antonio, Texas 78288.

As reported on Schedule 13G/A filed with the SEC on February 12, 2016, consists of (i) 5,138,807 shares held of record by Upfront II, L.P., (ii) 1,945,375 shares held of record by Upfront III, L.P., (iii) 1,501,260 shares held of record by Upfront GP II, L.P., (iv) 559,248 shares held of record by Upfront II Investors, L.P., (v) 206,202 shares held of record by Upfront GP III, L.P., (vi) 139,397 shares held of record by Upfront II Partners, L.P., (vii) 63,152 shares held of record by Upfront III Investors, L.P., and (viii) 31,891 shares held of record by Upfront III (2) Partners, L.P. GRP Management Services, Inc. is the sole general partner of Upfront II, L.P., Upfront II Partners, LP, Upfront GP II, L.P., and Upfront II Investors, L.P. Upfront Ventures Management, Inc. is the sole general partner of Upfront III, L.P., Upfront GP III, L.P., Upfront III Partners, L.P. and Upfront III Investors, L.P. The managers of both GRP Management Services Corp. and Upfront Ventures Management, Inc. are Steven Dietz, Yves B. Sisteron and Mark Suster. These managers jointly exercise voting and dispositive control over the shares directly held by each fund. The address for each of these entities is c/o Upfront Ventures, 1314 7th Street, Santa Monica, California 90401.

As reported on Schedule 13G/A filed with the SEC on January 25, 2016, consists of 8,304,457 shares held of (3) record by Pacific Sequoia Holdings LLC, ("PSHL"). Jeffrey S. Skoll is the indirect sole member of PSHL and has sole authority to direct the voting and disposition of the shares held by PSHL. The address for PSHL is 250 University Avenue, Palo Alto, California 94301.

As reported on Schedule 13G/A filed with the SEC on February 10, 2016 and updated from Company records, consists of (i) 1,848,340 shares held of record by Mr. Painter, including 1,840,494 shares pledged as collateral to secure a line of credit, (ii) 3,147 shares held of record by Mr. Painter as Custodian for Indy Painter under the (4) California Uniform Transfers to Minors Act, (iii) 3,147 shares held of record by Mr. Painter as Custodian for Luke Painter under the California Uniform Transfers to Minors Act, (iv) 3,147 shares held of record by Mr. Painter as Custodian for Noah Painter under the California Uniform Transfers to Minors Act, (v) 3,147 shares held of record by Mr. Painter as Custodian for Zoe Painter under the California Uniform Transfers to Minors Act, (vi) 6,845,447 shares exercisable within 60 days of February 29, 2016, and (vii) 15,297 shares issuable upon vesting of restricted stock units within 60 days of February 29, 2016.

According to a Schedule 13G filed with the SEC on February 9, 2016, the 6,593,147 shares reported by UBS (5) Group AG ("UBS") are beneficially owned by UBS, the parent holding company, which holds sole voting power of 6,592,147 shares and sole dispositive power of 6,593,147 shares. The 6,593,147 shares reported are owned, directly or indirectly, by UBS and its wholly-owned subsidiaries UBS AG London Branch, UBS Financial Services Inc., UBS Securities LLC and UBS Switzerland AG. The address for these entities is Bahnhofstrasse 45, PO Box CH-8021, Zurich, Switzerland.

According to a Schedule 13G/A filed with the SEC on February 5, 2016, the 6,246,206 shares reported by Morgan Stanley ("MS") are beneficially owned by MS, the parent holding company, which holds sole voting power of (6) 6,227,398 shares, shared voting power of 18,808 shares and shared dispositive power of 6,246,206 shares. The 6,246,206 shares reported are owned, directly or indirectly, by MS and its subsidiary, Morgan Stanley Capital Services LLC. The address for these entities is 1585 Broadway, New York, New York 10036.

(7) As reported on Schedule 13G filed with the SEC on February 26, 2015, consists of (i) 3,143,768 shares held of record by Anthem Ventures Fund, L.P. ("AVF") and for which Anthem Venture Investors, LLC ("AVI LLC") serves as its general partner, (ii) 1,868,866 held of record by Anthem Ventures Annex Fund, LP ("AVAF") and for which Anthem Venture Annex Investors, LLC ("AVAI LLC") serves as its general partner, (iii) 101,434 shares held of record by Anthem/MIC Strategic Partners, L.P. ("ASP") and for which Anthem Strategic Capital, LLC ("ASC LLC") serves as its general partner, (iv) 38,655 shares held of record by Anthem Venture Management LLC Defined Benefit Pension Plan ("AVM"), (v) 171,778 shares held of record by TC Profits, L.P. ("TCP") and for which Public Venture Investors, LLC ("PVI LLC") serves as general partner, and (vi) 7,500 shares held of record



by PVI LLC. William R. Woodward, as the managing member of AVI LLC, AVAI LLC, ASC LLC and PVI LLC and the trustee of AVM, has sole voting and dispositive power with respect to the shares held by AVF, AVAF, ASP, AVM, TCP and PVI LLC. In addition, Mr. Woodward has sole voting and dispositive power with respect to (a) 101,000 shares held of record by WRW Investments L.P. for which he serves as general partner, (b) 6,000 shares held of record by each of DLW 1997 Investment Trust, HRW 1997 Investment Trust, TBW 2005 Investment Trust and LAW 1997 Investment Trust for which he serves as trustee, (c) 20,000 shares held of record by an individual retirement account for the benefit of

Mr. Woodward, and (d) 77,000 shares held of record by Mr. Woodward. The address for each of these entities is c/o Anthem Venture Partners, 225 Arizona Avenue, Suite 200, Santa Monica, California 90401.

(8) As reported on Schedule 13G/A filed with the SEC on February 9, 2016, consists of 4,860,775 shares held of record by Vulcan Capital Growth Equity LLC ("Vulcan"). Cougar Investment Holdings LLC ("Cougar") is the managing member of Vulcan Capital Growth Equity Management LLC, the manager of Vulcan. Paul G. Allen, as the sole stockholder of Cougar, has sole voting and dispositive power with respect to the shares being held by Vulcan. The address for each of these entities is c/o Vulcan Capital Growth Equity LLC, 505 Fifth Avenue South, Suite 900, Seattle, Washington 98104.

(9) According to a Schedule 13G/A filed with the SEC on February 16, 2016, the 4,200,041 shares reported by PAR Investment Partners, L.P. ("PAR") are beneficially owned, by PAR, a partnership, which holds sole voting and dispositive power of 4,200,041 shares. PAR Group, L.P. ("PAR LP"), the general partner of PAR, and PAR Capital Management, Inc., the general partner of PAR LP, have sole voting and dispositive power of the shares with respect to the shares beneficially owned by PAR. The address for these entities is One International Place, Suite 2401, Boston, Massachusetts 02110.

(10) Consists of (i) 50,000 shares held of record by Mr. Perry, (ii) 76,666 shares exercisable within 60 days of February 29, 2016, and (iii) 41,250 shares issuable upon vesting of restricted stock units within 60 days of February 29, 2016.

(11) Consists of (i) 21,476 shares held of record by Mr. Guthrie, (ii) 1,112,049 shares exercisable within 60 days of February 29, 2016, and (iii) 19,308 shares issuable upon vesting of restricted stock units within 60 days of February 29, 2016.

(12) Consists of (i) 11,804 shares held of record by Mr. Stephenson, (ii) 470,322 shares exercisable within 60 days of February 29, 2016, and (iii) 15,590 shares issuable upon vesting of restricted stock units within 60 days of February 29, 2016.

(13) Consists of (i) 4,052 shares held of record by Mr. Agrawal, and (ii) 30,081 shares exercisable within 60 days of February 29, 2016.

(14) Consists of (i) 5,454 shares held of record by Mr. Bradley, and (ii) 52,876 shares exercisable within 60 days of February 29, 2016.

(15) Consists of (i) 217,428 shares held of record by Mr. Buce, and (ii) 265,802 shares exercisable within 60 days of February 29, 2016.

(16) Consists of (i) 72,364 shares held of record by Mr. Claus, and (ii) 34,015 shares exercisable within 60 days of February 29, 2016.

