

COMMERCEHUB, INC.

FORM 10-Q (Quarterly Report)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **September 30, 2016**
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File Number 001-37840

COMMERCEHUB, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

7372
(Primary Standard Industrial
Classification code number)

81-1001640
(I.R.S. Employer
Identification No.)

201 Fuller Road, 6 th Floor, Albany, New York 12203

(address of principal executive office, including zip code)

Registrant's telephone number, including area code: **(518) 810-0700**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of outstanding shares of CommerceHub, Inc. common stock as of November 1, 2016 was:

	<u>Series A</u>	<u>Series B</u>	<u>Series C</u>
CommerceHub, Inc. common stock:	13,522,640	711,992	28,615,203

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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

COMMERCEHUB, INC.
Condensed Consolidated Balance Sheets
(In thousands, except share data)
(Unaudited)

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 17,608	\$ 19,337
Accounts receivable, net of allowances of \$500 and \$239, respectively	10,259	16,472
Prepaid income taxes	950	—
Prepaid expenses and other current assets	1,990	1,048
Total current assets	<u>30,807</u>	<u>36,857</u>
Note receivable—Parent	—	36,107
Capitalized software, net	7,460	7,189
Deferred services costs	5,157	4,956
Property and equipment, net	7,935	6,706
Intangibles, net	438	1,750
Goodwill	21,410	21,410
Deferred income taxes	11,045	38,825
Other long-term assets	1,209	—
Total assets	<u>\$ 85,461</u>	<u>\$ 153,800</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 3,631	\$ 3,982
Accrued payroll and related expenses	5,952	5,538
Due to Parent	—	9,112
Income taxes payable	1,760	—
Deferred revenue	5,085	4,490
Share-based compensation liability	—	94,427
Total current liabilities	<u>16,428</u>	<u>117,549</u>
Deferred revenue, long-term	7,521	7,532
Share-based compensation liability, long-term	—	1,786
Long-term debt	41,000	—
Total liabilities	<u>64,949</u>	<u>126,867</u>
Equity:		
Preferred stock, \$0.01 par value. Authorized shares of 50,000,000; 0 shares issued and outstanding at September 30, 2016	—	—
Series A common stock, \$0.01 par value. Authorized shares 40,000,000; 13,521,949 shares issued and outstanding at September 30, 2016	135	—
Series B common stock, \$0.01 par value. Authorized shares 1,500,000; 711,992 shares issued and outstanding at September 30, 2016	7	—
Series C common stock, \$0.01 par value. Authorized shares 83,000,000; 28,613,837 shares issued and outstanding at September 30, 2016	286	—
Parent's investment	—	22,784
Additional paid-in capital	12,791	—
Retained earnings	7,293	4,149
Total equity	<u>20,512</u>	<u>26,933</u>
Total liabilities and equity	<u>\$ 85,461</u>	<u>\$ 153,800</u>

See accompanying notes to these condensed consolidated financial statements

COMMERCEHUB, INC.
Condensed Consolidated Statements of Comprehensive Income (Loss)
(In thousands, except per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenue, including related party revenue of \$1,165, \$1,172, \$4,526, and \$4,315, respectively (note 8)	\$ 22,478	\$ 19,695	\$ 67,671	\$ 58,343
Cost of revenue	5,737	6,332	17,162	16,177
Gross profit	16,741	13,363	50,509	42,166
Operating expenses:				
Research and development	5,077	3,378	13,391	11,016
Sales and marketing	3,023	2,808	9,024	7,834
General and administrative	8,008	8,475	23,207	28,501
Total operating expenses	16,108	14,661	45,622	47,351
Income (loss) from operations	633	(1,298)	4,887	(5,185)
Other (expense) income:				
Interest expense	(361)	—	(405)	—
Interest income	—	156	273	432
Total other (expense) income	(361)	156	(132)	432
Income (loss) before income taxes	272	(1,142)	4,755	(4,753)
Income tax expense (benefit)	(438)	(521)	1,611	(1,647)
Net income (loss)	710	(621)	3,144	(3,106)
Total comprehensive income (loss)	\$ 710	\$ (621)	\$ 3,144	\$ (3,106)
Earnings (loss) per share:				
Basic	\$ 0.02	\$ (0.01)	\$ 0.07	\$ (0.07)
Diluted	\$ 0.02	\$ (0.01)	\$ 0.07	\$ (0.07)
Shares used in computing earnings (loss) per share:				
Basic	42,773	42,703	42,773	42,703
Diluted	43,559	42,703	43,559	42,703

See accompanying notes to these condensed consolidated financial statements

COMMERCEHUB, INC.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2016	2015
Cash flows from operating activities:		
Net income (loss)	\$ 3,144	\$ (3,106)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:		
Depreciation and amortization	7,315	5,715
Amortization of debt issuance costs	55	—
Share-based compensation expense	8,753	24,332
Deferred income taxes	17,015	(9,503)
Bad debt expense	695	240
Accrued interest income	(273)	(432)
Loss on disposal of long-term assets	160	—
Change in operating assets and liabilities, net of acquisition:		
Accounts receivable	5,667	5,577
Prepaid expenses and other assets	(956)	(267)
Prepaid income taxes	(950)	—
Deferred costs	(201)	(841)
Deferred revenue	266	2,058
Accounts payable and accrued expenses	479	(2,679)
Accrued payroll and related expenses	416	2,082
Income taxes payable	1,760	—
Share-based compensation liability payments	(86,684)	(3,619)
Parent receivables and payables, net	(9,112)	(260)
Net cash (used in) provided by operating activities	<u>(52,451)</u>	<u>19,297</u>
Cash flows from investing activities:		
Purchases of property and equipment	(4,513)	(3,555)
Additions to capitalized software	(3,963)	(4,435)
Acquisition of business, net of cash acquired	—	(20,225)
Collection of note receivable - Parent	36,380	—
Net cash provided by (used in) investing activities	<u>27,904</u>	<u>(28,215)</u>
Cash flows from financing activities:		
Borrowings on revolver	50,000	—
Payments on revolver	(9,000)	—
Cash paid for debt issuance costs	(1,100)	—
Purchase of treasury stock	(3,600)	(164)
Cash received from exercise of stock options	248	26
Borrowings on note payable - Parent	28,664	—
Payments on note payable - Parent	(28,664)	—
Contribution from Parent	6,000	—
Dividends paid to Parent	(19,730)	—
Net cash provided by (used in) financing activities	<u>22,818</u>	<u>(138)</u>
Currency effect on cash and cash equivalents	—	—
Net decrease in cash and cash equivalents	<u>(1,729)</u>	<u>(9,056)</u>
Cash and cash equivalents, beginning of period	<u>19,337</u>	<u>26,385</u>
Cash and cash equivalents, end of period	<u>\$ 17,608</u>	<u>\$ 17,329</u>
Supplemental disclosure of non-cash investing and financing activities:		
Contractual obligations for acquisition of capitalized software	\$ 58	\$ —

COMMERCEHUB, INC.
Condensed Consolidated Statement of Equity
(In thousands, except share data)
(Unaudited)

	Common Stock			Amount	APIC	Parent's Investment	Retained Earnings	Total Equity
	Series A	Series B	Series C					
Balance at January 1, 2016	—	—	—	\$ —	\$ —	\$ 22,784	\$ 4,149	\$ 26,933
Net income (loss)							3,144	3,144
Exercise of stock options						73		73
Contribution from Parent						6,000		6,000
Dividends paid to Parent						(19,730)		(19,730)
Change in capitalization in connection with the Spin-Off	13,522,288	711,992	28,468,562	427	8,700	(9,127)		—
Issuance of minority shares			109,354	1	(1)			—
Share-based compensation expense					2,193			2,193
Reclassification of share-based compensation liability					12,489			12,489
Forfeiture of net operating losses to Parent					(10,765)			(10,765)
Exercise of stock options			36,503	—	175			175
Issuance of restricted stock units	2		7	—	—			—
Cancellation of restricted shares	(341)		(589)	—	—			—
Balance at September 30, 2016	13,521,949	711,992	28,613,837	\$ 428	\$ 12,791	\$ —	\$ 7,293	\$ 20,512

See accompanying notes to condensed consolidated financial statements.

COMMERCEHUB, INC.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Note 1 - Description of Business

CommerceHub, Inc. ("CommerceHub", the "Company", "us", "we", and "our") was founded in 1997 and is headquartered in Albany, New York. The Company operates as a single segment and specializes in the electronic integration of supply chains for e-commerce fulfillment. CommerceHub's platform includes supply, demand, and delivery solutions which provide our customers with a single platform to source and market the products consumers desire and to have those products delivered more rapidly to the consumer's doorstep.

Recent Events

Spin-Off from Liberty Interactive Corporation

During November 2015, the board of directors of Liberty Interactive Corporation, our former parent company ("Liberty" or "Parent"), authorized a plan to distribute to the holders of Liberty's Series A and Series B Liberty Ventures common stock, shares of CommerceHub, Inc. (the "Spin-Off"), a newly formed Delaware corporation that, pursuant to an internal restructuring, effective July 21, 2016 became the parent of Commerce Technologies, LLC, a Delaware limited liability company that, as a result of the restructuring, is the successor to Commerce Technologies, Inc. ("CTI"), the entity through which CommerceHub transacted prior to the Spin-Off. The Spin-Off was completed on July 22, 2016 and was effected as a pro rata dividend of shares of CommerceHub to the stockholders of Series A and Series B Liberty Ventures common stock of Liberty. The Spin-Off was structured to be tax-free.

Following the Spin-Off, CommerceHub now operates as a stand-alone publicly traded company, and neither Liberty nor CommerceHub has any stock ownership, beneficial or otherwise, in the other. In connection with the Spin-Off, CommerceHub entered into certain agreements (effective the date of the Spin-Off) with Liberty and/or Liberty Media Corporation ("Liberty Media"), which are further discussed in Note 8 to these condensed consolidated financial statements. In July 2016, the Company had cash inflows and outflows in conjunction with the Spin-Off, which include:

- Borrowed \$50.0 million under our credit facility (see Note 13) to fund cash outflows described below;
- Fully repaid our note payable due to Liberty, including accrued interest, of \$28.7 million and amounts due for state taxes paid of \$1.3 million ;
- Paid a dividend of \$18.9 million to the holders of CTI common stock, including Parent, and \$0.9 million to a Parent, as holders of CTI preferred shares on the record date for the Spin-Off;
- Collected amounts due from Liberty for federal tax benefits of \$8.5 million (see Note 12 for further discussion of tax related transactions that occurred in connection with the Spin-Off); and
- Received a contribution from Liberty of \$6.0 million to compensate the Company for the dilution associated with Parent equity awards.

Note 2 - Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of CommerceHub, Inc. and its subsidiaries. All intercompany accounts and transactions have been eliminated in the condensed consolidated financial statements, which have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") for interim financial information. Accordingly, these condensed consolidated financial statements do not include all of the information and notes required by GAAP. We have included all normal recurring adjustments considered necessary to give a fair presentation of our financial position, results of comprehensive income (loss) and cash flows, and changes in equity for the interim periods shown. Operating results for these interim periods are not necessarily indicative of the results to be expected for the full year. The December 31, 2015 consolidated balance sheet data was derived from our audited financial statements at that date. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements contained within Amendment No. 3 to the Company's Registration Statement on Form S-1 (File No. 333-210508) filed with the Securities and Exchange Commission (the "SEC") on July 14, 2016 and declared effective on July 15, 2016 (the "Registration Statement").

COMMERCEHUB, INC.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Use of Estimates

Preparing these condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates and assumptions.

Reclassifications

We made certain reclassifications to our condensed consolidated financial statements which include reclassifying certain sales taxes, in the amounts of \$26 thousand and \$492 thousand for the three- and nine -month periods ended September 30, 2015 , respectively, from cost of revenue to sales and marketing to comply with our current policy for presenting such costs.

Note 3 - Significant Accounting Policies

During the nine months ended September 30, 2016 , there were no material changes in our significant accounting policies. Please see Note 3 to our consolidated financial statements included in the Registration Statement, for additional information regarding our significant accounting policies.

Note 4 - Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers" (Topic 606) ("ASU 2014-09"). This topic provides for five principles which should be followed to determine the appropriate amount and timing of revenue recognition for the transfer of goods and services to customers. The principles in ASU 2014-09 should be applied to all contracts with customers regardless of industry. The amendments in ASU 2014-09 are effective for fiscal years, and interim periods within those years, beginning after December 15, 2016, with two transition methods of adoption allowed. Early adoption for reporting periods prior to December 15, 2016 is not permitted. In March 2015, the FASB voted to defer the effective date by one year, but to allow adoption as of the original adoption date. In May 2016, FASB issued ASU No. 2016-08, "Revenue from Contracts with Customers" (Topic 606) *Principal versus Agent Considerations, (Reporting Revenue Gross versus Net)* . This update was to further clarify the implementation guidance on principal versus agent considerations in the previously issued ASU No. 2014-09. ASU No. 2016-08 has no impact on the adoption date of the previously issued update. We are evaluating the financial statement impacts of the guidance in ASU 2014-09 and determining which transition method we will utilize.

In February 2016, the FASB issued ASU No. 2016-02 "Leases" (Topic 842) ("ASU No. 2016-02"). This topic provides that a lessee should recognize the assets and liabilities that arise from leases. Topic 842 requires an entity to separate the lease components from the nonlease components in a contract. This ASU intended to improve financial reporting about leasing transactions. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2018. We are evaluating the financial statement impact this update will have on the consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Improvements to Employee Share-Based Payment Accounting* ("ASU No. 2016-09"), which is intended to improve the accounting for share-based payment transactions as part of the FASB's simplification initiative. ASU No. 2016-09 changed the aspects of the accounting for share-based payment award transactions, including: (1) accounting for income taxes; (2) classification of excess tax benefits on the statement of cash flows; (3) forfeitures; (4) minimum statutory tax withholding requirements; and (5) classification of employee taxes paid on the statement of cash flows when an employer withholds shares for tax-withholding purposes. This ASU is effective for fiscal years beginning after December 15, 2016, and interim periods within those years. Early adoption is permitted in any interim or annual period provided that the entire ASU is adopted. We are evaluating the financial statement impact this update will have on the consolidated financial statements.