(17) Consists of (i) the shares listed in footnote (2) above, which are held by entities affiliated with Upfront Ventures, (ii) 23,867 shares held of record by Mr. Dietz, (iii) 9,500 shares held of record by The Dietz Family Trust - 2011 for which Mr. Dietz serves as trustee, (iv) 10,970 shares held of record by The Dietz Family Trust - 2007 for which Mr. Dietz serves as trustee, (v) 900 shares held of record by Mr. Dietz's elder son, (vi) 1,000 shares held of record by Mr. Dietz's younger son, (vii) 1,300 shares held of record by Mr. Dietz's daughter, and (viii) 30,081 shares exercisable within 60 days of February 29, 2016.

(18) Consists of (i) 9,886 shares held of record by Mr. Gibson, and (ii) 63,060 shares exercisable within 60 days of February 29, 2016.

(19) Consists of (i) 30,739 shares held of record by Mr. Krafcik, (ii) 428,184 shares exercisable within 60 days of February 29, 2016, and (iii) 3,620 shares issuable upon vesting of restricted stock units within 60 days of February 29, 2016.

(20) Consists of (i) 4,052 shares held of record by Mr. Yadigaroglu, (ii) 885,801 shares held of record by The Skoll Foundation ("Foundation"), (iii) 755,250 held of record by The Skoll Fund ("Fund"), (iv) 267,752 shares held of record by Capricorn S.A. SICAV-SIF-Global Non-Marketable Strategies Sub-Fund ("Capricorn SA"), (v) 197,519 shares held of record by Capricorn AIP-Private Investment Fund I, L.P. ("Capricorn AIP"), (vi) 31,031 shares held of record by HIT Splitter, L.P. ("HSLP"), (vii) 34,810 shares held of record by Carthage, L.P. ("Carthage"), (viii) 7,660 shares held of record by Capricorn Investment Group LLC ("Capricorn Group"), and (ix) 30,081 shares exercisable within 60 days of February 29, 2016. Capricorn Group serves as the

investment manager for Foundation, Fund and Capricorn SA, and is the general partner of Capricorn AIP, HSLP and Carthage. Capricorn Group has sole voting and investment control over the shares held by Foundation, Fund, Capricorn SA, Capricorn AIP, HSLP and Carthage, in addition to having sole voting and investment control over the shares it holds directly. Capricorn Group is an SEC-

registered investment adviser. Voting and dispositive decisions on behalf of Capricorn Group are made by an investment committee consisting of four individuals, including Mr. Yadigaroglu, with respect to the shares held by Foundation, Fund, Capricorn SA, Capricorn AIP, HSLP and Carthage. The address for Mr. Yadigaroglu is c/o Capricorn Investment Group LLC, 250 University Avenue, Palo Alto, California 94301.

Consists of (i) 12,239,947 shares beneficially owned by our current executive officers and directors, (ii) 2,593,217 (21) shares subject to outstanding options exercisable within 60 days of February 29, 2016, and (iii) 79,768 shares issuable upon vesting of restricted stock units within 60 days of February 29, 2016.

## EXECUTIVE COMPENSATION

Our named executive officers for 2015, which consist of each of the two individuals who served as our principal executive officer during 2015 and the next two most highly compensated executive officers, are:

• Chip Perry, our President and Chief Executive Officer and member of the Board;

• Michael Guthrie, our Chief Financial Officer;

• John Stephenson, our Chief Risk Officer and Executive Vice President; and

• Scott Painter, our former Chief Executive Officer and Chairman of the Board.

## 2015 Summary Compensation Table

The following table shows compensation awarded to, paid to or earned by the persons named below for each of the years ended December 31, 2015 and 2014 during which such persons qualified as named executive officers of our Company.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(1)	Option Awards (\$)(1)	Non-Equity Incentive Plan Compensation(\$)(2)	All Other Compensation (\$)	Total (\$)
Chip Perry President and Chief Executive Officer	2015	39,487	100,000 (3)	5,293,200	7,025,961	—	250	12,458,898
Scott Painter Former Chief Executive Officer and Chairman of the Board	2015	447,188	94,500 (4)	2,695,132	3,716,457	96,344	845,541 (5)	7,895,162
	2014	450,000	—	752,064	18,419,146	490,762	37,209 (6)	20,149,181
Michael Guthrie Chief Financial Officer	2015	389,063	80,372 (7)	1,704,266	743,291	89,000	253,805 (8)	3,259,797
John Stephenson Chief Risk Officer	2015	389,063	56,000 (9)	1,222,252	557,469	118,453	259,838 (10)	2,603,075
	2014	248,798	75,060 (11)	—	6,794,050	279,875	124,442 (12)	7,522,225

(1) The amounts reported represent the aggregate grant-date fair value of the restricted stock units ("RSUs") and options awarded to the named executive officer, calculated in accordance with FASB ASC Topic 718. Such grant-date fair value does not take into account any estimated forfeitures related to service-vesting conditions. The assumptions used in calculating the grant-date fair value of the RSUs and options reported in this column are set forth in Note 9 to our audited consolidated financial statements included in our Annual Report on Form 10-K, as filed with the SEC.

(2) The amounts reported represent payments earned under the 2015 Incentive Plan and the 2014 incentive plan. All 2015 amounts were paid in May, August, and November 2015. All 2014 amounts were paid in August 2014 and March 2015.

(3) Amount represents a one-time signing bonus paid in connection with Mr. Perry joining the Company in December 2015.

(4) Amount to be paid in connection with Mr. Painter's separation.

(5) Amounts reflects medical expense reimbursements of \$18,205, the costs related to a car allowance of \$11,500, paid severance of \$19,688 and accrued severance costs of \$795,183. Accrued severance includes: (i) cash severance of

\$472,500; (ii) an annual fee of \$100,000 for limited advisory services to the Company during the period from December 16, 2015 to May 2018, totaling \$245,833; and (iii) health insurance benefits through the end of May 2018 of \$76,850.

- (6) Amount reflects the aggregate incremental costs of perquisites and other personal benefits, including, among other things, the costs related to a car allowance and other personal furnishings.
- (7) Amount reflects discretionary bonuses paid to Mr. Guthrie in November 2015 and March 2016 for performance during the third and fourth quarters of 2015, respectively.  
Amount reflects an employee referral fee of \$3,000, medical expense reimbursements of \$3,333 and the aggregate incremental costs of perquisites and other personal benefits, including the costs related to housing costs in Santa
- (8) Monica, California utilized by Mr. Guthrie, and transportation costs in connection with Mr. Guthrie commuting to our principal executive offices in Santa Monica, California. Tax reimbursements were paid related to certain expenses. Mr. Guthrie received \$93,493 in tax gross-ups from the Company in 2015.
- (9) Amount reflects discretionary bonuses paid to Mr. Stephenson in November 2015 and March 2016 for performance during the third and fourth quarters of 2015, respectively.  
Amount reflects 401(k) employer matching contributions of \$15,237 and the aggregate incremental costs of perquisites and other personal benefits, including, among other things, the costs related to housing costs in Santa
- (10) Monica, California utilized by Mr. Stephenson, and transportation costs in connection with Mr. Stephenson commuting to our principal executive offices in Santa Monica, California. Tax reimbursements were paid related to certain expenses. Mr. Stephenson received \$83,062 in tax gross-ups from the Company in 2015.
- (11) Amount represents a one-time signing bonus paid in connection with Mr. Stephenson joining the Company in April 2014.  
Amount reflects 401(k) employer matching contributions of \$3,750 and the aggregate incremental costs of perquisites and other personal benefits, including, among other things, the costs related to temporary housing
- (12) costs in Santa Monica, California utilized by Mr. Stephenson, and transportation costs in connection with Mr. Stephenson commuting to our principal executive offices in Santa Monica, California. Tax reimbursements were paid related to certain expenses. Mr. Stephenson received \$35,538 in tax gross-ups from the Company in 2014.

#### Executive Employment Arrangements

We have entered into employment agreements with Messrs. Perry, Guthrie and Stephenson. These agreements provide for at-will employment and generally include the named executive officer's base salary, an indication of eligibility for an annual performance-based bonus opportunity, equity awards and certain severance and change in control benefits. These employment arrangements are described below and in "Potential Payments upon Termination, Change in Control or Certain Other Events" below. Mr. Painter's employment terminated on December 15, 2015 pursuant to a separation agreement and release, dated November 20, 2015.

##### Chip Perry

We entered into an employment agreement (the "Perry Employment Agreement") on November 16, 2015 with Mr. Perry, our President and Chief Executive Officer. Under the Perry Employment Agreement, Mr. Perry has an annual base salary of \$800,000 and, for 2016 and later, will be eligible for an annual performance-based bonus opportunity of 100% of his base salary, a minimum annual bonus opportunity of 50% of his base salary for achievement of minimum performance levels and a maximum annual bonus opportunity of 200% of his base salary for achievement of maximum performance levels. Mr. Perry was awarded a signing bonus of \$100,000. During the first two years of his employment, Mr. Perry is entitled to receive monthly payments of \$20,000 as an allowance for personal housing and travel costs and gross-up payments to cover the related taxes on such amounts.

Pursuant to the Perry Employment Agreement, Mr. Perry was granted a stock option to purchase 1,840,000 shares of the Company's common stock with an exercise price equal to the fair market value of the shares on the date of grant and 660,000 restricted stock units. Please see "Equity Grants to our Named Executive Officers" below for additional information on these grants.

Please see "Potential Payments upon Termination, Change in Control or Certain Other Events" below for additional information on the Painter Employment Agreement.

##### Michael Guthrie

For 2015, Mr. Guthrie, our Chief Financial Officer, had an annual base salary of \$393,750 and an annual performance-based bonus opportunity targeted at \$393,750 (100% of his base salary).

We entered into an employment agreement on October 25, 2013 with Mr. Guthrie (the "Guthrie Employment Agreement"). Pursuant to the Guthrie Employment Agreement, Mr. Guthrie is eligible to receive awards of stock options, restricted stock or other equity awards pursuant to any plans or arrangements we may have in effect from time to time and to participate in executive benefit plans and programs of the Company on the same terms and conditions as other similarly-situated employees. The Guthrie Employment Agreement provides that all of his current and future stock options will permit exercise via a net exercise feature and, with respect to stock options granted prior to our initial public offering, early exercisable as to unvested shares, subject to our right to repurchase any unvested shares upon termination of employment.

Please see "Potential Payments upon Termination, Change in Control or Certain Other Events" below for additional information on the Guthrie Employment Agreement.

##### John Stephenson

For 2015, Mr. Stephenson, our Chief Risk Officer, had an annual base salary of \$393,750 and an annual performance-based bonus opportunity targeted at \$393,750 (100% of his base salary).

We entered into an employment agreement on May 1, 2014 with Mr. Stephenson (the "Stephenson Employment Agreement"). Pursuant to the Stephenson Employment Agreement, we agreed to recommend that Mr. Stephenson receive a stock option to purchase 1,300,000 shares of Company common stock (which equated to 866,666 shares after giving effect to the 2-for-3 reverse stock split in May 2014). This was granted to him in May 2014. In addition, pursuant to the Stephenson Employment Agreement, Mr. Stephenson is eligible to receive awards of stock options, restricted stock or other equity awards pursuant to any plans or arrangements we may have in effect from time to time and to participate in executive benefit plans and programs of the Company on the same terms and conditions as other similarly-situated employees. The Stephenson Employment Agreement provides that all of his current and future stock options will permit exercise via a net exercise feature. Under the terms of the Stephenson Employment Agreement, Mr. Stephenson also was entitled to receive \$100,000 in a combination of relocation reimbursements and a sign-on bonus.

Please see "Potential Payments upon Termination, Change in Control or Certain Other Events" below for additional information on the Stephenson Employment Agreement.

23

---



#### Scott Painter

During 2015, prior to his resignation as discussed below, Mr. Painter had an annual base salary of \$472,500 and an annual performance-based bonus opportunity targeted at \$472,500 (100% of his base salary).

During 2015, Mr. Painter had been subject to an amended and restated employment agreement entered into on December 20, 2012 (the "Painter Employment Agreement"), with respect to which, in February 2014, our compensation committee had approved certain changes to Mr. Painter's compensation (the "Approved Terms").

Pursuant to the Approved Terms, during his employment, Mr. Painter was eligible for an annual stock option grant (until the earlier of four years or a change of control (as such term is defined in the Painter Employment Agreement) covering a number of shares in an amount not to exceed 1% of our fully diluted shares calculated on a treasury-stock method as of December 31 of the applicable year. The Painter Employment Agreement also provided that all of his current and future stock options would permit exercise via a net exercise feature and, with respect to stock options granted prior to our initial public offering, early exercisable as to unvested shares, subject to our right to repurchase any unvested shares upon termination of employment.

#### Potential Payments upon Termination, Change in Control or Certain Other Events

##### Chip Perry

Pursuant to the terms of the Perry Employment Agreement, if we terminate Mr. Perry's employment for a reason other than cause (as such term is defined in the Perry Employment Agreement and summarized below), or he resigns from his employment for good reason (as such term is defined in the Perry Employment Agreement and summarized below), then, in addition to earned but unpaid amounts, subject to Mr. Perry signing a release of claims agreement with the Company and his continued compliance with a confidential information agreement entered into with the Company, he will receive (i) a lump sum payment equal to 200% of the sum of his then-current base salary and target annual bonus opportunity; (ii) if such termination occurs prior to a change in control (as such term is defined in the Perry Employment Agreement and summarized below) of the Company and on or after the 1<sup>st</sup> anniversary of his start date but before the 2<sup>nd</sup> anniversary of his start date, immediate vesting of 50% of each of his then-outstanding equity awards; (iii) if such termination occurs prior to a change in control of the Company and on or after the 2<sup>nd</sup> anniversary of his start date but before the 3<sup>rd</sup> anniversary of his start date, immediate vesting of 75% of each of his then-outstanding equity awards; (iv) if such termination occurs prior to a change in control of the Company and on or after the 3<sup>rd</sup> anniversary of his start date, immediate vesting of 100% of each of his then-outstanding equity awards; and (v) if such termination occurs upon or after a change in control of the Company, immediate vesting of 100% of each of his then-outstanding equity awards.

If Mr. Perry's employment with the Company terminates due to his death or disability (as such term is defined in the Perry Employment Agreement and summarized below), then, in addition to earned but unpaid amounts, subject to Mr. Perry (or his estate) signing a release of claims agreement with the Company and his continued compliance with a confidential information agreement entered into with the Company, he will receive immediate vesting of each of his then-outstanding equity awards.

In the event of a change in control that occurs while Mr. Perry remains an employee of the Company, if he remains employed with the Company (or any successor) as of the 1st day following the 12-month anniversary of the change in control, then 100% of any of Mr. Perry's equity awards that both are outstanding as of such date and were granted to him at least 90 days prior to the change in control will vest.

The Perry Employment Agreement provides that any severance payments and benefits payable to Mr. Perry will be subject to a delay in payment if and to the extent required by Section 409A. In the event that the severance payments and other benefits payable to Mr. Perry constitute "parachute payments" under Section 280G of the U.S. tax code and would be subject to the applicable excise tax, then Mr. Perry's severance and other benefits will be either: (i) delivered in full; or (ii) delivered to such lesser extent which would result in no portion of such benefits being subject to the excise tax, whichever results in the receipt by Mr. Perry on an after-tax basis of the greatest amount of benefits.