Note 5 - Earnings (Loss) Per Share

For all periods prior to the Spin-Off, basic and diluted earnings (loss) per common share is computed by dividing net income (loss) for the respective period by 42,702,842 common shares, which is the aggregate number of 13,522,288 shares of Series A common stock, 711,992 shares Series B common stock, and 28,468,562 shares of Series C common stock issued upon completion of the Spin-Off on July 22, 2016 .

COMMERCEHUB, INC.
Notes to Condensed Consolidated Financial Statements
(unaudited)

The shares used in the calculation of diluted earnings per share for periods prior to the Spin-Off exclude the following issuances, which occurred following the Spin-Off and subsequent to such periods (a) 109,354 shares of common stock issued to pre-Spin-Off minority shareholders of CTI; and (b) 7,362,933 outstanding awards to purchase shares of our common stock.

For all periods occurring after the Spin-Off, basic earnings (loss) per common share is computed by dividing net income (loss) for the respective period by the weighted average number of common shares outstanding for the period beginning at the Spin-Off through the last day of the reporting period. Diluted earnings (loss) per share gives effect to all dilutive potential shares outstanding resulting from employee stock options, restricted stock units, and performance share units during that period.

The following table sets forth net income (loss) and the basic and diluted shares used to calculate earnings per share for the three and nine months ended September 30, 2016 and 2015 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Net income (loss)	\$ 710	\$ (621)	\$ 3,144	\$ (3,106)
Basic - weighted average shares outstanding	42,773	42,703	42,773	42,703
Effect of dilutive potential securities	786	—	786	—
Diluted - weighted average shares outstanding	43,559	42,703	43,559	42,703
Anti-dilutive securities	5,034	—	5,034	—

The shares used in the calculation of diluted earnings per share for periods following the Spin-Off exclude (a) options to purchase shares where the exercise price was greater than the average market price of common shares for the period, using the treasury-stock method, and therefore the effect of the inclusion would be anti-dilutive and (b) performance share units where the performance criteria has not been met as of the reporting date.

Note 6 - Acquisition of Mercent Corporation

On January 8, 2015, the Company acquired 100% of the shares of Mercent Corporation ("Mercent"), an online marketing technology and service company that helps merchants optimize performance across online channels, for total cash consideration of approximately \$20.2 million, net of cash acquired.

During the nine -month period ended September 30, 2015, the Company incurred transaction-related costs of approximately \$166 thousand, which are included in general and administrative expenses. No additional transaction-related costs were incurred in the nine -month period ended September 30, 2016.

Under the acquisition method of accounting, the Company allocated the purchase price to the identifiable assets and liabilities based on their estimated fair value, as follows (in thousands):

Cash	\$ 41
Accounts receivable	2,559
Prepaid expenses	87
Property and equipment	336
Customer relationships	2,000
Developed software technology	1,500
Deferred tax assets	3,580
Goodwill	12,390
Accounts payable and accrued expenses	(2,015)
Deferred revenue	(212)
	<u>20,266</u>

Methodologies used in valuing the intangible assets included, but were not limited to, the multiple period excess earnings method for developed software technology and customer relationships. The excess of the purchase price over the total net identifiable assets has been recorded as goodwill, which includes synergies expected from the expanded service capabilities and the value of the assembled work force. For federal income tax purposes, the transaction is treated as a stock acquisition and the goodwill is not deductible.

COMMERCEHUB, INC.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Note 7 - Concentrations of Significant Customers and Credit Risk

Our revenue model, in large part, is based on retailer and supplier program relationships whereby many supplier transactions may be attributable to a single retailer. Significant customer concentrations contemplate the total program revenues (retailers and related suppliers) and receivables generated by these customers. In each of the nine -month periods ended September 30, 2016 and September 30, 2015 , one customer's total program revenues accounted for more than 10% of total revenue. No customer represented more than 10% of accounts receivable at September 30, 2016 .

Note 8 - Related Party Transactions

(a) Transactions with QVC

We provide our solutions to QVC, Inc. ("QVC"), which is a wholly owned subsidiary of Liberty. For future reporting on periods that do not include pre-Spin-Off periods, we do not expect QVC to be a related person of CommerceHub because neither Liberty nor CommerceHub has any stock ownership, beneficial or otherwise, in the other following the Spin-Off.

For each of the nine -month periods ended September 30, 2016 and 2015 , total program revenues with QVC (including QVC and suppliers transacting with QVC on our platform) accounted for approximately 7% of total revenue. We had receivables relating to ordinary business with QVC of approximately \$248 thousand and \$511 thousand at September 30, 2016 and December 31, 2015 , respectively.

(b) Transactions with Liberty

In previous periods, we had outstanding a promissory note as a lender to Liberty, presented as note receivable - Parent on the condensed consolidated balance sheets. This note carried an interest rate based on one-year LIBOR plus 100 basis points . In the three months ended June 30, 2016, Liberty fully repaid amounts outstanding of \$36.4 million pursuant to this promissory note, including accumulated interest of \$2.4 million.

During June 2016, to assist the Company in meeting its financial obligations under the SAR Plan and Liquidity Program (see Note 11), the Company entered into a funding arrangement with Liberty pursuant to a previously established intercompany funding agreement, under which Liberty agreed to loan the Company cash at current market interest rates, or make additional equity investments in common stock. During the three-months ended September 30, 2016 , amounts outstanding pursuant to this arrangement, including accumulated interest, were repaid to Liberty by the Company using borrowings under our credit facility (see Note 13). The funding agreement between the Company and Liberty was terminated as of the Spin-Off.

CommerceHub entered into certain agreements (effective July 22, 2016) with Liberty and/or Liberty Media, including a reorganization agreement, a services agreement and a tax sharing agreement. The reorganization agreement provides for, among other things, the principal corporate transactions (including the internal restructuring) required to effect the Spin-Off, certain conditions to the Spin-Off and provisions governing the relationship between CommerceHub and Liberty with respect to and resulting from the Spin-Off. The tax sharing agreement provides for the allocation and indemnification of tax liabilities and benefits between Liberty and CommerceHub and other agreements related to tax matters. Pursuant to the services agreement, Liberty Media provides CommerceHub with general and administrative services including legal, tax, accounting, treasury and investor relations support related to necessary public-company functions. CommerceHub must reimburse Liberty Media for direct, out-of-pocket expenses incurred by Liberty Media in providing these services, and CommerceHub will pay a services fee to Liberty Media under the services agreement. Liberty Media and CommerceHub will evaluate all charges under the services agreement for reasonableness on a quarterly basis and make such adjustments to these charges as the parties mutually agree. Amounts owed to Liberty at September 30, 2016 of \$446 thousand in connection with these agreements is included in accounts payable and accrued expenses on the condensed consolidated balance sheet.

COMMERCEHUB, INC.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Note 9 - Capitalized Software Costs

Capitalized software costs, net is comprised of the following (in thousands):

	September 30, 2016	December 31, 2015
Capitalized software costs	\$ 42,051	\$ 41,120
Less accumulated amortization	(34,591)	(33,931)
Capitalized software costs, net	<u>\$ 7,460</u>	<u>\$ 7,189</u>

Amortization expense related to capitalized software costs is included in cost of revenue and was approximately \$3.8 million and \$2.4 million for the nine-month periods ended September 30, 2016 and 2015, respectively.

Future amortization expense of existing capitalized software costs as of September 30, 2016 is expected to be as follows for the years ending December 31, (in thousands):

Remainder of 2016	\$ 1,262
2017	4,290
2018	1,737
2019	171
2020 and thereafter	—
	<u>\$ 7,460</u>

Note 10 - Intangible Assets

Intangibles assets acquired as of September 30, 2016 and December 31, 2015, respectively, are as follows (in thousands):

September 30, 2016	Weighted Average Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Developed technology	2.0	\$ 1,500	\$ (1,312)	\$ 188
Customer relationships	2.0	2,000	(1,750)	250
Total		<u>\$ 3,500</u>	<u>\$ (3,062)</u>	<u>\$ 438</u>
December 31, 2015	Weighted Average Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Developed technology	2.0	\$ 1,500	\$ (750)	\$ 750
Customer relationships	2.0	2,000	(1,000)	1,000
Total		<u>\$ 3,500</u>	<u>\$ (1,750)</u>	<u>\$ 1,750</u>

Amortization expense related to intangible assets was \$1.3 million for the nine-month periods ended September 30, 2016 and 2015. Future amortization expense for intangible assets as of September 30, 2016 is \$438 thousand, and is expected to be recognized during the remainder of 2016.

Note 11 - Share-Based Awards

The Company grants, to certain of its employees, board members and consultants, awards to purchase shares of its common stock. Prior to the Spin-Off, the Company's share-based awards consisted of stock options and stock appreciation rights ("SARs") (collectively, "CommerceHub Options and SARs"). Some of these awards contain service conditions (typically 4 years) and some of these awards contain both service- and milestone-based conditions.

COMMERCEHUB, INC.
Notes to Condensed Consolidated Financial Statements
(unaudited)

Included in the condensed consolidated statements of comprehensive income (loss) are the following amounts of share-based compensation (amounts in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Cost of revenue	\$ (49)	\$ 806	\$ (207)	\$ 1,383
Research and development	584	1,215	1,697	4,347
Sales and marketing	103	870	704	2,411
General and administrative	1,555	4,623	6,559	16,191
	<u>\$ 2,193</u>	<u>\$ 7,514</u>	<u>\$ 8,753</u>	<u>\$ 24,332</u>

The Company estimates the fair value of the stock options and SARs granted using a Black-Scholes pricing model. The estimation of stock awards that will ultimately vest requires judgment, and to the extent actual results differ from the Company's estimates, such amounts are recorded as an adjustment in the period estimates are revised.

In valuing share-based awards, significant judgment is required in determining the fair value of the Company's share price, the expected volatility of common stock, and the expected term individuals will hold their share-based awards prior to exercise. With the assistance of an independent third-party advisory firm, for the three and nine months ended September 30, 2015 and the three months ended March 31, 2016, we estimated share-price based on an internal valuation using income and market based approaches. For the three months ended June 30, 2016, the estimated share-price input was based on the fair market value of CommerceHub's Series C common stock traded immediately following the Spin-Off. For awards granted subsequent to the Spin-Off, the share-price input is based on the closing price of our Series C common stock on the date of grant. Expected volatility of the stock is based on the Company's peer group in the industry in which the Company does business because the Company does not have sufficient historical volatility data for its own stock. The expected term of the options is based on evaluations of historical and expected future employee exercise behavior.

Additionally, the Black-Scholes pricing model requires the input of other assumptions, including the risk-free interest rate and dividend yield. The risk-free interest rate assumption is based upon observed interest rates for constant maturity U.S. Treasury securities consistent with the expected term of the Company's share-based awards. The Company assumed a zero dividend yield as, following the Spin-Off, we do not expect to pay any cash dividends in the foreseeable future.

Prior to the Spin-Off all of the Company's share-based awards were classified as liability awards as the SARs could have been settled in cash and the stock options could have been settled in cash at the option of the holder under the Liquidity Program as discussed below. The Company measured the cost of services received in exchange for a liability classified award based on the current fair value of the award, and remeasured the fair value of the award at each reporting date.

In connection with the Spin-Off, the outstanding CTI equity incentive awards were adjusted, such that each holder of an option award or a SAR with respect to shares of CTI common stock received an option award to purchase shares of our Series C common stock, with the exercise price and number of shares subject to such new option awards based on the exercise price of and number of shares subject to the original CTI option or original SAR and the exchange ratio used in the internal restructuring with respect to the CTI minority holders. On July 22, 2016, 45,450 options and 2,042,220 SARs then-outstanding were converted to 99,151 options and 4,455,460 options to purchase shares of our Series C common stock, respectively.

Unlike the original CommerceHub Options and SARs, which were able to be settled in cash prior to completion of the Spin-Off, the new option awards resulting from the conversion of the original CommerceHub Options and SARs may only be settled in shares of CommerceHub's Series C common stock. Except as described above, the terms of these new option awards (including, for example, the vesting terms thereof) are, in all material respects, the same as those of the corresponding original option or SAR award.

Additionally, our internal restructuring in connection with the Spin-Off resulted in a modification of the terms and conditions of the outstanding equity awards upon the Spin-Off, and the classification of the awards from liability to equity awards. As of the July 21, 2016 modification date, the Company performed a fair value analysis of the awards immediately before and immediately after the restructuring. As the Company's pre-Spin-Off share-based award plans (further described below) contained antidilution provisions, there was no incremental fair value or compensation expense as a result of the restructuring. The fair value of these awards immediately before and immediately after the Spin-Off was approximately \$12.5 million. The value of these awards at the time of the restructuring was reclassified from share-based compensation liability to

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additional paid in capital. The remaining unvested compensation expense is recognized over the remaining service period or, for those awards with milestone-based conditions, the period in which such milestones are expected to be achieved.

There were 344,456 new Parent option awards (as defined below) to purchase shares of our Series A common stock, with a weighted average exercise price of \$7.42, outstanding at September 30, 2016. There was no other activity subsequent to the Spin-Off related to these awards and there is no unrecognized compensation cost related to awards to purchase shares of our Series A common stock as these awards are held by employees of Liberty and any related compensation expense is incurred by Liberty.