##### Michael Guthrie and John Stephenson

The severance and change in control-related terms of the Guthrie Employment Agreement and the Stephenson Employment Agreement related to potential payments upon termination, change in control and certain other events are generally the same, except as noted below. Except as noted, the description below applies to each agreement, and

refers to Messrs. Guthrie and Stephenson, as applicable, as "the Executive". Under the agreements, if we terminate the Executive's employment with us for a reason other than cause (as such term is defined in the Executive's employment agreement and summarized below), the Executive's employment with us terminates due to his death or disability (as such term is defined in the Executive's employment agreement and summarized below), or the Executive resigns from his employment for good reason (as such term is defined in the Executive's employment agreement and summarized below), and in each case, such termination

occurs prior to a change in control, then, subject to the Executive signing a release of claims agreement with us and his continued compliance with a confidential information agreement entered into with us, he will receive: (i) continuing payments of his base salary for a period of time commencing immediately after his separation of service through the date that is six months following the separation date, plus an additional two months for every fully completed year of service with us (measured from his original start date with us or any predecessor to us), but not to exceed a total of twelve months (the "Executive Severance Period"); (ii) the immediate vesting of each of his then outstanding stock options and shares of restricted stock as to the number of shares that otherwise would have vested had he remained our employee through the 12-month anniversary of the termination date; and, with respect to the Stephenson Employment Agreement only, (iii) reimbursement for the payments he makes for medical, vision and dental under COBRA up to the full Executive Severance Period (the "COBRA Coverage"). If we cannot provide any COBRA Coverage to which Mr. Stephenson becomes entitled without a violation of applicable laws, we may instead provide a monthly cash payment, plus an amount to cover the taxes on such payment, during the Executive Severance Period (which the Executive may, but does not have to, use toward his health care continuation costs). If we cannot provide these cash payments in lieu of COBRA Coverage without violating applicable law, then we will not provide Mr. Stephenson with the COBRA Coverage or these cash payments.

If we terminate the Executive's employment for a reason other than cause, the Executive's employment terminates due to his death or disability, or the Executive resigns from his employment for good reason, and in each case, such termination occurs during the period beginning upon the closing of a change in control and ending on the 12-month anniversary of the closing of the change in control (the "Change in Control Period"), then, subject to the Executive signing a release of claims agreement with us and his continued compliance with a confidential information agreement entered into with us, he will receive: (i) continuing payments of his base salary during the Executive Severance Period; (ii) the immediate vesting as to 100% of his then outstanding stock options and shares of restricted stock; and, with respect to the Stephenson Employment Agreement only, (iii) the COBRA Coverage (or the cash payments in lieu thereof, as described above, unless doing so would violate applicable laws).

If we terminate the Executive's employment for a reason other than cause, the Executive's employment terminates due to his death or disability, or the Executive resigns from his employment for good reason, and in each case, such termination occurs after the expiration of the Change in Control Period, then, subject to the Executive signing a release of claims agreement with us and his continued compliance with a confidential information agreement entered into with us, he will receive: (i) continuing payments of his base salary during the Executive Severance Period; and, with respect to the Stephenson Employment Agreement only, (ii) the COBRA Coverage (or the cash payments in lieu thereof, as described above, unless doing so would violate applicable laws).

In the event of a change in control that occurs while the Executive remains our employee, if the Executive remains employed with us (or any successor) as of immediately following the end of the Change in Control Period, then 100% of any stock options and shares of restricted stock held by the Executive as of the closing of the change in control will vest and become fully exercisable.

The Guthrie Employment Agreement and Stephenson Employment Agreement each provide that any severance payments and benefits to Messrs. Guthrie and Stephenson will be subject to a delay in payment if and to the extent required by Section 409A. In the event that the severance payments and other benefits payable to an Executive constitute "parachute payments" under Section 280G of the U.S. tax code and would be subject to the applicable excise tax, then the Executive's severance and other benefits will be either: (i) delivered in full; or (ii) delivered to such lesser extent which would result in no portion of such benefits being subject to the excise tax, whichever results in the receipt by the Executive on an after-tax basis of the greatest amount of benefits.

#### Definitions

Except as noted, the definitions below apply to each executive employment agreement, and each executive employment agreement refers to Messrs. Perry, Guthrie and Stephenson, as applicable, as "the Executive".

As used in this section, "cause" means: (i) the Executive's failure to perform his assigned duties or responsibilities as an employee (as President and Chief Executive Officer, with respect to Mr. Perry) (other than a failure resulting from the Executive's disability) after written notice thereof from us describing his failure to perform such duties or responsibilities; (ii) the Executive engaging in any act of dishonesty, fraud or misrepresentation with respect to us;

(iii) the Executive's violation of any federal or state law or regulation applicable to our business or our affiliates;  
(iv) the Executive's breach of any confidentiality agreement or invention assignment agreement; or (v) with respect to Messrs. Guthrie and Stephenson, the Executive being convicted of, or entering a plea of nolo contendere to, any crime; with respect to Mr. Perry, the Executive being convicted of, or entering a plea of nolo contendere to, a felony or any crime involving moral turpitude.

25

---

As used in this section, "change in control" means: (i) a change in our ownership which occurs on the date that any person, or persons acting as a group, acquires ownership of our stock that, together with the stock held by such person, constitutes more than 50% of the total voting power of our stock, provided, that, under the Perry Employment Agreement only, our Board of Director may, in its reasonable judgment, determine that any such change in the ownership of the stock of the Company as a result of a financing of the Company or otherwise for fundraising purposes, and in each case that is approved by the Board of Directors prior to such change in ownership also will not be considered a change in control; (ii) a change in the ownership of a substantial portion of our assets which occurs on the date that any person, or persons acting as a group, acquires assets from us that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of our assets immediately prior to such acquisition or acquisitions, provided, that, under the Perry Employment Agreement only, our Board of Director may determine that certain asset transfers that should not, in its reasonable judgment, be considered to be a change in control due to extenuating factors; or, with respect to the Guthrie Employment Agreement and the Stephenson Employment Agreement only, (iii) a change in the effective control of us which occurs on the date that a majority of the members of our Board of Directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of our Board of Directors prior to the date of the appointment or election.

As used in this section, "disability" means the Executive: (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering our employees.

As used in this section, "good reason" means the Executive's resignation within 30 days following the expiration of a cure period (discussed below) following the occurrence of one or more of the following, without the Executive's consent: (i) with respect to the Guthrie Employment Agreement and Stephenson Employment Agreement only, a material reduction in the Executive's base salary, excluding the substitution of substantially equivalent compensation and benefits, that is applicable to all of our senior management; with respect to the Perry Employment Agreement only, a reduction in the Executive's base salary, excluding the substitution of substantially equivalent compensation and benefits, which reduction, as a percentage of base salary, is of a greater percentage than the percentage of base salary reduction applicable to a majority of our senior management, (ii) with respect to the Guthrie Employment Agreement and Stephenson Employment Agreement only, a material reduction of the Executive's authority, duties or responsibilities, unless the Executive is provided with a comparable position; provided, however, that a reduction in authority, duties, or responsibilities solely by virtue of us being acquired and made part of a larger entity whether as a subsidiary, business unit or otherwise (as, for example, when our Chief Executive Officer remains as such following an acquisition where we become a wholly owned subsidiary of an acquirer, but is not made the Chief Executive Officer of the acquiring corporation) will not constitute "good reason"; with respect to the Perry Employment Agreement only, a material reduction of the Executive's title, positions, authority, duties or responsibilities or the assignment to the Executive of titles, positions, authority, duties or responsibilities that are inconsistent with his position as our President and Chief Executive Officer, in each case, which results in a material diminution of Executive's authority, duties or responsibilities; provided, however, that a reduction in authority, duties, or responsibilities by virtue of us being acquired and made part of a larger entity whether as a subsidiary, business unit or otherwise (as, for example, when our Chief Executive Officer remains as such following an acquisition where we become a wholly owned subsidiary of an acquirer, but is not made the Chief Executive Officer of the acquiring corporation) will not constitute "good reason", (iii) a material change (with respect to Mr. Perry only, this is any actual change) in the geographic location of the Executive's primary work facility or location; provided, that a relocation of 50 miles or less from the Executive's then present location or to the Executive's home as his primary work location will not be considered a material change in geographic location; or, with respect to the Perry Employment Agreement only, the following subclauses (iv) through (vi): (iv) Executive reporting to anyone other than the Board of Directors or, if the Company is acquired, either the Board of Directors or the board of directors of an acquiring company, (v) the failure by a successor to assume the Perry Employment Agreement, or (vi) any other material breach of the Perry

Employment Agreement. In order for an event to qualify as good reason, the Executive must not terminate employment with us without first providing us with written notice of the acts or omissions constituting the grounds for "good reason" within 90 days of the initial existence of the grounds for "good reason" and a reasonable cure period of not less than 30 days following the date of such notice, and such grounds must not have been cured during such time.