There were 172,882 new Parent option awards to purchase shares of our Series B common stock, with a weighted average exercise price of \$11.89, outstanding at September 30, 2016. There was no other activity subsequent to the Spin-Off related to these awards and there is no unrecognized compensation cost related to awards to purchase shares of our Series B common stock as these awards are held by an employee of Liberty and any related compensation expense is incurred by Liberty.

The following table summarizes the share-based award activity of options to purchase shares of our Series C under the Legacy Stock Appreciation Rights Plan and Legacy Stock Option Plans (as further described below) from the time of Spin-Off through the last day of the reporting period:

	Number of Options	Weighted average exercise price	Weighted average remaining contractual life (in years)	Aggregate intrinsic value (in thousands)
CommerceHub Options and SARs outstanding at Spin-Off	5,811,150	\$ 12.81		
Grants	48,281	\$ 14.85		
Exercised	(33,738)	\$ 4.81		
Forfeited	(139,628)	\$ 10.17		
Outstanding at September 30, 2016	<u>5,686,065</u>	\$ 12.94	8.47	\$ 18,543
Exercisable at September 30, 2016	<u>280,000</u>	\$ 4.93	5.05	\$ 3,074

As of September 30, 2016, unrecognized compensation cost related to options to purchase shares of Series C common stock was approximately \$18.5 million, including \$0.6 million related to milestone-based awards, and is expected to be recognized over a weighted average remaining vesting period of approximately 2.81 years.

The following table summarizes the share-based award activity of options to purchase shares of our Series C under the Transitional Stock Adjustment Plan (as further described below) from the time of Spin-Off through the last day of the reporting period:

	Number of Options	Weighted average exercise price	Weighted average remaining contractual life (in years)	Aggregate intrinsic value (in thousands)
New Parent option awards outstanding at Spin-Off	1,032,817	\$ 8.87		
Grants	—	\$ —		
Exercised	(2,765)	\$ 4.62		
Forfeited	—	\$ —		
Outstanding at September 30, 2016	<u>1,030,052</u>	\$ 8.88	4.26	\$ 7,242
Exercisable at September 30, 2016	<u>549,978</u>	\$ 6.30	2.96	\$ 5,284

The new Parent option awards outstanding do not carry unrecognized compensation cost, as any related compensation expense is incurred by Liberty. The activity of the new Parent RSUs and new Parent restricted stock awards under the Transitional Stock Adjustment Plan from the time of Spin-Off through the last day of the reporting period was not material during the period.

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Share-based award plans pre-Spin-Off

1999 Plan

During 1999, the Company adopted an incentive and nonqualified stock option plan (the "1999 Plan"). The 1999 Plan authorized grants of options to purchase up to 4,000,000 shares of authorized but unissued common stock. Options granted under the 1999 Plan were to vest over a period of four years and expire ten years from the date of grant. No shares of common stock are available for grants, or have been available for grants under the 1999 Plan, since September 2009 when the 1999 Plan expired.

Liquidity Program

During 2006, the Compensation Committee of CTI adopted a stock option liquidity program (the "Liquidity Program") for eligible holders of stock options and certain eligible common shares (shares issued as a result of an option exercise). The Liquidity Program provided eligible option holders and stockholders the ability to tender their vested options or sell their eligible common shares in exchange for cash payment. Eligible option holders and stockholders had the opportunity to tender eligible options or shares at any time except for when valuations were being performed. Cash consideration for the purchase and exercises of tendered stock options was based on the fair value of the Company's underlying common stock less the option exercise price. Cash consideration for tendered eligible common shares was based upon the fair value of the common shares.

The Company made total cash payments of approximately \$13.5 million and \$1.5 million in exchange for the exercise of vested stock options, and \$3.6 million and \$0.2 million to repurchase shares outstanding from minority shareholders, under this program during the nine -month periods ended September 30, 2016 and 2015 , respectively. The Liquidity Program terminated effective as of the completion of the Spin-Off.

SAR Plan

During 2010, the Company instituted the 2010 Stock Appreciation Rights Plan (the "SAR Plan"). Pursuant to the SAR Plan, a committee appointed by the Company's Board of Directors (or in the absence of such a committee, the Board of Directors acting in the capacity of such committee) was authorized to grant stock appreciation rights ("SARs") to employees, board members and consultants of the Company. The SAR Plan authorized grants of up to 6 million SARs, which included and was not in addition to shares previously issued, or shares issuable in respect of awards previously issued, under the 1999 Plan. The SARs issued under the SAR Plan typically vested over a period of four years and expired 10 years from the date of grant for service-based awards. SARs that included both service and milestone-based conditions vested based on the satisfaction of service requirements and achievement of performance milestones over the period specified in the applicable award agreement, which ranged from 1 to 4 years at the time of the Spin-Off. We make certain assumptions regarding the probability of achieving these milestones each period and adjust the value of the awards in the period our estimates are revised. Actual results can vary from expected results.

The Company made total cash payments of approximately \$73.2 million and \$2.1 million during the nine -month periods ended September 30, 2016 and 2015 , respectively, to settle exercised SARs. The SAR Plan was terminated and replaced with the CommerceHub, Inc. Legacy Stock Appreciation Rights Plan (the "Legacy SAR Plan") in connection with the completion of the Spin-Off. Future grants under the Legacy SAR Plan are not permitted following the Spin-Off.

Share-based award plans post-Spin-Off

CommerceHub, Inc. 2016 Omnibus Incentive Plan

In connection with the Spin-Off, we adopted the CommerceHub, Inc. 2016 Omnibus Incentive Plan (as amended, amended and restated or otherwise modified from time to time, the "Omnibus Plan"). We amended and restated the Omnibus Plan on October 13, 2016 in order to permit the compensation committee of the Company's board of directors to delegate award granting authority under the Omnibus Plan. The Omnibus Plan is designed to provide additional remuneration to officers, employees, nonemployee directors and independent contractors for service to CommerceHub and to encourage each plan participant's investment in CommerceHub. Stock options, SARs, restricted shares, restricted stock units, cash awards, performance awards or any combination of the foregoing may be granted under the Omnibus Plan (collectively, "awards"). The maximum number of shares of our common stock with respect to which awards may be granted under the Omnibus Plan is 13,200,000 shares of Series C common stock, subject to anti-dilution and other adjustment provisions of the Omnibus Plan. The Omnibus Plan is administered by the compensation committee of the Company's board of directors with regard to awards granted under the Omnibus Plan other than awards granted to the nonemployee directors which are administered by the full

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board of directors, and the compensation committee and its designees (and the board with respect to awards granted to non-employee directors) have full power and authority to determine the terms and conditions of such awards.

Legacy Stock Appreciation Rights Plan and Legacy Stock Option Plan

In connection with the Spin-Off, all of the new option awards with respect to our Series C common stock that were issued as a result of the Spin-Off to holders of SARs and options outstanding immediately prior to the Spin-Off were issued pursuant to the Legacy SAR Plan and the Legacy Stock Option Plan, respectively. The Legacy SAR Plan and the Legacy Stock Option Plan govern the terms and conditions of these new option awards but will not be used to make any new grants following the Spin-Off.

Employee Stock Purchase Plan

We have adopted an Employee Stock Purchase Plan ("ESPP") that was approved by our shareholders prior to the Spin-Off, under which we have reserved 900,000 shares of our Series C common stock for issuance to our employees. Subject to certain restrictions, the ESPP provides employees with the opportunity to invest a portion of their annual eligible compensation to purchase shares of our Series C common stock at a purchase price equal to 85% of the lower of (a) the fair market value of the common stock at the beginning of the six -month offering period, and (b) the fair market value of the common stock at the end of the six -month offering period.

Transitional Stock Adjustment Plan

All of the new Parent option awards, new Parent restricted stock units and new Parent restricted stock awards (each as defined below) were issued pursuant to the CommerceHub, Inc. Transitional Stock Adjustment Plan (the "Transitional Plan"). The Transitional Plan governs the terms and conditions of the Parent incentive awards described below but will not be used to make any grants following the Spin-Off.

New Parent options

Liberty has granted to certain directors, officers, employees and consultants of Liberty stock options to purchase shares of Liberty Ventures common stock pursuant to applicable incentive plans in place at Liberty. Each holder of an outstanding option to purchase shares of Liberty Ventures common stock (an "original Ventures option award") on the record date for the Spin-Off (the "record date") who was a member of the Liberty board of directors or an officer of Liberty holding the position of Vice President or above received (i) an option to purchase shares of the corresponding series of our common stock and an option to purchase shares of our Series C common stock (such new option awards, "new Parent option awards") and (ii) an adjustment to the exercise price of and the number of shares subject to the original Ventures option award (as so adjusted, an "adjusted Ventures option award"). The exercise prices of and the number of shares subject to the new Parent option awards and the related adjusted Ventures option award were determined based on the exercise price of and the number of shares subject to the original Ventures option award, the distribution ratios used in the Spin-Off, the pre-Spin-Off trading price of Liberty Ventures common stock (determined using the volume weighted average price of the applicable series of Liberty Ventures common stock over the three -consecutive trading days immediately preceding the Spin-Off) and the relative post-Spin-Off trading prices of Liberty Ventures common stock and our common stock (determined using the volume weighted average price of the applicable series of common stock over the three -consecutive trading days beginning on the first trading day following the Spin-Off on which both the Liberty Ventures common stock and our common stock traded in the "regular way" (meaning once the common stock trades using a standard settlement cycle)), such that the pre-Spin-Off intrinsic value of the original Ventures option award was allocated between the new Parent option awards and the adjusted Ventures option award.

All other holders of original Ventures option awards did not receive any new Parent option awards as a result of the distribution. Rather, the holders' original Ventures option awards were adjusted so as to preserve the pre-Spin-Off intrinsic value of the original Ventures option award based on the exercise price of and number of shares subject to such original Ventures option award, the distribution ratios used in the Spin-Off, the pre-Spin-Off trading price of Liberty Ventures common stock and the post-Spin-Off trading price of Liberty Ventures common stock (determined as described above).

Except as described above, all other terms of an adjusted Ventures option award and the new Parent option awards (including, for example, the vesting terms thereof) are, in all material respects, the same as those of the corresponding original Ventures option award.

New Parent restricted stock units

Each holder of a restricted stock unit with respect to shares of Series A or Series B Liberty Ventures common stock (an "original Ventures RSU") on the record date received in the distribution 0.1 of a restricted stock unit with respect to shares of the corresponding series of CommerceHub common stock and 0.2 of a restricted stock unit with respect to shares of

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CommerceHub Series C common stock (such new restricted stock unit awards, new "Parent RSUs") for each original Ventures RSU held by them as of the record date, with cash paid in lieu of fractional new Parent RSUs. Except as described herein, the terms of all of the new Parent RSUs (including, for example, the vesting terms thereof) are, in all material respects, the same as those of the corresponding original Ventures RSU.

New Parent restricted stock awards

Each holder of a restricted stock award with respect to shares of Series A or Series B Liberty Ventures common stock (an "original Ventures RSA" and, together with the original Ventures option awards and the original Ventures RSUs, the "original Ventures equity awards") received in the distribution (i) 0.1 of a restricted share of the corresponding series of CommerceHub common stock and (ii) 0.2 of a restricted share of CommerceHub Series C common stock (such new restricted stock awards, new "Parent restricted stock awards") for each restricted share of Liberty Ventures common stock held by them as of the record date, with cash paid in lieu of fractional new Parent restricted stock awards. Except as described herein, all new Parent restricted stock awards (including, for example, the vesting terms thereof) are, in all material respects, the same as those of the corresponding original Ventures RSA.

As of July 22, 2016, following the Spin-Off, there were 13,447 new Parent restricted stock awards, 534 new Parent RSUs and 344,456 new Parent option awards, with a weighted average exercise price of \$7.42 , to purchase shares of our Series A common stock, 172,882 new Parent option awards, with a weighted average exercise price of \$11.89 , to purchase shares of our Series B common stock, and 30,409 new Parent restricted stock awards, 1,094 new Parent RSUs and 1,032,817 new Parent option awards, with a weighted average exercise price of \$8.87 , to purchase shares of our Series C common stock, issued to holders of original Ventures equity awards. Substantially all of Liberty's outstanding and exercisable options relate to employees of Liberty who received CommerceHub options on the Spin-Off. The compensation expense relating to these employees of Liberty will continue to be recorded at Liberty.

Note 12 - Income Taxes

During the three months ended September 30, 2016 the Company recorded an income tax benefit of \$(0.4) million on income before taxes of \$0.3 million . The benefit recorded, despite the pre-tax income, was primarily from federal tax research credits. The credits created both a discrete benefit from finalizing 2015 tax returns during the quarter and a benefit from a favorable adjustment to the estimated 2016 annual effective rate.

The estimated annual effective tax rate for the three- and nine-month periods ended September 30, 2016 was lower than the federal tax rate of 35% due to the federal tax research credits, partially offset by the effect of state and local income taxes. The annual effective tax rate for the three and nine months ended September 30, 2015, was higher than the federal tax rate of 35% due to the effect of state and local income taxes.

As of December 31, 2015, the Company's net deferred tax asset was primarily attributed to temporary differences related to share-based compensation awards. The exercise of a significant portion of share-based compensation awards during the nine months ended September 30, 2016 created a tax deductible expense, and reduced the deferred tax asset by \$32.4 million . The deductions generated an estimated gross federal net operating loss ("NOL") of approximately \$79.8 million , primarily attributed to the exercise of share-based compensation awards. As allowed under the tax sharing agreement between the Company and Liberty entered into prior to the Spin-Off, \$49.1 million of this NOL was utilized to refund federal income taxes paid to Liberty in the prior two tax years. In accordance with the same tax sharing agreement, the remaining federal NOLs of \$30.7 million , subject to finalizing our 2016 pre-spin federal tax return, were forfeited and recorded as an equity distribution to Liberty upon the Spin-Off.