Scott Painter

On November 20, 2015, we entered into a separation agreement and release (the "Separation Agreement") with Mr. Painter. Pursuant to the terms of the Separation Agreement, Mr. Painter resigned from his positions as the Company's Chief Executive Officer and Chairman of the Board, and as a member of the Board, effective December 15, 2015 (the "Termination Date"). The Painter Employment Agreement had provided for certain severance and change in control benefits, but those benefits were not triggered in connection with Mr. Painter's resignation. Under the Separation Agreement, Mr. Painter received: (i) a 2015 bonus of \$94,500, payable at the same time bonus payments are made to other of our executives; and (ii) severance

of approximately \$492,000 to be paid in approximately equal semi-monthly payments through December 31, 2016, in each case, subject to applicable tax withholdings. Pursuant to the Separation Agreement, Mr. Painter will provide limited advisory services to the Company during the "Advisory Period" that will run from the Termination Date through May 2018 or, if earlier, the termination of such services for cause (as defined in the Separation Agreement). Mr. Painter will be paid a monthly advisory fee of approximately \$8,333 (\$100,000 on an annual basis) during the Advisory Period. The Company will continue to provide Mr. Painter's health insurance benefits through the end of the Advisory Period, at which time Mr. Painter is expected to be eligible for COBRA benefits. The Separation Agreement includes a mutual release of claims between Mr. Painter and the Company and provides that Mr. Painter is subject to customary confidentiality and non-solicitation restrictions during the Advisory Period.

Pursuant to the Separation Agreement, the Company paid Mr. Painter \$100,000 for the surrender and cancellation of options he held to purchase 1,333,332 shares of the Company's common stock. The vesting of certain of Mr. Painter's remaining option awards required Mr. Painter's continued service as the Company's Chief Executive Officer (the "CEO Options"). Mr. Painter ceased vesting in the CEO Options on the Termination Date and the unvested portion of the CEO Options, consisting of options to purchase 791,117 shares, was cancelled. Mr. Painter will continue to vest in his remaining options (covering 1,401,553 shares) and 154,088 remaining restricted stock units until the end of the Advisory Period. As the result of the cancellation of options described above, an additional 2,253,677 shares became available for grant under the Company's 2014 Equity Incentive Plan.

#### 2015 Inducement Equity Incentive Plan

On December 14, 2015, the Compensation Committee adopted the TrueCar, Inc. 2015 Inducement Equity Incentive Plan, the Inducement Plan, and reserved 1,840,000 shares of the Company's common stock for issuance pursuant to equity awards granted under the Inducement Plan. Also on December 14, 2015, the Compensation Committee granted an option to purchase 1,840,000 shares of common stock to Chip Perry under the Inducement Plan. No shares remain available for grant under the Inducement Plan.

The Inducement Plan was adopted without stockholder approval pursuant to Rule 5635(c)(4) of the Nasdaq Listing Rules. The Inducement Plan provided for the grant of equity-based awards in the form of nonstatutory stock options and its terms are substantially similar to the Company's 2014 Equity Incentive Plan, including with respect to treatment of equity awards in the event of a "merger" or "change in control" as defined under the Inducement Plan. In accordance with Rule 5635(c)(4) of the Nasdaq Listing Rules, awards under the Inducement Plan could only be made to individuals not previously employees or non-employee directors of the Company (or following such individuals' bona fide period of non-employment with the Company), as an inducement material to the individuals' entry into employment with the Company or in connection with a merger or acquisition, to the extent permitted by Rule 5635(c)(3) of the Nasdaq Listing Rules.

#### 2014 Equity Incentive Plan

Our 2014 Equity Incentive Plan, or the 2014 Plan, provides that in the event of a "merger" or "change in control," as defined under the 2014 Plan, each outstanding award will be treated as the administrator determines, except that if a successor corporation or its parent or subsidiary does not assume or substitute an equivalent award for any outstanding award, then such award will fully vest, all restrictions on such award will lapse, all performance goals or other vesting criteria applicable to such award will be deemed achieved at 100% of target levels, and such award will become fully exercisable, if applicable, for a specified period prior to the transaction. The award will then terminate upon the expiration of the specified period of time. If the service of an outside director is terminated on or following a change in control, other than pursuant to a voluntary resignation, his or her options, restricted stock units and stock appreciation rights, if any, will vest fully and become immediately exercisable, all restrictions on his or her restricted stock will lapse, and all performance goals or other vesting requirements for his or her performance shares and units will be deemed achieved at 100% of target levels, and all other terms and conditions met.

#### 2008 Stock Plan

Our 2008 Stock Plan provides that in the event of a merger or change in control, as defined therein, each outstanding award will be treated as the administrator determines, and unless determined otherwise by the administrator, will be assumed or an equivalent award substituted by the successor corporation or a parent or subsidiary of the successor

corporation. In the event that the successor corporation in a merger or change in control refuses to assume or substitute for the award, then the participant will fully vest in and have the right to exercise the award that is not assumed or substituted as to all of the award (including shares as to which it would not otherwise be vested or exercisable). If an award is not assumed or substituted for in connection with a merger or change in control, the administrator will notify the participant in writing or electronically that the award will be fully exercisable for a period of time as determined by the administrator in its sole discretion and the award will terminate upon expiration of such period for no consideration, unless otherwise determined by the administrator.



#### Amended and Restated 2005 Stock Plan

Our Amended and Restated 2005 Stock Plan (or the 2005 Stock Plan) provides that in the event of a merger or change in control, as defined therein, each outstanding award will be treated as the administrator determines, and unless determined otherwise by the administrator, will be assumed or an equivalent award substituted by the successor corporation or a parent or subsidiary of the successor corporation. In the event that the successor corporation in a merger or change in control refuses to assume or substitute for the award, then the participant will fully vest in and have to right to exercise the award that is not assumed or substituted as to all of the award (including shares as to which it would not otherwise be vested or exercisable). If an award is not assumed or substituted for in connection with a merger or change in control, the administrator will notify the participant in writing or electronically that the award will be fully exercisable for a period of time as determined by the administrator in its sole discretion and the award will terminate upon expiration of such period for no consideration, unless otherwise determined by the administrator.

#### 401(k) Plan

We maintain a tax-qualified retirement plan that provides eligible employees with an opportunity to save for retirement on a tax advantaged basis. All participants' interests in their salary deferrals are 100% vested when contributed. In 2015, we made discretionary matching contributions into the 401(k) plan of 100% of the first 3% of compensation contributed by the participant. Our matching contributions are fully vested after four years with 25% vesting annually. Employee and employer contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participants' directions. The 401(k) plan is intended to qualify under Sections 401(a) and 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan and earnings on those contributions are not taxable to the employees until distributed from the 401(k) plan, and all contributions are deductible by us when made.

## Equity Grants to our Named Executive Officers

Named Executive Officer	Grant Date	Option Awards(1)	Stock Awards(1)	Grant Date Fair Value of Equity Awards (\$) (2)
Chip Perry	12/14/2015	1,840,000		7,025,961
	12/14/2015		660,000	5,293,200
Scott Painter	3/12/2015		4,445	76,810
	4/23/2015	500,000		3,716,457
	4/23/2015		166,666	2,618,323
Michael Guthrie	3/12/2015		3,723	64,333
	4/23/2015	100,000		743,291
	4/23/2015		55,000	864,050
John Stephenson	10/1/2015		153,034	775,882
	3/12/2015		3,103	53,620
	4/23/2015	75,000		557,469
	4/23/2015		25,000	392,750
	10/1/2015		153,034	775,882

The restricted stock units granted on March 12, 2015 vested in four approximately equal quarterly installments (1) with the first 25% vesting on March 31, 2015. Refer to "Outstanding Equity Awards at Fiscal Year-End" for the vesting schedules of other awards granted during 2015.

Restricted stock units ("RSUs") and option awards are shown at their aggregate grant date fair value in accordance (2) with FASB ASC Topic 718. The assumptions used in calculating the grant-date fair value of the RSUs and options reported in this column are set forth in Note 9 to our audited consolidated financial statements included in our Annual Report on Form 10-K, as filed with the SEC.