State NOLs were also created and the Company intends to file amended state income tax returns for prior years in 2017 to request a refund of approximately \$3.0 million of state taxes previously paid in states which allow a carryback claim. The remaining state NOLs generated of \$0.3 million (tax-effected) are available to offset state income for 2016 and in future periods.

Note 13 - Long-Term Debt

On June 28, 2016, we entered into a credit agreement governing a \$125.0 million revolving credit facility which expires on June 28, 2021. At September 30, 2016 we had \$41.0 million in borrowings and no letters of credit outstanding under the facility, and our available borrowings under the facility were \$84.0 million . Subsequent to September 30, 2016 we repaid an additional \$10.0 million in borrowings under the facility. At September 30, 2016 the fair value of our debt, which is based on Level 2 valuation inputs, approximated cost.

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The interest rate applicable to our initial borrowings is LIBOR plus a yield of 1.75% . Interest on the revolving credit facility is based on a base rate or Eurodollar rate plus an applicable margin that increases as our total leverage ratio increases, with the base rate margin ranging from 0.75% to 1.25% and the Eurodollar rate margin ranging from 1.75% to 2.25% respectively. The revolving credit facility also carries a commitment fee of 0.25% to 0.50% per annum on the unused portion. In conjunction with entering into this agreement, we incurred charges totaling \$1.1 million . These charges are included in other long-term assets on the condensed consolidated balance sheet and will be recognized over the term of the credit facility.

Borrowings under the credit facility are collateralized by substantially all of our assets. The credit agreement contains covenants and restrictions which, among other things, require the maintenance of certain financial ratios, including a total leverage ratio and an interest coverage ratio, and restrict dividend payments and the incurrence of certain indebtedness and other activities, including acquisitions and dispositions. We were in compliance with these covenants and restrictions as of September 30, 2016 .

Note 14 - Commitments and Contingencies

Legal Proceedings

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. We are currently not aware of any such legal proceedings or claims that we believe will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results.

Leases

Amounts accrued for deferred rent of \$850 thousand and \$0 at September 30, 2016 and December 31, 2015 , respectively, are included in accounts payable and accrued expenses on the condensed consolidated balance sheet. At September 30, 2016 , future minimum payments under operating leases were as follows (in thousands):

Remainder of 2016	\$ 560
2017	2,120
2018	2,132
2019	2,157
2020	2,183
Thereafter	2,139
	<u>\$ 11,291</u>

Item 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying condensed consolidated financial statements and the notes thereto.

Forward-Looking Statements

Certain statements in this quarterly report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy, market potential and future financial performance of our company and our subsidiaries, and other matters. These statements often include words such as “may,” “will,” “should,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate” or similar expressions. You should not place undue reliance on any forward-looking statements. Forward-looking statements inherently involve many risks and uncertainties that could cause actual results to differ materially from those projected in these statements, all of which are difficult to predict and many of which are beyond our control. Although we believe that the forward-looking statements contained herein are based upon reasonable assumptions, you should be aware that many factors, including those described under the heading “Risk Factors” in the Registration Statement, could affect our actual results and could cause actual results to differ materially from those in the forward-looking statements. The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated:

- customer demand for products and services and the ability of our company to adapt to changes in demand;
- competitor responses to products and services;
- the levels of online traffic to our customer’s websites and their ability to convert visitors into customers;
- the growth of the e-commerce industry and the SaaS enterprise application software market in general and particularly in our markets;
- the growth of non-traditional e-commerce devices and platforms, including mobile devices and social networking applications;
- the achievement of advances in and expansion of our platform and our solutions;
- our ability to predict future commerce trends and technology;
- the impact of changes in search engine algorithms and dynamics or search engine disintermediation;
- changes to technologies used in our platform or new versions or upgrades of operating systems and internet browsers impacting the process by which merchants and customers interface with our platform;
- uncertainties inherent in the development and integration of new business lines and business strategies;
- our future financial performance, including availability, terms and deployment of capital;
- our ability to successfully integrate and recognize anticipated efficiencies and benefits from the businesses we acquire;
- the ability of suppliers and vendors to deliver products, equipment, software and services;
- availability of qualified personnel;
- changes in, or failure or inability to comply with, government regulations, including, without limitation, adverse outcomes from regulatory proceedings;
- changes in the nature of key strategic relationships with partners and vendors;
- general economic and business conditions and industry trends including the current economic downturn;
- consumer spending levels, including the availability and amount of individual consumer debt;
- costs related to the maintenance and enhancement of brand awareness by our subsidiaries;
- advertising spending levels;
- rapid technological changes;
- the regulatory and competitive environment of the industries in which our company operates; and
- fluctuations in foreign currency exchange rates and threatened terrorist attacks, political and economic unrest in international markets and ongoing military action around the world.

For additional risk factors, please see the Registration Statement. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. These forward-looking statements speak only as of the date of this quarterly report on Form 10-Q, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based. All subsequent written and oral forward-looking statements attributable to

us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this quarterly report.

Overview

We are a cloud-based distributed commerce network for retailers and their suppliers, including brands and distributors. Our software platform allows trading partners—our customers—to sell more products online, promote products through retailers, marketplaces and digital advertising channels, and deliver products to customers quickly. Approximately 9,700 trading partners use our platform to exchange critical information with each other, including orders, invoices, product information and other electronic documents. Collectively, our trading partner customers constitute a vibrant network of the largest retailers, marketplaces and brands in North America.

Our software-as-a-service offerings leverage our trading partner platform and include capabilities that enable virtual inventory (or "drop-ship") fulfillment, e-commerce marketing and consumer demand generation (e.g., the syndication of seller product listings to relevant e-commerce channels), and shipping and delivery management.

Through our solutions we help our customers solve many of the most critical problems in today's e-commerce market. Our customers use our platform and solutions to expand the breadth of their product assortment so they can offer the products consumers want and market those products on marketplaces, search engines, and emerging e-commerce channels such as Facebook and Pinterest. In addition, because no e-commerce transaction is complete until the consumer has received the product they ordered, we help our customers orchestrate more rapid and cost-effective delivery of products.

We built our Company by first focusing on solutions for large omni-channel retailers. Our offering for retailers enables them to offer more products for sale through the "virtual inventory" provided by an integrated network of drop-ship suppliers. In January 2015, we acquired Seattle-based Mercent to extend the reach of our platform to demand solutions that help our customers sell their products using marketplaces, search engines, and other emerging e-commerce channels, such as social networks.

Our solutions unite supply, demand and delivery and provide our customers, consisting of retailers and suppliers, with a single platform to source and market the products consumers desire and to have those products delivered more rapidly to the consumer's doorstep. Specifically, we provide the following solutions:

- **Supply Solutions:** enable retailers to expand their product offerings without the economic and logistical limitations or risks typically associated with carrying physical inventory;
- **Demand Solutions:** provide retailers and suppliers with a single platform to gain greater access to shopper demand through a single connection to retail channels, marketplaces, paid search, social and advertising channels; and
- **Delivery Solutions:** facilitate rapid, cost-efficient, on-time delivery with greater control of, and visibility into, the consumer experience by leveraging our solutions to allow our customers to coordinate more effectively with delivery providers.

CommerceHub's platform exhibits significant network effects by connecting leading online retailers to thousands of suppliers to enable order fulfillment and the generation of consumer demand through leading digital advertising platforms. Our expanding number of retail trading partners makes it more attractive for additional suppliers to join our platform, and the more suppliers we have on the platform the more attractive CommerceHub will be to additional retailers. This network effect provides powerful incentives for additional customers to join our platform, which we believe has produced a comparatively low customer acquisition cost. Our platform enables our customers to establish selling relationships that, in many cases, generates recurring subscription fees, in addition to usage fees related to the trading partner activity across each selling relationship. Examples of usage fees include fees related to the processing of orders and the exchange of inventory information and product information.

The majority of our revenue is derived from usage fees that are based on the volume of activity our customers achieve through our platform, as well as recurring subscription fees. The remaining portion of our revenue comes from services we provide to new and existing customers, including highly targeted services that are focused on helping our customers quickly adopt our solutions and then maximize their utility.

CommerceHub's customer base is diversified among different retail segments, including general merchandise, home improvement, office supplies, toys, electronics, furniture and perishables. As such, our revenue does not closely track the seasonality trend for any one specific retail segment. Historically, the percentage of our annual revenue has been relatively

uniform over the first three quarters of the year with approximately 33% to 34% of our annual revenue being generated in the fourth quarter.

Key Financial Metrics

Usage Revenue

Usage revenue is derived primarily from fees charged to retailers and suppliers for their use of our platform to conduct business with their trading partners. These usage fees are primarily influenced by the volume of customer orders related to our Supply Solutions that are processed through our platform. Usage revenue also consists of fees for activity related to Demand Solutions, Delivery Solutions, inventory management, third-party communication and variable fees related to the amount of online sales our customers achieve on our platform and solutions that are above minimum volume requirements.

Total usage revenue grows as the overall volume of goods purchased online through our retailers and supported demand channels increases, new trading partners are added to the platform, and current trading partners connect and create relationships with other trading partners. We track and measure total usage revenue because it measures the value that our customers receive through their adoption of our platform.

Subscription Revenue

A customer's subscription fee is based on several factors, including the number and type of trading partners (online retailers) that a customer is connected to through our platform, the number and type of demand channels (marketplace, digital advertising channel or social network) a customer accesses through our platform and the adoption of certain available feature upgrades that further enhance the functionality of our platform. Subscription fees are charged on a stand-alone basis or in association with a minimum usage level required to be maintained by a customer in connection with our Demand Solutions.

Total subscription revenue grows as new trading partner customers join the platform, as those trading partners connect and create relationships with other trading partners and as our customers adopt new features and upgrades that we make available. We track and measure total recurring subscription revenue because it represents the size of our platform in terms of total trading partner customers and relationships between those customers, and the scope of their engagement with us in terms of their adoption of available feature upgrades.

Set-up and Professional Services Revenue

Set-up fees include on-boarding services for the configuration, program, and design of a customer's access to our platform. On a limited basis, during a retailer's subscription term, the Company provides professional services to enhance the retailer's use of our solutions. We track and measure set-up and professional services as they provide an indication of new supplier connections and enhancements to existing customer connections.

Domestic vs. Foreign Revenue Streams

CommerceHub generates all of its revenue in North America (United States and Canada). For the nine -month period ended September 30, 2016 , approximately 96% of our revenue was generated from customers located in the United States. To date, we have not generated revenue from operations outside of North America; however, we have established an office in the United Kingdom to pursue the overseas market.

Cost of Revenue

Cost of revenue primarily consists of personnel costs including salaries, bonuses, payroll taxes, benefit costs and share-based payments for our teams supporting customer set-up and onboarding, customer service, application support and performance marketing. We capitalize the cost of acquired software, payroll and payroll-related costs incurred in developing and enhancing our solutions and related product offerings, such as internal tools used by our operations teams. Amortization expense related to these costs are included in cost of revenue. Additionally, facility costs for the Company's data centers, communication service charges and depreciation expense related to computer equipment directly associated with generating revenue are captured in cost of revenue.

Research & Development Expense

Research and development expense consists of personnel costs, including salaries and benefits net of amounts capitalized as developed software, share-based compensation expense and bonuses for employees engaged in the design, development, testing and maintenance of our solutions. Also included are fees paid to third-party firms who assist in the development of our product solutions, net of amounts capitalized as developed software, and facility costs.

Sales & Marketing Expenses

Sales and marketing expense consists of personnel expenses, including salaries, commissions, benefits, share-based compensation and bonuses for sales, client management and marketing employees. Other costs associated with sales and marketing include expenses incurred related to corporate marketing, including brand awareness and trade shows, and facility costs. Much of our marketing effort is focused on thought leadership, as our marketing team engages with media and other industry influencers to publish and present on topics relevant to CommerceHub's solutions in trade publications and relevant industry conferences.

Our client management expenses are attributable to our client executive organization the primary role of which is to oversee and develop comprehensive relationships with our customers and to provide strategic account management and coordination of cross-selling opportunities.

General & Administrative Expenses

General and administrative expenses consist primarily of personnel costs, including salaries and benefits, share-based compensation expense and bonus, for our corporate functions, including executive leadership, finance, legal, information technology, and human resources, as well as professional service and other fees related to legal, tax, accounting and internal audit services. Other costs include facility costs, expenses attributable to credit card processing, and bad debt expense. Commencing in 2016, we expect incremental general and administrative expenses relating to resources and other costs required to support the Spin-Off and public company compliance, to be approximately \$5 million per year.

Other income and expense

Other income and expense includes interest income and expense from the promissory notes with Liberty and interest expense under our credit facility (see Note 8 and 13 to the accompanying condensed consolidated financial statements).

Management's Use of Non-GAAP Measures

In addition to reporting financial measures calculated in accordance with U.S. generally accepted accounting principles ("GAAP"), we provide Adjusted EBITDA, a non-GAAP financial measure that excludes certain expenses and income. Adjusted EBITDA should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, including net income or loss. Non-GAAP financial measures are subject to inherent limitations and exclude significant expenses and income that are required by GAAP to be recorded in our financial statements. We define "Adjusted EBITDA" as net income or loss, plus depreciation of property and equipment and amortization of capitalized software costs and intangible assets, interest expense, income tax expense, and share-based compensation expense, less interest income.