## 2015 Incentive Plan

The 2015 Incentive Plan provided for bonus payments and equity grants to eligible employees determined based upon our achievement of quarterly financial and individual performance objectives, as described in greater detail below.

Messrs. Guthrie, Stephenson and Painter participated in our 2015 Incentive Plan.

The 2015 Incentive Plan contemplated (i) a portion of the cash bonuses being paid, quarterly, based upon the Company's overall financial condition, including achievement of certain revenue targets and Adjusted EBITDA targets (each, a "Company Performance Target"); (ii) a portion of the cash bonuses being paid based exclusively on individual performance; and (iii) the remainder of the cash bonuses being subject to the compensation committee's discretion. Initially, it was intended that the bonuses would be paid based only on the applicable Company Performance Target, but in light of changing business and Company circumstances, that was modified during 2015 to provide for a more nuanced assessment that included personal performance and a discretionary component. The 2015 Incentive Plan contemplated specific, pre-set quarterly Company Performance Targets established by the compensation committee. The 2015 Incentive Plan also provided for annual equity incentive grants with time-based vesting provisions. The equity awards granted on April 23, 2015 and set forth above under "Equity Grants to our Named Executive Officers" were granted pursuant to the 2015 Incentive Plan. The 2015 Incentive Plan included a minimum quarterly reserve of \$575,000 for bonuses based exclusively on individual performance.

For the first half of 2015 (H1), quarterly bonus payments were contingent upon the achievement of individual performance factors, and revenue and Adjusted EBITDA targets. For the second half of 2015 (H2), quarterly bonus payments were based on the achievement of individual performance factors and Adjusted EBITDA targets. Funding of the quarterly bonus pool assuming full achievement of all quarterly targets, inclusive of individual performance factors, would be \$2,500,000.

Determination of Bonus Payments for 2015

The compensation committee analyzed our performance on a quarterly basis in 2015, including the individual performance of our employees. The compensation committee determined that the Company Performance Targets were achieved in the first and third quarters of 2015. Such targets were not achieved in the second and fourth quarters, although certain individual performance factors were satisfied, resulting in bonuses totaling \$4,584,525 across our employee population. Our eligible named executive officers were awarded bonuses below target levels largely as the result of Company Performance Targets not being achieved for each quarter of 2015.

Named Executive Officer	Annual Target Award Opportunity	Actual Award Amount (1)
Michael Guthrie	\$393,750	\$169,372
John Stephenson	\$393,750	\$174,453
Scott Painter	\$472,500	\$96,344

(1) Includes discretionary bonus payments to Messrs. Guthrie and Stephenson of \$80,372 and \$56,000, respectively.

## Outstanding Equity Awards at Fiscal Year-End

The following table provides information regarding equity awards held by our named executive officers at December 31, 2015.

Name	Grant Date	Option Awards				Stock Awards			
		Number of Securities Underlying Options	Number of Securities Underlying Unexercised Options	Option Exercise Price Per Share	Option Expiration Date	Number of Shares or Units of Stock that have Not Vested	Market Value of Shares or Units of Stock that have Not Vested		
Chip Perry	12/14/2015	(1)	—	1,840,000	\$8.02	12/14/2025			
	12/14/2015	(2)					660,000	\$6,296,400	
Scott Painter	5/1/2007	(3)	305,372	—	\$1.53	5/1/2017			
	8/21/2007	(3)	644,444	—	\$0.495	8/21/2017			
	4/20/2009	(3)	416,121	—	\$0.825	4/20/2019			
	11/19/2009	(3)	308,332	—	\$0.825	11/19/2019			
	7/15/2010	(3)	952,273	—	\$2.115	7/15/2020			
	2/17/2011	(3)	533,733	—	\$2.835	2/17/2021			
	6/14/2011	(4)(5)	359,962	—	\$3.555	6/14/2021			
	2/14/2012	(4)(6)	540,408	—	\$11.505	2/14/2022			
	2/22/2013	(4)(6)	269,726	—	\$7.92	2/22/2023			
	5/2/2013	(4)(6)	130,776	—	\$7.92	5/2/2023			
	10/22/2013	(4)(7)	561,296	—	\$8.88	10/22/2023			
	1/28/2014	(4)(6)	112,422	—	\$8.895	1/28/2024			
	2/7/2014	(4)(6)	144,433	—	\$9.255	2/7/2024			
	2/7/2014	(4)(8)	130,080	—	\$9.255	2/7/2024			
2/28/2014	(4)(6)	1,155,000	—	\$9.255	2/28/2024				
5/2/2014	(4)(9)	124,820	—	\$12.81	5/2/2024				
	5/21/2014	(10)					43,928	\$419,073	
	4/23/2015	(11)	114,583	302,083	\$15.71	4/23/2025			
	4/23/2015	(12)					93,750	\$894,375	
Michael Guthrie	2/14/2012	(4)(6)	299,999	—	\$11.505	2/14/2022			
	2/22/2013	(4)(6)	78,427	—	\$7.92	2/22/2023			
	5/2/2013	(4)(6)	33,333	—	\$7.92	5/2/2023			
	6/26/2013	(4)(13)	180,876	—	\$7.92	6/26/2023			
	10/22/2013	(4)(7)	116,666	—	\$8.88	10/22/2023			
	2/7/2014	(4)(6)	59,999	—	\$9.255	2/7/2024			
	2/28/2014	(4)(6)	105,000	—	\$9.255	2/28/2024			
	5/2/2014	(4)(9)	206,500	—	\$12.81	5/2/2024			
		5/21/2014	(10)					22,125	\$211,073
		4/23/2015	(11)	22,916	77,084	\$15.71	4/23/2025		
	4/23/2015	(12)					41,250	\$393,525	
	10/1/2015	(14)					143,470	\$1,368,704	
John Stephenson	5/2/2014	(15)	343,055	523,611	\$12.81	5/2/2024			
	5/2/2014	(9)	18,437	70,063	\$12.81	5/2/2024			

Edgar Filing: TrueCar, Inc. - Form DEF 14A

9/8/2014	(3)	5,796	—	\$23.47	9/8/2024		
4/23/2015	(11)	17,187	57,813	\$15.71	4/23/2025		
4/23/2015	(12)					18,750	\$178,875
10/1/2015	(14)					143,470	\$1,368,704

---

- (1) One forty-eighth of the shares subject to the option vested on March 1, 2016 and one forty-eighth of the shares vest monthly thereafter, subject to continued service with us.
- (2) One sixteenth of the shares vested on March 1, 2016 and one sixteenth of the shares vest quarterly thereafter, subject to continued service with us.
- (3) Shares subject to the option are fully vested and exercisable.
- (4) The option is subject to an early exercise provision and is immediately exercisable.
- (5) One forty-eighth of the shares subject to the option vested on March 15, 2012 and one forty-eighth of the shares vest monthly thereafter, subject to continued service with us.
- (6) One forty-eighth of the shares subject to the option vested on the one-month anniversary of the grant date and one forty-eighth of the shares vest monthly thereafter, subject to continued service with us.
- (7) One forty-eighth of the shares subject to the option vested on February 1, 2014 and one forty-eighth of the shares vest monthly thereafter, subject to continued service with us.
- (8) 35,230 shares subject to the option vested on February 7, 2014 and one thirty-fifth of the remaining shares vest monthly thereafter, subject to continued service with us.
- (9) One forty-eighth of the shares subject to the option vested on March 1, 2015 and one forty-eighth of the shares vest monthly thereafter, subject to continued service with us.
- (10) One sixteenth of the shares vested on March 31, 2015 and one sixteenth of the shares vest quarterly thereafter, subject to continued service with us.
- (11) One forty-eighth of the shares subject to the option vested on January 1, 2015 and one forty-eighth of the shares vest monthly thereafter, subject to continued service with us.
- (12) Two sixteenths of the shares vested on June 30, 2015 and one sixteenth of the shares vest quarterly thereafter, subject to continued service with us.
- (13) One fourth of the shares subject to the option vested on the one-year anniversary of the grant date, and one forty-eighth of the shares vest monthly thereafter, subject to continued service with us.
- (14) One sixteenth of the shares vested on December 15, 2015 and one sixteenth of the shares vest quarterly thereafter, subject to continued service with us.
- (15) One forty-eighth of the shares subject to the option vested on June 2, 2014 and one forty-eighth of the shares vest monthly thereafter, subject to continued service with us.