Our management considers Adjusted EBITDA in reviewing our financial performance because we feel it is a relevant measure of the overall efficiency of our business model. Adjusted EBITDA should be considered in addition to financial measures calculated in accordance with GAAP and is not a substitute for GAAP results. Certain adjustments used in calculating Adjusted EBITDA may be based on estimates and assumptions of management and do not purport to reflect actual historical results. In addition, you should be aware when evaluating Adjusted EBITDA that in the future we may incur expenses similar to those excluded when calculating Adjusted EBITDA. Our computation of Adjusted EBITDA may not be comparable to other similarly titled measures computed by other companies, because all companies do not calculate Adjusted EBITDA in the same fashion.

New Accounting Pronouncements

Information regarding new accounting pronouncements is included in Note 4 to our condensed consolidated financial statements in this quarterly report on Form 10-Q.

Critical Accounting Policies

Preparation of our condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Please see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" within the Registration Statement, which describes the significant accounting policies used in preparation of the consolidated financial statements. On an ongoing basis, we evaluate the critical accounting policies used to prepare our condensed consolidated financial statements. There have been no material changes in these aforementioned critical accounting policies.

Results of operations for the three months ended September 30, 2016 and September 30, 2015
Revenue:

(amounts in thousands)

	Three Months Ended September 30,		Change	
	2016	2015	\$	%
Revenue:				
Usage revenue	\$ 14,563	\$ 13,148	\$ 1,415	11%
Subscription revenue	6,420	5,435	985	18%
Set-up and professional services	1,495	1,112	383	34%
Total revenue	\$ 22,478	\$ 19,695	\$ 2,783	14%

Our 14% revenue increase for the three months ended September 30, 2016, as compared to the same period in the prior year, was attributable to a \$1.4 million, or 11%, increase in our usage revenue, a \$1.0 million, or 18%, increase in our subscription revenue, and a \$0.4 million, or 34%, increase in our set-up and professional services revenue and is inclusive of a decline in revenue attributable to attrition of certain legacy customers of Mercent where there was a mismatch between customer needs and our objectives. As part of the integration of Mercent, we have attempted to align the services being provided to acquired customers with our business objectives, and as is natural and expected after such a process, there has been some attrition of these former Mercent customers. We expect this realignment to continue as we refocus our business strategy away from certain digital marketing services related to our Demand Solutions and more towards our platform-based technology offering. Excluding all revenue attributable to customers acquired through our acquisition of Mercent, our revenue increased by 18% for the three months ended September 30, 2016 as compared to the same period in 2015.

Usage revenue represented 65% and 67% of our total revenue for the three months ended September 30, 2016 and 2015, respectively, and is inclusive of a decline in usage revenue attributable to attrition of certain legacy customers of Mercent as described above. Excluding all usage revenue attributable to customers acquired through our acquisition of Mercent, our usage revenue increased by 19% for the three months ended September 30, 2016 as compared to the prior period. The increase in our usage revenue was mainly driven by a 16% increase in the volume of customer orders, primarily from existing customers, processed through our platform during the three months ended September 30, 2016, as compared to the same period in the prior year. In addition, we experienced growth from expanded use of our platform within other solutions charged on a usage basis.

Subscription revenue represented 29% and 28% of our total revenue for the three months ended September 30, 2016 and 2015, respectively. The growth in our subscription revenue was primarily driven by a 7% increase in the number of trading partner customers on our platform.

Revenue generated from set-up and professional services represented 7% and 6% of our total revenue for the three months ended September 30, 2016 and 2015, respectively. This increase was driven by an increase in the number of retailer and supplier selling relationships on our platform.

Cost of Revenue and Gross Profit:

(amounts in thousands)

	Three Months Ended September 30,		Change	
	2016	2015	\$	%
Cost of revenue	\$ 5,737	\$ 6,332	\$ (595)	(9)%
Gross profit	\$ 16,741	\$ 13,363	\$ 3,378	25%
Gross profit %	74%	68%	6%	

Cost of revenue decreased \$0.6 million, or 9%, for the three months ended September 30, 2016, as compared to the same period in the prior year. The decrease was due to lower share-based compensation expense of approximately \$0.9 million compared to the same period in 2015 due to a larger mark-to-market adjustment of awards in 2015, which resulted in higher expense in the three months ended September 30, 2015 as compared to the same period in 2016. This decrease was offset by a \$0.4 million increase in amortization of capitalized software costs in the 2016 period.

Operating Expenses:

(amounts in thousands)	Three Months Ended September 30,		Change	
	2016	2015	\$	%
Operating expenses:				
Research and development	\$ 5,077	\$ 3,378	\$ 1,699	50 %
Sales and marketing	3,023	2,808	215	8 %
General and administrative	8,008	8,475	(467)	(6)%
Total operating expenses	\$ 16,108	\$ 14,661	\$ 1,447	10 %

Research and development expenses. Research and development expenses increased \$1.7 million , or 50% , for the three months ended September 30, 2016 , as compared to the same period in the prior year. This increase was driven by an increase in personnel costs of \$2.2 million, of which \$1.7 million is attributable to a reduction in the amount of software development efforts capitalized, with the remaining \$0.5 million increase attributable to the expansion of our development teams. During the quarter, we changed and further refined our methodologies and processes to estimate the portion of software development eligible to be capitalized. Based on the change in our methodology, we expect the amount of capitalized software development costs as a percentage of research and development expenses in future periods to be generally in line with the results of this quarter, subject to variability in our mix of projects. This increase was partially offset by a \$0.6 million reduction in share-based compensation expense due to a larger mark-to-market adjustment of awards in 2015 , which resulted in higher expense in the three months ended September 30, 2015 as compared to the same period in 2016.

Sales and marketing expenses. Sales and marketing expense increased \$0.2 million , or 8% , for the three months ended September 30, 2016 , as compared to the same period in the prior year. This increase was driven by a \$0.9 million increase in commissions expense to our sales team. This increase was offset by a decrease of \$0.8 million in share-based compensation expense due to a larger mark-to-market adjustment of awards in 2015 , which resulted in higher expense in the three months ended September 30, 2015 as compared to the same period in 2016.

General and administrative expenses. General and administrative expense decreased \$0.5 million , or 6% , for the three months ended September 30, 2016 , as compared to the same period in the prior year. The decrease was driven by lower share-based compensation expense of approximately \$3.1 million due to a larger mark-to-market adjustment of awards in 2015 , which resulted in higher expense in the three months ended September 30, 2015 as compared to the same period in 2016. This decrease was partially offset by a \$1.5 million increase in professional services expenses attributable to becoming a public company, a \$0.7 million increase in personnel costs from the expansion of the legal and finance teams, and increases of \$0.4 million in bad debt expense.

Other income and expenses:

(amounts in thousands)	Three Months Ended September 30,		Change	
	2016	2015	\$	%
Other income (expense):				
Interest expense	\$ (361)	\$ —	\$ (361)	100 %
Interest income	—	156	(156)	(100)%
Total other income (expense)	\$ (361)	\$ 156	\$ (517)	(331)%

Other income (expense) decreased \$517 thousand for the three months ended September 30, 2016 , as compared to the same period in the prior year. This decrease was attributable to interest expense incurred in respect of borrowings under our credit facility and amounts owed to Liberty under our promissory note, which we entered into in June 2016, coupled with a decrease in interest earned under our promissory note due from Liberty, which was fully repaid in June 2016, resulting in less interest earned in 2016, as compared to 2015 .

Income Taxes:

(amounts in thousands)	Three Months Ended September 30,		Change	
	2016	2015	\$	%
Income tax expense (benefit)	\$ (438)	\$ (521)	\$ 83	nm
Effective tax rate	(161)%	46%	(207)%	

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Our income tax benefit was \$0.1 million less during the three months ended September 30, 2016, as compared to the same period in the prior year. The lower benefit was primarily due to pre-tax book income in the three months ended September 30, 2016 as compared to a pre-tax book loss in the same period in 2015.

During the three months ended September 30, 2016 we generated an income tax benefit of \$(0.4) million, despite \$0.3 million pre-tax income, primarily as a result of federal tax research credits. The credits created both a discrete benefit from finalizing 2015 tax returns during the quarter and a benefit from a favorable adjustment to the estimated 2016 annual effective rate.

The estimated annual effective tax rate for the three -month period ended September 30, 2016 was lower than the federal tax rate of 35% due to the federal tax research credits, partially offset by the effect of state and local income taxes. The effective tax rate for the three months ended September 30, 2015, was higher than the federal tax rate of 35% due to the effect of state and local income taxes.

Adjusted EBITDA:

(amounts in thousands)	Three Months Ended September 30,		Change	
	2016	2015	\$	%
Adjusted EBITDA:				
Net income (loss)	\$ 710	\$ (621)	\$ 1,331	nm
Depreciation and amortization	2,453	1,992	461	23 %
Interest expense (income)	361	(156)	517	nm
Income tax expense (benefit)	(438)	(521)	83	(16)%
Share-based compensation expense	2,193	7,514	\$ (5,321)	(71)%
Adjusted EBITDA	\$ 5,279	\$ 8,208	\$ (2,929)	(36)%

Adjusted EBITDA decreased approximately \$2.9 million, or 36%, for the three months ended September 30, 2016, as compared to the same period in the prior year. For the three months ended September 30, 2016, the decrease was primarily due to a \$1.7 million reduction in the amount of software development costs capitalized, as we changed and further refined our methodologies and processes to estimate the portion of software development that is eligible to be capitalized. This decrease is further driven by increased professional services costs of \$1.4 million, associated with the Spin-Off and becoming a public company, and increased bad debt expense of \$0.4 million. These cost increases were partially offset by increased operating profit on higher revenue for the three months ended September 30, 2016 as compared to the same period in the prior year.

The primary driver of the change in share-based compensation expense is the mark-to-market adjustment, primarily generated by the change in underlying share value, for each period. For the three months ended September 30, 2015, the estimated share-price input, based on an internal valuation using the assistance of a third-party advisory firm, discounted cash flow projections and comparable market valuations, increased and resulted in expense. For the three months ended September 30, 2016 the estimated share-price input was based on the fair market value of CommerceHub's Series C common stock traded immediately following the Spin-Off (for shares granted prior to the Spin-Off) or the fair market value of CommerceHub's Series C common stock on the grant date (for shares granted after the Spin-Off), which decreased as compared to our most recent internal valuation and resulted in a reduction to expense. Following the Spin-Off, the awards under the Legacy Stock Appreciation Rights Plan and Legacy Stock Option Plan are no longer classified as liability awards, and the fair value of these awards will no longer be remeasured at each reporting period.

Results of operations for the nine months ended September 30, 2016 and September 30, 2015

Revenue:

(amounts in thousands)	Nine Months Ended September 30,		Change	
	2016	2015	\$	%
Revenue:				
Usage revenue	\$ 44,437	\$ 39,384	\$ 5,053	13%
Subscription revenue	18,766	15,898	2,868	18%
Set-up and professional	4,468	3,061	1,407	46%
Total revenue	\$ 67,671	\$ 58,343	\$ 9,328	16%

Our revenue increased \$9.3 million, or 16%, for the nine months ended September 30, 2016, as compared to the same period in the prior year. This increase was attributable to a \$5.1 million, or 13%, increase in our usage revenue, a \$2.9 million, or 18%, increase in our subscription revenue, and a \$1.4 million, or 46%, increase in our set-up and professional services

revenue and is inclusive of a decline in revenue attributable to attrition of certain legacy customers of Mercent where there was a mismatch between customer needs and our objectives. As part of the integration of Mercent, we have attempted to align the services being provided to customers acquired through our acquisition with our business objectives, and as is natural and expected after such a process, there has been some attrition of these former Mercent customers. We expect this realignment to continue as we refocus our business strategy away from certain digital marketing services related to our Demand Solutions and more towards our platform-based technology offering. Excluding all revenue attributable to customers acquired through our acquisition of Mercent, our revenue increased by 18% for the nine months ended September 30, 2016 as compared to the same period in 2015.

Usage revenue represented 66% and 68% of our total revenue for the nine months ended September 30, 2016 and 2015, respectively and is inclusive a decline in usage revenue attributable to attrition of certain legacy customers of Mercent as described above. Excluding all usage revenue attributable to customers acquired through our acquisition of Mercent, our usage revenue increased by 18% for the nine months ended September 30, 2016 as compared to the same period in 2015. The increase in our usage revenue was mainly driven by a 15% increase in the volume of customer orders processed through our platform during the nine months ended September 30, 2016, as compared to the same period in the prior year. This volume increase was primarily driven by increases in order volume from existing customer orders. The remaining increase being attributable to incremental revenue related to our other solutions charged on a per usage basis.

Subscription revenue represented 28% and 27% of our total revenue for the nine months ended September 30, 2016 and 2015, respectively. The growth in our subscription revenue was driven by a 7% increase in our number of trading partner customers on our platform.

Revenue generated from set-up and professional services represented 7% and 5% of our total revenue for the nine months ended September 30, 2016 and 2015, respectively. This increase was driven by an increase in the number of retailer and supplier selling relationships on our platform.

Cost of Revenue and Gross Profit:

(amounts in thousands)

	Nine Months Ended September 30,		Change	
	2016	2015	\$	%
Cost of revenue	\$ 17,162	\$ 16,177	\$ 985	6%
Gross profit	\$ 50,509	\$ 42,166	\$ 8,343	20%
Gross profit %	75%	72%	3%	

Cost of revenue increased \$1.0 million, or 6%, for the nine months ended September 30, 2016, as compared to the same period in the prior year. The increase in cost of revenue for the nine-month period in 2016 was primarily driven by an increase of \$1.4 million in amortization of capitalized software and a \$0.7 million increase in personnel-related costs due to increased headcount, as compared to the same period in 2015. This increase was offset by lower share-based compensation expense of approximately \$1.6 million due to a larger mark-to-market adjustment of awards in 2015, which resulted in higher expense in the nine months ended September 30, 2015 as compared to the same period in 2016.

Operating Expenses:

(amounts in thousands)

	Nine Months Ended September 30,		Change	
	2016	2015	\$	%
Operating expenses:				
Research and development	\$ 13,391	\$ 11,016	\$ 2,375	22 %
Sales and marketing	9,024	7,834	1,190	15 %
General and administrative	23,207	28,501	(5,294)	(19)%
Total operating expenses	\$ 45,622	\$ 47,351	\$ (1,729)	(4)%

Research and development expenses. Research and development expenses increased \$2.4 million, or 22%, for the nine months ended September 30, 2016, as compared to the same period in the prior year. The increase was driven by higher personnel-related costs of \$4.8 million, of which \$4.3 million is attributed to the expansion of the development team to support continued investment in our platform, with the remaining \$0.5 million was due to a reduction in the amount of software development costs capitalized. During the quarter, we changed and further refined our methodologies and processes to estimate the portion of software development costs that is eligible to be capitalized. This increase was partially offset by a reduction of \$2.6 million in share-based compensation expense due to a larger mark-to-market adjustment of awards in 2015, which resulted in higher expense in the nine months ended September 30, 2015 as compared to the same period in 2016.

Sales and marketing expenses. Sales and marketing expense increased \$1.2 million , or 15% , for the nine months ended September 30, 2016 , as compared to the same period in the prior year. The increase in sales and marketing expenses was driven by an increase in personnel-related costs of approximately \$0.8 million from the expansion of our sales and marketing teams and an \$1.5 million increase in commission expense to our sales team in 2016, as compared to 2015. This was offset by a lower share-based compensation expense of \$1.7 million due to a larger mark-to-market adjustment of awards in 2015 , coupled with reduction in value of performance based awards, which resulted in higher expense in the nine months ended September 30, 2015 as compared to the same period in 2016. Further, a \$0.6 million favorable state tax ruling resulting in reduced sales tax expenses in 2015 which did not recur in 2016.

General and administrative expenses. General and administrative expense decreased \$5.3 million , or 19% , for the nine months ended September 30, 2016 , as compared to the same period in the prior year. This decrease was driven by lower share-based compensation expense of \$9.6 million due to a larger mark-to-market adjustment of awards in 2015, which resulted in higher expense in the nine months ended September 30, 2015 as compared to the same period in 2016. This decrease was partially offset by a \$1.1 million increase in payroll-related taxes due to exercises of SARs and option awards, a \$2.3 million increase in professional services expenses associated with the Spin-Off and becoming a public company, and a \$0.5 million increase in bad debt expense.

Other income and expense:

(amounts in thousands)	Nine Months Ended September 30,		Change	
	2016	2015	\$	%
Other income (expense):				
Interest expense	\$ (405)	\$ —	\$ (405)	100 %
Interest income	273	432	(159)	(37)%
Total other income (expense)	\$ (132)	\$ 432	\$ (564)	(131)%

Other income and expense decreased \$564 thousand for the nine months ended September 30, 2016 , as compared to the same period in the prior year. This decrease was attributable to interest expense incurred in respect of borrowings under our credit facility and amounts owed to Liberty under our promissory note, which we entered into in June 2016, coupled with a decrease in interest earned under our promissory note due from Liberty, which was fully repaid in June 2016, resulting in less interest earned in 2016, as compared to 2015 .

Income Taxes:

(amounts in thousands)	Nine Months Ended September 30,		Change	
	2016	2015	\$	%
Income tax expense (benefit)	\$ 1,611	\$ (1,647)	\$ 3,258	nm
Effective tax rate	34%	35%	(1)%	

The increase in the income tax expense is primarily due to pre-tax book income of \$4.8 million in the nine months ended September 30, 2016 as compared to a pre-tax book (loss) of \$(4.8) million in the same period in 2015.

For the nine months ended September 30, 2015 and September 30, 2016 , actual income tax benefit was consistent with the amounts computed by applying the U.S. Federal income tax rate of 35% to income (loss) before income taxes.

Adjusted EBITDA:

(amounts in thousands)	Nine Months Ended September 30,		Change	
	2016	2015	\$	%
Adjusted EBITDA:				
Net income (loss)	\$ 3,144	\$ (3,106)	\$ 6,250	nm
Depreciation and amortization	7,315	5,715	1,600	28 %
Interest expense (income)	132	(432)	564	(131)%
Income tax expense (benefit)	1,611	(1,647)	3,258	nm
Share-based compensation expense	8,753	24,332	(15,579)	(64)%
Adjusted EBITDA	\$ 20,955	\$ 24,862	\$ (3,907)	(16)%

Adjusted EBITDA decreased approximately \$3.9 million , or 16% , for the nine months ended September 30, 2016 , as compared to the same period in the prior year. The decrease was primarily due to increased costs of \$2.3 million associated

with professional services associated with the Spin-Off and becoming a public company, an increase of \$1.4 million in payroll-related taxes on exercises of SARs and options, and a \$0.5 million reduction in the amount of software development costs capitalized, as we changed and refined our methodologies and processes to estimate the portion of software development costs that is eligible to be capitalized. Further, for the nine months ended September 30, 2015, we recognized a benefit for sales tax of \$0.6 million that did not occur in the same period in the current year. This decrease was offset by increased operating profit on higher revenues for the nine months ended September 30, 2016 as compared to the same period in the prior year.

The primary driver of the change in share-based compensation expense is the mark-to-market adjustment, primarily generated by the change in underlying share value, for each period. For the nine months ended September 30, 2015, the estimated share-price input, based on an internal valuation using the assistance of a third-party advisory firm, discounted cash flow projections and comparable market valuations, increased and resulted in higher expense. For the three months ended March 31, 2016, the estimated share-price input, based on an internal valuation using the assistance of a third-party advisory firm, discounted cash flow projections and comparable market valuations, increased and resulted in higher expense. For the remainder of the nine months ended September 30, 2016, the estimated share-price input was based on the fair market value of CommerceHub's Series C common stock traded immediately following the Spin-Off (for shares granted prior to the Spin-Off) or the fair market value of CommerceHub's Series C common stock on the grant date (for shares granted after the Spin-Off), which decreased as compared to our most recent internal valuation and resulted in a reduction to expense as compared to the prior period. Following the Spin-Off, the awards under the Legacy Stock Appreciation Rights Plan and Legacy Stock Option Plan are no longer classified as liability awards, and the fair value of these awards will no longer be remeasured at each reporting period.

Liquidity and Capital Resources

(amounts in thousands)	Nine Months Ended September 30,		Change	
	2016	2015	\$	%
	Net cash provided by (used in):			
Operating activities	\$ (52,451)	\$ 19,297	\$ (71,748)	nm
Investing activities	27,904	(28,215)	56,119	nm
Financing activities	\$ 22,818	\$ (138)	\$ 22,956	nm

Historically, the cash we generate from operations has been sufficient to fund our working capital requirements and capital expenditures. For the nine-month period ended September 30, 2016, cash flow from operations includes payments made to employees for share-based awards. As a result of exercises and settlements of share-based awards during 2016 (see Note 11 to the accompanying condensed consolidated financial statements), the Company made payments of approximately \$86.7 million, reducing the share-based compensation liability. To fund these payments, in addition to existing cash balances and cash from operations, the Company used funds from Liberty's repayment of the promissory note and borrowed additional funds under the new intercompany funding arrangement with Liberty described in Note 8 to the accompanying condensed consolidated financial statements. Subsequent to the Spin-Off, we settle share-based arrangements using shares of our equity issuable under stock plans that were adopted at the time of the Spin-Off. We expect that cash from operations and available borrowings on our credit facility will be sufficient to meet our cash flow requirements in the foreseeable future.

Cash Flow from Operating Activities

Net cash from operating activities decreased \$71.7 million for the nine months ended September 30, 2016, as compared to the same period in the prior year. As discussed above, the primary driver for the decrease was increased cash payments for the settlement of share-based awards of \$83.1 million and amounts paid in settlement of obligations due to Parent of \$8.9 million. This was partially offset by the improvement in net income of \$6.3 million and the increase in non-cash expenses (depreciation, amortization, share-based compensation and deferred income taxes) of \$13.2 million and reductions in working capital related accounts of \$0.6 million.

Cash Flow from Investing Activities

Cash flow from investing activities increased approximately \$56.1 million for the nine months ended September 30, 2016, as compared to the same period in the prior year. This increase was primarily attributable to collection of amounts owed to us by Liberty under the intercompany note in the amount of \$36.4 million, which was fully repaid in June 2016. Amounts collected were used to fund our operating cash outflows associated with the settlement of share based awards. The increase in cash flow from investing activities was also attributable to use of cash of \$20.2 million for the acquisition of Mercent during the first quarter of 2015. This increase was partially offset by increased cash outflows for property and equipment purchases of \$1.0 million, primarily associated with \$2.4 million in leasehold improvements and outfitting of our new corporate headquarters as compared to the same period in the prior year.

Cash Flow from Financing Activities

Cash flow from financing activities increased \$23.0 million for the nine months ended September 30, 2016. This increase was primarily driven by the borrowings under our credit facility of \$50.0 million and intercompany funding arrangement of \$28.7 million to fund our operating cash outflows associated with the settlement of share-based awards, coupled with a cash contribution from Liberty of \$6.0 million to compensate us for dilution from equity award adjustments in connection with the Spin-Off. This increase was partially offset by payments on our credit facility of \$9.0 million and intercompany funding arrangement of \$28.7 million, payments of dividends to Liberty of \$19.7 million, increased cash outflows for share repurchases of \$3.4 million associated with our Liquidity Program and payments of debt issuance costs associated with our new credit facility of \$1.1 million.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk in the normal course of business due to our ongoing investing and financial activities and the conduct of operations in different foreign countries. Market risk refers to the risk of loss arising from adverse changes in stock prices, interest rates and foreign currency exchange rates. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings.

We are exposed to changes in interest rates primarily as a result of our borrowings used to maintain liquidity and to fund business operations. The amount of our long-term debt is expected to vary as a result of future requirements, cash generation, market conditions and other factors.

Although not significant, we have revenue, expenses, assets and liabilities that are denominated in currencies other than the U.S. dollar, including British pound sterling and Canadian dollars. As we expand internationally, our results of operations and cash flows will be impacted by foreign currency fluctuations. We have not used any forward contracts or currency borrowings to hedge our exposure to foreign currency exchange risk, although we may do so in the future.

Item 4. Controls and Procedures

As we are an emerging growth company and a newly public company, we have not prepared a formal management's report on internal control over financial reporting, as would otherwise be required by Section 404 of the Sarbanes-Oxley Act of 2002, nor have we engaged an independent registered public accounting firm to perform an audit of our internal control over financial reporting as of any balance sheet date or for any period reported in our condensed consolidated financial statements. Our compliance with Section 404 of the Sarbanes-Oxley Act will first be subject to management's assessment regarding internal control over financial reporting in connection with the filing of our Annual Report on Form 10-K for the fiscal year ending December 31, 2017 (assuming we are no longer an emerging growth company at such time).

In accordance with Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company carried out an evaluation, under the supervision and with the participation of management, including its chief executive officer and its chief financial officer (the "Executives"), of the effectiveness of its disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Executives concluded that the Company's disclosure controls and procedures were not effective as of September 30, 2016 to provide reasonable assurance that information required to be disclosed in its reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

Remediation Plan for Material Weakness in Internal Control over Financial Reporting

We have identified a material weakness in our internal control over financial reporting relating to the processes and controls to properly identify and account for transactions of a complex and non-routine nature. We are taking active steps towards fully remediating the material weakness through the hiring of appropriate individuals, including the hiring of our Chief Accounting Officer whose employment with our Company commenced in May 2016 and who is responsible for identifying the staffing and other needs of our Company required to remediate the material weakness. In July 2016 we also hired an SEC Reporting and Technical Accounting Manager who is responsible for external reporting requirements and review of non-routine or complex transactions. In August 2016 we also appointed a Director of Internal Audit who is responsible for designing and testing our internal controls over financial reporting. During the quarter, we continued to implement certain new policies and processes, refined existing processes and expanded the use of our financial systems. We are working to remediate the material weakness as quickly and efficiently as possible and expect that the material weakness will be remediated by the end of fiscal 2016. Notwithstanding the material weaknesses described above, our management has concluded that the financial statements

included elsewhere in this quarterly report on Form 10-Q present fairly, in all material respects, our financial position, results of operation and cash flows in conformity with generally accepted accounting principles.

Changes in Internal Control over Financial Reporting

In addition, other than the items noted above, no changes occurred in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) during the quarter ended September 30, 2016 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1 - Legal Proceedings

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. We are currently not aware of any such legal proceedings or claims that we believe will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results.