#### Equity Compensation Plan Information

##### Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information regarding our equity compensation plans as of December 31, 2015:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights	Weighted-average Exercise Price of Outstanding Options, Warrants, and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by stockholders(1)	26,185,241	(2 ) \$8.12	(3 ) 3,095,368 (4 )
Equity compensation plans not approved by stockholders(5)	3,471,478	\$10.41	—
Total	29,656,719	\$8.39	(3 ) 3,095,368 (4 )

(1) The 2014 Plan contains an evergreen provision, pursuant to which the number of shares of common stock available for issuance under the 2014 Plan can be increased on the first day of each fiscal year, equal to the least of

(a) 10,000,000 shares, (b) 5% of the outstanding shares of common stock on the last day of our immediately preceding fiscal year, and (c) such other amount as our Board of Directors may determine.

(2) Includes 3,747,340 shares of common stock subject to restricted stock units that entitle each holder to one share of common stock for each such unit that vests over the holder's period of continued service.

- (3) Weighted-average exercise price does not include shares issuable upon vesting of restricted stock units, which have no exercise price.
- (4) Does not include 4,150,836 shares that became available for issuance under the 2014 Plan on January 1, 2015 pursuant to the evergreen provision.  
Includes 1,631,478 warrants to purchase common stock issued to various third-party service providers and
- (5) 1,840,000 shares underlying an option issued pursuant to the 2015 Inducement Equity Incentive Plan. Of the total outstanding warrants at December 31, 2015, warrants totaling 671,475 shares were exercisable. None of the options issued pursuant to the 2015 Inducement Equity Incentive Plan were exercisable at December 31, 2015.



## CERTAIN RELATIONSHIPS AND RELATED PARTY AND OTHER TRANSACTIONS

In addition to the director and executive officer compensation arrangements and indemnification arrangements discussed above under "Executive Officers, Directors and Corporate Governance" and "Executive Compensation," the following is a description of each transaction since January 1, 2015 and each currently proposed transaction in which:

• we have been or are to be a participant;

• the amount involved exceeded or exceeds \$120,000; and

• any of our directors, executive officers or holders of more than 5% of our capital stock, or any immediate family member of or person sharing the household with any of these individuals, had or will have a direct or indirect material interest.

### Transactions with Directors and Their Affiliates

#### USAA

USAA, our largest stockholder and most significant affinity group marketing partner, beneficially owned 15.9% of our common stock at December 31, 2015. We have entered into a series of commercial service and maintenance arrangements (collectively, the "Service and Maintenance Agreement") with USAA. Pursuant to these arrangements, we provide USAA with certain services, including an Internet-accessible mobile-enabled platform for automobile shopping, purchasing, insuring, financing and personal vehicle sales as such program is developed, modified and delivered for USAA members (the "USAA Auto Program"), and associated enablement, implementation, maintenance, project management and customization services. From time to time, we have provided marketing services to promote USAA membership, certain dealer incentive programs and loan subvention programs and have subsidized loan rate discount programs for USAA members who meet certain conditions. USAA markets the USAA Auto Program, related programs and our technology to its members and prospects, works with us to determine what USAA marketing and publicity is needed to further expand and grow the USAA Auto Program and promotes to its members certain dealer incentive programs. Under the Service and Maintenance Agreement, for the year ended December 31, 2015, we made cash payments to USAA of \$9.5 million, and received cash payments from USAA of \$3.3 million. Under the Service and Maintenance Agreement, for the year ended December 31, 2015, nearly 235,000 units, or 31%, of all units purchased from TrueCar Certified Dealers by TrueCar users were matched to users of the car-buying site we maintain for USAA. We believe that the Service and Maintenance Agreement is on terms no less favorable to us than we could have obtained from unaffiliated third parties.

In connection with the transactions described in the Service and Maintenance Agreement, we have issued to USAA warrants to purchase shares of our common stock. In January 2012, we issued to USAA a warrant to purchase up to 1,042,666 shares of our common stock with an exercise price of \$7.95 per share which was exercised in full on May 12, 2014. In May 2014, we issued to USAA a warrant to purchase up to 1,458,979 shares of our common stock consisting of 392,313 shares of common stock with an exercise price of \$7.95 per share and 1,066,666 shares of common stock with an exercise price of \$15.00 per share. The shares issuable upon exercise of such warrants are subject to certain performance-based vesting conditions. The vesting conditions are based on the number of cars sold by TrueCar Certified Dealers to our users originating from the USAA Auto Program. The warrant includes a multiplier provision whereby the vesting accelerates faster based on achievement of higher sales milestones within a given month.

#### Tiny Rebellion

Lucas Donat was a founding partner of Tiny Rebellion and served as its Chief Executive Officer in a part-time capacity until October 2015. We entered into a contract with Tiny Rebellion for the provision of advertising service in December 2012. Mr. Donat has served as our Chief Marketing Officer since October 2013. We terminated our relationship with Tiny Rebellion in December 2015. During the period from January 1, 2015 through October 31, 2015, we paid Tiny Rebellion \$8.6 million for advertising services.

#### Indemnification of Officers and Directors

Our amended and restated certificate of incorporation and Bylaws provide that we will indemnify our directors and officers, and may indemnify our employees and other agents, to the fullest extent permitted by Delaware law. Delaware law prohibits our amended and restated certificate of incorporation from limiting the liability of our directors for the following:

- any breach of the director's duty of loyalty to us or to our stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
  - unlawful payment of dividends or unlawful stock repurchases or redemptions; and
- any transaction from which the director derived an improper personal benefit.

In addition to the indemnification required in our amended and restated certificate of incorporation and Bylaws, we have entered into an indemnification agreement with each member of our Board of Directors. These agreements provide for the indemnification of our directors, officers and some employees for certain expenses and liabilities incurred in connection with any action, suit, proceeding or alternative dispute resolution mechanism, or hearing, inquiry or investigation that may lead to the foregoing, to which they are a party, or are threatened to be made a party, by reason of the fact that they are or were a director, officer, employee, agent or fiduciary of our company, or any of our subsidiaries, by reason of any action or inaction by them while serving as an officer, director, agent or fiduciary, or by reason of the fact that they were serving at our request as a director, officer, employee, agent or fiduciary of another entity. In the case of an action or proceeding by or in the right of our company or any of our subsidiaries, no indemnification will be provided for any claim where a court determines that the indemnified party is prohibited from receiving indemnification. We believe that these charter and bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

#### Policies and Procedures for Related Party Transactions

Our audit committee has the primary responsibility for reviewing and approving or disapproving "related party transactions," which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed \$120,000 and in which a related person has or will have a direct or indirect material interest. For purposes of this policy, a related person is defined as a director, executive officer, nominee for director, or greater than 5% beneficial owner of our common stock, in each case since the beginning of the most recently completed year, and their immediate family members. Our audit committee charter provides that the audit committee shall review and approve or disapprove any related party transactions.

#### Investors Rights Agreement

In November 2013, in connection with our Series A Preferred Stock financing, we entered into an amended and restated investors' rights agreement with Vulcan Capital Growth Equity LLC and certain holders of our common stock, including entities affiliated with Anthem Ventures, United Services Automobile Association, Capricorn Investment Group and Upfront Ventures, which each hold 5% or more of our capital stock and of which certain of our directors are affiliated. Such agreement provides, among other things, for certain rights relating to the registration of their shares, including the right to demand that we file a registration statement or request that their shares be covered by a registration statement that we are otherwise filing.

#### Registration Rights

Certain holders of our common stock as of December 31, 2015 are entitled to rights, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or our stockholders. We refer to these shares as "registrable securities." These registration rights are contained in our Seventh Amended and Restated Investors' Rights Agreement, ("IRA"), dated as of November 22, 2013. We and certain holders of our common stock, including investors in our Series A Preferred Stock, are parties to the IRA. The registration rights set forth in the IRA will expire three years following the completion of our initial public offering, or, with respect to any particular stockholder, when such stockholder is able to sell all of its shares pursuant to Rule 144 of the Securities Act during any 90-day period. We will pay the registration expenses of the holders of the shares registered pursuant to the registrations described below. In an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions, to limit the number of shares such holders may include.