Item 1A - Risk Factors

In addition to information set forth in this report, you should carefully consider the factors discussed in the Registration Statement. There have been no material changes to the risk factors previously disclosed in our Registration Statement on Form S-1.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults on Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

Listed below are the exhibits which are filed as a part of this Report (according to the number assigned to them in Item 601 of Regulation S-K):

Exhibit Number	Exhibit Description
Ex. 2.1	Reorganization Agreement, dated as of July 15, 2016, between Liberty Interactive Corporation and CommerceHub, Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K (File No. 001-37840), as filed on July 26, 2016 (the "8-K")).
Ex. 3.1	Restated Certificate of Incorporation of CommerceHub, Inc. (incorporated by reference to Exhibit 3.1 to the 8-K).
Ex. 3.2	Bylaws of CommerceHub, Inc. (incorporated by reference to Exhibit 3.2 to the 8-K).
Ex. 4.1	Joinder Agreement, dated July 22, 2016, between CommerceHub, Inc. and JPMorgan Chase Bank, N.A. (incorporated by reference to Exhibit 4.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016 (File No. 001-37840) as filed on August 22, 2016).
Ex. 4.2	Specimen Certificate for shares of Series A Common Stock, par value \$.01 per share, of the Registrant (incorporated by reference to Exhibit 4.1 to Amendment No. 2 to the Registrant's Registration Statement on Form S-1 (File No. 333-210508), as filed on June 28, 2016 (the "S-1/A No. 2"))).
Ex. 4.3	Specimen Certificate for shares of Series B Common Stock, par value \$.01 per share, of the Registrant (incorporated by reference to Exhibit 4.2 to the S-1/A No. 2).
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Ex. 10.2	Form of Nonqualified Stock Option Agreement for use with the 2016 Omnibus Incentive Plan.*
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Ex. 10.5	Form of Indemnification Agreement by and between the Registrant and its executive officers/directors (incorporated by reference to Exhibit 10.5 to Amendment No. 3 to the Registrant's Registration Statement on Form S-1 (File No. 333-210508), as filed on July 14, 2016 (the "S-1/A No. 3"))).
Ex. 10.6	Form of Commerce Technologies, Inc. 1999 Stock Option Plan Nonqualified Stock Option Agreement (incorporated by reference to Exhibit 10.7 to the S-1/A No. 2).
Ex. 10.7	Form of Commerce Technologies, Inc. 2010 Stock Appreciation Rights Plan (incorporated by reference to Exhibit 10.8 to the S-1/A No. 2).
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Ex. 10.12	Form of CommerceHub, Inc. Legacy Stock Appreciation Rights Plan Stock Option Agreement for Francis Poore (Relating to Conversion of New SARs) (incorporated by reference to Exhibit 10.19 to the S-1/A No. 3).
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Ex. 10.17	Services Agreement, dated as of July 22, 2016, by and between Liberty Media Corporation and CommerceHub, Inc. (incorporated by reference to Exhibit 10.2 to the 8-K).
Ex. 31.1	Certification pursuant to Rule 13a-14(a) or 15d-14 under the Securities Exchange Act of 1934.*
Ex. 31.2	Certification pursuant to Rule 13a-14(a) or 15d-14 under the Securities Exchange Act of 1934.*

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Ex. 32.1	Certification of Chief Executive Officer pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
Ex. 32.2	Certification of Chief Financial Officer pursuant to Title 18, United States Code, Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
Ex. 101.INS	XBRL Instance Document*
Ex. 101.SCH	XBRL Taxonomy Extension Schema Document*
Ex. 101.CAL	XBRL Taxonomy Calculation Linkbase Document*
Ex. 101.LAB	XBRL Taxonomy Label Linkbase Document*
Ex. 101.PRE	XBRL Taxonomy Presentation Linkbase Document*
Ex. 101.DEF	XBRL Taxonomy Definition Document*

* Filed herewith.

** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COMMERCEHUB, INC.
(Registrant)

Date: November 8, 2016

/ S / FRANCIS POORE

Francis Poore
President and Chief Executive Officer
(Principal Executive Officer)

Date: November 8, 2016

/ S / MARK GREENQUIST

Mark Greenquist
Chief Financial Officer
(Principal Financial Officer)

Date: November 8, 2016

/ S / MICHAEL TRIMARCHI

Michael Trimarchi
Chief Accounting Officer
(Principal Accounting Officer)

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* Filed herewith.

** Furnished herewith.

**AMENDED AND RESTATED COMMERCEHUB, INC.
2016 OMNIBUS INCENTIVE PLAN**

ARTICLE I

PURPOSE OF PLAN; EFFECTIVE DATE

1.1 *Purpose* . The purpose of the Plan is to promote the success of the Company by providing a method whereby (i) eligible officers and employees of the Company and its Subsidiaries, (ii) directors and independent contractors, and (iii) employees of Liberty Media Corporation or Liberty Interactive Corporation, in each case, providing services to the Company and its Subsidiaries, may be awarded additional remuneration for services rendered and may be encouraged to invest in capital stock of the Company, thereby increasing their proprietary interest in the Company's businesses, encouraging them to remain in the employ or service of the Company or its Subsidiaries, and increasing their personal interest in the continued success and progress of the Company and its Subsidiaries. The Plan is also intended to aid in (i) attracting Persons of exceptional ability to become officers and employees of the Company and its Subsidiaries and (ii) inducing directors, independent contractors, or employees of Liberty Media Corporation or Liberty Interactive Corporation to agree to provide services to the Company and its Subsidiaries. The purposes of the amendment and restatement of the Plan as of the Amendment Date (as defined below) is to permit the delegation of the powers and authority of the Committee hereunder, subject to applicable law, to one or more committees and/or officers of the Company that have been approved for such delegation by the Board.

1.2 *Effective Date* . The Plan shall be effective as of July 22, 2016 (the "Effective Date") and shall be amended and restated effective as of October 13, 2016 (the "Amendment Date").

ARTICLE II

DEFINITIONS

2.1 *Certain Defined Terms* . Capitalized terms not defined elsewhere in the Plan shall have the following meanings (whether used in the singular or plural):

"Account" has the meaning ascribed thereto in Section 8.2.

"Affiliate" of the Company means any corporation, partnership or other business association that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Company.

"Agreement" means a stock option agreement, stock appreciation rights agreement, restricted shares agreement, restricted stock units agreement, cash award agreement or an

agreement evidencing more than one type of Award, specified in Section 10.6, as any such Agreement may be supplemented or amended from time to time.

“Approved Transaction” means any transaction in which the Board (or, if approval of the Board is not required as a matter of law, the stockholders of the Company) shall approve (i) any consolidation or merger of the Company, or binding share exchange, pursuant to which shares of Common Stock of the Company would be changed or converted into or exchanged for cash, securities, or other property, other than any such transaction in which the common stockholders of the Company immediately prior to such transaction have the same proportionate ownership of the Common Stock of, and voting power with respect to, the surviving corporation immediately after such transaction, (ii) any merger, consolidation or binding share exchange to which the Company is a party as a result of which the Persons who are common stockholders of the Company immediately prior thereto have less than a majority of the combined voting power of the outstanding capital stock of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors immediately following such merger, consolidation or binding share exchange, (iii) the adoption of any plan or proposal for the liquidation or dissolution of the Company, or (iv) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company.

“Award” means a grant of Options, SARs, Restricted Shares, Restricted Stock Units, Performance Awards, Cash Awards and/or cash amounts under the Plan.

“Board” means the Board of Directors of the Company.

“Board Change” means, during any period of two consecutive years, individuals who at the beginning of such period constituted the entire Board cease for any reason to constitute a majority thereof unless the election, or the nomination for election, of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period.

“Cash Award” means an Award made pursuant to Section 9.1 of the Plan to a Holder that is paid solely on account of the attainment of one or more Performance Objectives that have been pre-established by the Committee.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute or statutes thereto. Reference to any specific Code section shall include any successor section.

“Committee” means the committee of the Board appointed pursuant to Section 3.1 to administer the Plan.

“Common Stock” means each or any (as the context may require) series of the Company’s common stock.

“Company” means CommerceHub, Inc., a Delaware corporation.

“Control Purchase” means any transaction (or series of related transactions) in which any person (as such term is defined in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), corporation or other entity (other than the Company, any Subsidiary of the Company or any employee benefit plan sponsored by the Company or any Subsidiary of the Company or any Exempt Person (as defined below)) shall become the “beneficial owner” (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the then outstanding securities of the Company ordinarily (and apart from the rights accruing under special circumstances) having the right to vote in the election of directors (calculated as provided in Rule 13d-3(d) under the Exchange Act in the case of rights to acquire the Company’s securities), other than in a transaction (or series of related transactions) approved by the Board. For purposes of this definition, “Exempt Person” means each of (a) the Chairman of the Board, the President and each of the directors of the Company as of the Effective Date, and (b) the respective family members, estates and heirs of each of the Persons referred to in clause (a) above and any trust or other investment vehicle for the primary benefit of any of such Persons or their respective family members or heirs. As used with respect to any Person, the term “family member” means the spouse, siblings and lineal descendants of such Person.

“ Director Award Limitation ” has the meaning ascribed thereto in Section 4.1.

“Disability” means the inability 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 which has lasted or can be expected to last for a continuous period of not less than 12 months.

“Dividend Equivalents” means, with respect to Restricted Stock Units, to the extent specified by the Committee only, an amount equal to all dividends and other distributions (or the economic equivalent thereof) which are payable to stockholders of record during the Restriction Period on a like number and kind of shares of Common Stock. Notwithstanding any provision of the Plan to the contrary, Dividend Equivalents with respect to a Performance Award may only be paid to the extent the Performance Award is actually paid to the Holder.

“Domestic Relations Order” means a domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder.

“Equity Security” shall have the meaning ascribed to such term in Section 3(a)(11) of the Exchange Act, and an equity security of an issuer shall have the meaning ascribed thereto in Rule 16a-1 promulgated under the Exchange Act, or any successor Rule.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, or any successor statute or statutes thereto. Reference to any specific Exchange Act section shall include any successor section.

“Fair Market Value” of a share of any series of Common Stock on any day means (i) for Option and SAR exercise transactions effected on any third-party incentive award administration system provided by the Company, the current high bid price of a share of any series of Common Stock as reported on the consolidated transaction reporting system on the principal national securities exchange on which shares of such series of Common Stock are listed on such day or if such shares are not then listed on a national securities exchange, then as quoted by OTC Markets Group Inc., or (ii) for all other purposes under the Plan, the closing price of a share of such series of Common Stock on such day (or if such day is not a trading day, on the next preceding trading day) as reported on the consolidated transaction reporting system for the principal national securities exchange on which shares of such series of Common Stock are listed on such day or if such shares are not then listed on a national securities exchange, then as quoted by OTC Markets Group Inc. If for any day the Fair Market Value of a share of the applicable series of Common Stock is not determinable by any of the foregoing means, or if there is insufficient trading volume in the applicable series of Common Stock on such trading day, then the Fair Market Value for such day shall be determined in good faith by the Committee on the basis of such quotations and other considerations as the Committee deems appropriate.

“Free Standing SAR” has the meaning ascribed thereto in Section 7.1.

“Holder” means a Person who has received an Award under the Plan.

“Nonemployee Director” means an individual who is a member of the Board and who is neither an officer nor an employee of the Company or any Subsidiary.

“Option” means a stock option granted under Article VI.

“Performance Award” means an Award made pursuant to Article IX of the Plan to a Holder that is subject to the attainment of one or more Performance Objectives.

“Performance Objective” means a standard established by the Committee to determine in whole or in part whether a Performance Award shall be earned.

“Person” means an individual, corporation, limited liability company, partnership, trust, incorporated or unincorporated association, joint venture or other entity of any kind.

“Plan” means this CommerceHub, Inc. 2016 Omnibus Incentive Plan, as modified or amended from time to time.

“Restricted Shares” means shares of any series of Common Stock awarded pursuant to Section 8.1.

“Restricted Stock Unit” means a unit evidencing the right to receive in specified circumstances one share of the specified series of Common Stock or the equivalent value in cash, which right may be subject to a Restriction Period or forfeiture provisions.

“Restriction Period” means a period of time beginning on the date of each Award of Restricted Shares or Restricted Stock Units and ending on the Vesting Date with respect to such Award.

“Retained Distribution” has the meaning ascribed thereto in Section 8.3.

“SARs” means stock appreciation rights, awarded pursuant to Article VII, with respect to shares of any specified series of Common Stock.

“Section 409A” has the meaning ascribed thereto in Section 10.19.

“Subsidiary” of a Person means any present or future subsidiary (as defined in Section 424(f) of the Code) of such Person or any business entity in which such Person owns, directly or indirectly, 50% or more of the voting, capital or profits interests. An entity shall be deemed a subsidiary of a Person for purposes of this definition only for such periods as the requisite ownership or control relationship is maintained.

“Subplan” has the meaning ascribed thereto in Section 10.14.

“Tandem SARs” has the meaning ascribed thereto in Section 7.1.

“Vesting Date,” with respect to any Restricted Shares or Restricted Stock Units awarded hereunder, means the date on which such Restricted Shares or Restricted Stock Units cease to be subject to a risk of forfeiture, as designated in or determined in accordance with the Agreement with respect to such Award of Restricted Shares or Restricted Stock Units pursuant to Article VIII. If more than one Vesting Date is designated for an Award of Restricted Shares or Restricted Stock Units, reference in the Plan to a Vesting Date in respect of such Award shall be deemed to refer to each part of such Award and the Vesting Date for such part. The Vesting Date for a particular Award will be established by the Committee and, for the avoidance of doubt, may be contemporaneous with the date of grant.

ARTICLE III

ADMINISTRATION

3.1 *Committee.* The Plan shall be administered by the Compensation Committee of the Board unless a different committee is appointed by the Board. The Committee shall be comprised of not less than two Persons. The Board may from time to time appoint members of the Committee in substitution for or in addition to members previously appointed, may fill vacancies in the Committee and may remove members of the Committee. The Committee shall select one of its members as its chairman and shall hold its meetings at such times and places as it shall deem advisable. A majority of its members shall constitute a quorum and all determinations shall be made by a majority of such quorum. Any determination reduced to writing and signed by all of the members shall be as fully effective as if it had been made by a majority vote at a meeting duly called and held. The Committee may delegate any or all of its power and authority under the Plan, subject

to applicable law, to one or more subcommittees, other committees of the Board and/or officers of the Company that have been approved for such delegation by the Board.