#### Demand Registration Rights

The holders of 25% or more of the then outstanding registrable securities are entitled to certain demand registration rights so long as the request covers at least that number of shares with an anticipated offering price, net of underwriting discounts and commissions, of at least \$7.5 million. We are not required to effect more than two demand registrations. If we determine that it would be detrimental to us to effect such a demand registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 90 days.

#### Piggyback Registration Rights

If we propose to register the offer and sale of our common stock under the Securities Act, in connection with the public offering of such common stock, the holders of our registrable securities will be entitled to certain "piggyback"

registration rights allowing these holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to: (1) a demand registration or S-3 registration; (2) a registration relating to a company stock plan; (3) a registration relating to the offer and sale of debt securities; (4) a registration relating to a corporate reorganization or other transaction pursuant to Rule 145 of the

Securities Act; and (5) a registration on any form that does not permit secondary sales, the holders of these shares are entitled to notice of the registration and have the right, subject to certain limitations, to include their shares in the registration.

#### Form S-3 Registration Rights

The holders of our registrable securities may make a written request that we register the offer and sale of their shares on a registration statement on Form S-3 if we are eligible to file a registration statement on Form S-3, so long as the request covers at least that number of shares with an anticipated offering price, net of underwriting discounts and commissions, of at least \$1.0 million. These stockholders may make an unlimited number of requests for registration on Form S-3; however, we will not be required to effect a registration on Form S-3 if we have effected two such registrations within the 12-month period preceding the date of the request. Additionally, if we determine that it would be detrimental to us to effect such a registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 90 days.

## AUDIT COMMITTEE REPORT

This Audit Committee Report does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other TrueCar filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent we specifically incorporate it by reference therein.

The following is the report of the audit committee of our Board of Directors. The audit committee has reviewed and discussed our audited financial statements for the fiscal year ended December 31, 2015 with our management. In addition, the audit committee has discussed with PricewaterhouseCoopers LLP, our independent accountants, the matters required to be discussed by standards promulgated by the American Institute of Certified Public Accountants ("AICPA") and Public Company Accounting Oversight Board (the "PCAOB"), including PCAOB Auditing Standard No. 16 "Communications with Audit Committees." The audit committee also has received the written disclosures and the letter from PricewaterhouseCoopers LLP as required by the applicable requirements of the PCAOB regarding the independent accountant's communications with the audit committee concerning independence, and the audit committee has discussed with PricewaterhouseCoopers LLP the independence of PricewaterhouseCoopers LLP. Based on the audit committee's review of the matters noted above and its discussions with our independent accountants and our management, the audit committee recommended to the Board of Directors that the financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Respectfully submitted by:

Robert Buce (Chair)

Christopher Claus

Thomas Gibson

## PROPOSAL ONE: ELECTION OF DIRECTORS

Our Board of Directors consists of nine members. In accordance with our amended and restated certificate of incorporation, our Board of Directors is divided into three classes with staggered three-year terms. At the virtual Annual Meeting, three directors will be elected for three-year terms.

### Nominees

Our nominating and corporate governance committee of the Board of Directors recommended, and our Board of Directors approved, Robert Buce, Thomas Gibson and John Krafcik as nominees for election to the Board of Directors at the Annual Meeting. If elected, each of Messrs. Buce, Gibson and Krafcik will serve as directors until our annual meeting in 2019, and until a successor is qualified and elected or until his earlier resignation or removal. Each of the nominees is currently a director of the Company. Please see "Executive Officers, Directors and Corporate Governance" in this Proxy Statement for information concerning the nominees.

Unless otherwise instructed, the proxy holders will vote the proxies received by them FOR each of Robert Buce, Thomas Gibson and John Krafcik. If the nominees are unable or decline to serve as a director at the time of the Annual Meeting, the proxies will be voted for another nominee designated by the Board of Directors. We are not aware of any reason that a nominee would be unable or unwilling to serve as a director.

### Vote Required

Each director is elected by a plurality of the voting power of the shares present in person virtually or represented by proxy at the meeting and entitled to vote on the election of directors at the Annual Meeting. Abstentions and broker non-votes will have no effect on the outcome of the vote.

The Board of Directors unanimously recommends that stockholders vote "FOR" the election of each of Robert Buce, Thomas Gibson and John Krafcik as Class II directors to serve until the 2019 annual meeting of stockholders or until their successors are duly elected and qualified.

## PROPOSAL TWO: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The audit committee has appointed PricewaterhouseCoopers LLP ("PwC") as TrueCar's independent registered public accounting firm for the fiscal year ending December 31, 2016 and recommends that stockholders vote for ratification of such appointment. Notwithstanding its selection or voting results, the audit committee, in its discretion, may appoint new independent registered public accountants at any time during the year if the audit committee believes that such a change would be in the best interests of TrueCar and its stockholders. If our stockholders do not ratify the appointment, the audit committee may reconsider whether it should appoint another independent registered public accounting firm.

PwC served as TrueCar's independent registered public accounting firm for the 2014 and 2015 fiscal years. We expect that representatives of PwC will be present at the virtual Annual Meeting to respond to appropriate questions and to make a statement if they so desire.

### Principal Accounting Fees and Services

The following table sets forth all fees accrued or paid to PwC for the years ended December 31, 2014 and 2015:

	Fiscal Year	
	2014	2015
Audit Fees	\$1,996,200	\$1,799,000
Audit-Related Fees	—	198,211
Tax Fees	196,392	170,070
All Other Fees	2,090	6,335
Total	\$2,194,682	\$2,173,616

Audit Fees cover professional services provided by PwC in connection with the audit of the Company's annual financial statements and quarterly reviews of financial statements included in the Company's quarterly reports on Form 10-Q and professional services rendered in connection with our Form S-1 related to our initial public offering and follow-on offering, comfort letters, consents, and reviews of other documents filed with the SEC.

Audit-related fees cover services provided by PwC to perform an assessment and provide observations of the Company's control environment and consultation concerning financial accounting and reporting standards. These services were not required to be performed in connection with the annual audit.

Tax Fees cover tax services provided by PwC including detailed tax studies (382 studies), tax planning projects and tax compliance services.

All Other Fees cover license fees for accounting research software.

**Pre-approval Policy.** Under our audit committee's policy governing our use of the services of our independent registered public accountants, the audit committee is required to pre-approve all audit and non-audit services performed by our independent registered public accountants in order to ensure that the provision of such services does not impair the public accountants' independence. In fiscal years 2014 and 2015, all fees identified above under the captions "Audit Fees," "Audit-Related Fees," "Tax Fees," and "All Other Fees" that were billed by PwC were approved by the audit committee in accordance with SEC requirements.

The audit committee has determined that the rendering of other professional services for tax compliance and tax advice by PwC is compatible with maintaining their independence.

### Vote Required

The affirmative vote of the holders of a majority of the shares of common stock present in person virtually or represented by proxy and entitled to vote on the matter is necessary to ratify the selection of PwC as our independent registered public accounting firm for fiscal year 2016. Abstentions are treated as shares of common stock present in person virtually or represented by proxy and entitled to vote and, therefore, will have the effect of a vote "against" the ratification of PwC as our independent registered public accounting firm. Broker non-votes will have no effect on the outcome of the vote.





The Board of Directors, as recommended by the audit committee, recommends that stockholders vote "FOR" the ratification of the selection of PricewaterhouseCoopers LLP as TrueCar's independent registered public accounting firm for the fiscal year ending December 31, 2016.

The Board of Directors does not know of any other matters to be presented at the Annual Meeting. If any additional matters are properly presented or otherwise allowed to be considered at the Annual Meeting, the persons named in the enclosed proxy will have discretion to vote shares they represent in accordance with their own judgment on such matters.

It is important that your shares be represented at the meeting, regardless of the number of shares that you hold. You are, therefore, urged to submit your proxy or voting instructions at your earliest convenience.

BY ORDER OF THE BOARD OF DIRECTORS

Santa Monica, California

April 6, 2016

40

---