3.2 *Powers* . The Committee shall have full power and authority to grant to eligible Persons Options under Article VI of the Plan, SARs under Article VII of the Plan, Restricted Shares under Article VIII of the Plan, Restricted Stock Units under Article VIII of the Plan, Cash Awards under Article IX of the Plan and/or Performance Awards under Article IX of the Plan, to determine the terms and conditions (which need not be identical) of all Awards so granted, to interpret the provisions of the Plan and any Agreements relating to Awards granted under the Plan and to supervise the administration of the Plan. The Committee in making an Award may provide for the granting or issuance of additional, replacement or alternative Awards upon the occurrence of specified events, including the exercise of the original Award. The Committee shall have sole authority in the selection of Persons to whom Awards may be granted under the Plan and in the determination of the timing, pricing and amount of any such Award, subject only to the express provisions of the Plan. In making determinations hereunder, the Committee may take into account the nature of the services rendered by the respective employees, officers, independent contractors and directors, their present and potential contributions to the success of the Company and its Subsidiaries, and such other factors as the Committee in its discretion deems relevant.

3.3 *Interpretation* . The Committee is authorized, subject to the provisions of the Plan, to establish, amend and rescind such rules and regulations as it deems necessary or advisable for the proper administration of the Plan and to take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each action and determination made or taken pursuant to the Plan by the Committee, including any interpretation or construction of the Plan, shall be final and conclusive for all purposes and upon all Persons. No member of the Committee shall be liable for any action or determination made or taken by such member or the Committee in good faith with respect to the Plan.

3.4 *Awards to Nonemployee Directors* . The Board shall have the same powers as the Committee with respect to awards to Nonemployee Directors.

ARTICLE IV

SHARES SUBJECT TO THE PLAN

4.1 *Number of Shares* . Subject to the provisions of this Article IV, the maximum number of shares of Common Stock with respect to which Awards may be granted during the term of the Plan shall be 13,200,000 shares. Subject to the provisions of this Article IV, the number of shares of Common Stock available for issuance under the Plan will be increased on the first day of each calendar year beginning with the 2017 calendar year, in an amount equal to the least of (i) 5% of the outstanding shares of all classes of the Company's Common Stock on the last day of the immediately preceding calendar year or (ii) such number of shares of Common Stock determined by the Board. Shares of Common Stock will be made available from the authorized but unissued shares of the Company or from shares reacquired by the Company, including shares purchased in the open market. The shares of Common Stock subject to (i) any Award granted under the Plan that shall expire, terminate or be cancelled or annulled for any reason without having been exercised

(or considered to have been exercised as provided in Section 7.2), (ii) any Award of any SARs granted under the Plan the terms of which provide for settlement in cash, and (iii) any Award of Restricted Shares or Restricted Stock Units that shall be forfeited prior to becoming vested (provided that the Holder received no benefits of ownership of such Restricted Shares or Restricted Stock Units other than voting rights and the accumulation of Retained Distributions and unpaid Dividend Equivalents that are likewise forfeited) shall again be available for purposes of the Plan. Notwithstanding the foregoing, the following shares of Common Stock may not again be made available for issuance as Awards under the Plan: (a) shares of Common Stock not issued or delivered as a result of the net settlement of an outstanding Option or SAR, (b) shares of Common Stock used to pay the purchase price or withholding taxes related to an outstanding Award, or (c) shares of Common Stock repurchased on the open market with the proceeds of an Option purchase price. Except for Awards described in Section 10.1, no Person may be granted in any calendar year Awards of Options or SARs covering more than 3,000,000 shares of Common Stock (as such amount may be adjusted from time to time as provided in Section 4.2). No Nonemployee Director may be granted during any calendar year Awards having a value determined on the date of grant in excess of \$1,000,000, increased to \$2,000,000 in connection with such Nonemployee Director's initial year of service (the "Director Award Limitation"). In general, each Award is only subject to a single limitation as set forth above, and Awards granted to Nonemployee Directors shall only be subject to the Director Award Limitation.

4.2 *Adjustments* .

(a) If the Company subdivides its outstanding shares of any series of Common Stock into a greater number of shares of such series of Common Stock (by stock dividend, stock split, reclassification, or otherwise) or combines its outstanding shares of any series of Common Stock into a smaller number of shares of such series of Common Stock (by reverse stock split, reclassification, or otherwise) or if the Committee determines that any stock dividend, extraordinary cash dividend, reclassification, recapitalization, reorganization, stock redemption, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase such series of Common Stock or other similar corporate event (including mergers or consolidations other than those which constitute Approved Transactions, adjustments with respect to which shall be governed by Section 10.1(b)) affects any series of Common Stock so that an adjustment is required to preserve the benefits or potential benefits intended to be made available under the Plan, then the Committee, in such manner as the Committee, in its sole discretion, deems equitable and appropriate, shall make such adjustments to any or all of (i) the number and kind of shares of stock which thereafter may be awarded, optioned or otherwise made subject to the benefits contemplated by the Plan, (ii) the number and kind of shares of stock subject to outstanding Awards, and (iii) the purchase or exercise price and the relevant appreciation base with respect to any of the foregoing, provided, however, that the number of shares subject to any Award shall always be a whole number. The Committee may, if deemed appropriate, provide for a cash payment to any Holder of an Award in connection with any adjustment made pursuant to this Section 4.2.

(b) Notwithstanding any provision of the Plan to the contrary, in the event of a corporate merger, consolidation, acquisition of property or stock, separation, reorganization or liquidation, the Committee shall be authorized, in its discretion, (i) to provide, prior to the transaction, for the

acceleration of the vesting and exercisability of, or lapse of restrictions with respect to, the Award and, if the transaction is a cash merger, provide for the termination of any portion of the Award that remains unexercised at the time of such transaction, or (ii) to cancel any such Awards and to deliver to the Holders cash in an amount that the Committee shall determine in its sole discretion is equal to the fair market value of such Awards on the date of such event, which in the case of Options or SARs shall be the excess of the Fair Market Value (as determined in sub-section (ii) of the definition of such term) of Common Stock on such date over the purchase price of the Options or the base price of the SARs, as applicable. For the avoidance of doubt, if the purchase price of the Options or base price of the SARs, as applicable, is greater than such Fair Market Value, the Options or SARs may be canceled for no consideration pursuant to this section.

(c) No adjustment or substitution pursuant to this Section 4.2 shall be made in a manner that results in noncompliance with the requirements of Section 409A, to the extent applicable.

ARTICLE V

ELIGIBILITY

5.1 *General* . The Persons who shall be eligible to participate in the Plan and to receive Awards under the Plan shall be such Persons who are employees, directors or independent contractors of (or directors, independent contractors or employees of Liberty Media Corporation or Liberty Interactive Corporation providing services to), the Company or its Subsidiaries as the Committee shall select. Awards may be made to employees, directors or independent contractors who hold or have held Awards under the Plan or any similar or other awards under any other plan of the Company or any of its Affiliates.

ARTICLE VI

STOCK OPTIONS

6.1 *Grant of Options* . Subject to the limitations of the Plan, the Committee shall designate from time to time those eligible Persons to be granted Options, the time when each Option shall be granted to such eligible Persons, the series and number of shares of Common Stock subject to such Option, and, subject to Section 6.2, the purchase price of the shares of Common Stock subject to such Option.

6.2 *Option Price* . The price at which shares may be purchased upon exercise of an Option shall be fixed by the Committee and may be no less than the Fair Market Value of the shares of the applicable series of Common Stock subject to the Option as of the date the Option is granted.

6.3 *Term of Options* . Subject to the provisions of the Plan with respect to death, retirement and termination of employment or service, the term of each Option shall be for such period as the Committee shall determine as set forth in the applicable Agreement; provided that such term may not exceed ten years. However, if the term of an Option expires when trading in the Common Stock is prohibited by law or the Company's insider trading policy, then the term of such Option shall expire on the 30th day after the expiration of such prohibition.

6.4 *Exercise of Options* . An Option granted under the Plan shall become (and remain) exercisable during the term of the Option to the extent provided in the applicable Agreement and the Plan and, unless the Agreement otherwise provides, may be exercised to the extent exercisable, in whole or in part, at any time and from time to time during such term; provided, however, that subsequent to the grant of an Option, the Committee, at any time before complete termination of such Option, may accelerate the time or times at which such Option may be exercised in whole or in part (without reducing the term of such Option).

6.5 *Manner of Exercise* .

(a) *Form of Payment* . An Option shall be exercised by written notice to the Company upon such terms and conditions as the Agreement may provide and in accordance with such other procedures for the exercise of Options as the Committee may establish from time to time. The method or methods of payment of the purchase price for the shares to be purchased upon exercise of an Option and of any amounts required by Section 10.10 shall be determined by the Committee and may consist of (i) cash, (ii) check, (iii) promissory note (subject to applicable law), (iv) whole shares of any series of Common Stock, (v) the withholding of shares of the applicable series of Common Stock issuable upon such exercise of the Option, (vi) the delivery, together with a properly executed exercise notice, of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay the purchase price, or (vii) any combination of the foregoing methods of payment, or such other consideration and method of payment as may be permitted for the issuance of shares under the Delaware General Corporation Law. The permitted method or methods of payment of the amounts payable upon exercise of an Option, if other than in cash, shall be set forth in the applicable Agreement and may be subject to such conditions as the Committee deems appropriate.

(b) *Value of Shares* . Unless otherwise determined by the Committee and provided in the applicable Agreement, shares of any series of Common Stock delivered in payment of all or any part of the amounts payable in connection with the exercise of an Option, and shares of any series of Common Stock withheld for such payment, shall be valued for such purpose at their Fair Market Value as of the exercise date.

(c) *Issuance of Shares* . The Company shall effect the transfer of the shares of Common Stock purchased under the Option as soon as practicable after the exercise thereof and payment in full of the purchase price therefor and of any amounts required by Section 10.10, and within a reasonable time thereafter, such transfer shall be evidenced on the books of the Company. Unless otherwise determined by the Committee and provided in the applicable Agreement, (i) no Holder or other Person exercising an Option shall have any of the rights of a stockholder of the Company with respect to shares of Common Stock subject to an Option granted under the Plan until due exercise and full payment has been made, and (ii) no adjustment shall be made for cash dividends or other rights for which the record date is prior to the date of such due exercise and full payment.

ARTICLE VII

SARS

7.1 *Grant of SARs* . Subject to the limitations of the Plan, SARs may be granted by the Committee to such eligible Persons in such numbers, with respect to any specified series of Common Stock, and at such times during the term of the Plan as the Committee shall determine. A SAR may be granted to a Holder of an Option (hereinafter called a “related Option”) with respect to all or a portion of the shares of Common Stock subject to the related Option (a “Tandem SAR”) or may be granted separately to an eligible Person (a “Free Standing SAR”). Subject to the limitations of the Plan, SARs shall be exercisable in whole or in part upon notice to the Company upon such terms and conditions as are provided in the Agreement.

7.2 *Tandem SARs* . A Tandem SAR may be granted either concurrently with the grant of the related Option or at any time thereafter prior to the complete exercise, termination, expiration or cancellation of such related Option. Tandem SARs shall be exercisable only at the time and to the extent that the related Option is exercisable (and may be subject to such additional limitations on exercisability as the Agreement may provide) and in no event after the complete termination or full exercise of the related Option. Upon the exercise or termination of the related Option, the Tandem SARs with respect thereto shall be canceled automatically to the extent of the number of shares of Common Stock with respect to which the related Option was so exercised or terminated. Subject to the limitations of the Plan, upon the exercise of a Tandem SAR and unless otherwise determined by the Committee and provided in the applicable Agreement, (i) the Holder thereof shall be entitled to receive from the Company, for each share of the applicable series of Common Stock with respect to which the Tandem SAR is being exercised, consideration (in the form determined as provided in Section 7.4) equal in value to the excess of the Fair Market Value of a share of the applicable series of Common Stock with respect to which the Tandem SAR was granted on the date of exercise over the related Option purchase price per share, and (ii) the related Option with respect thereto shall be canceled automatically to the extent of the number of shares of Common Stock with respect to which the Tandem SAR was so exercised.

7.3 *Free Standing SARs* . Free Standing SARs shall be exercisable at the time, to the extent and upon the terms and conditions set forth in the applicable Agreement. The base price of a Free Standing SAR may be no less than the Fair Market Value of the applicable series of Common Stock with respect to which the Free Standing SAR was granted as of the date the Free Standing SAR is granted. Subject to the limitations of the Plan, upon the exercise of a Free Standing SAR and unless otherwise determined by the Committee and provided in the applicable Agreement, the Holder thereof shall be entitled to receive from the Company, for each share of the applicable series of Common Stock with respect to which the Free Standing SAR is being exercised, consideration (in the form determined as provided in Section 7.4) equal in value to the excess of the Fair Market Value of a share of the applicable series of Common Stock with respect to which the Free Standing SAR was granted on the date of exercise over the base price per share of such Free Standing SAR. The term of a Free Standing SAR may not exceed ten years. However, if the term of a Free Standing SAR expires when trading in the Common Stock is prohibited by law or the Company’s insider trading policy, then the term of such Free Standing SAR shall expire on the 30th day after the expiration of such prohibition.

7.4 *Consideration* . The consideration to be received upon the exercise of a SAR by the Holder shall be paid in cash, shares of the applicable series of Common Stock with respect to which

the SAR was granted (valued at Fair Market Value on the date of exercise of such SAR), a combination of cash and such shares of the applicable series of Common Stock or such other consideration, in each case, as provided in the Agreement. No fractional shares of Common Stock shall be issuable upon exercise of a SAR, and unless otherwise provided in the applicable Agreement, the Holder will receive cash in lieu of fractional shares. Unless the Committee shall otherwise determine, to the extent a Free Standing SAR is exercisable, it will be exercised automatically for cash on its expiration date.

7.5 *Limitations* . The applicable Agreement may provide for a limit on the amount payable to a Holder upon exercise of SARs at any time or in the aggregate, for a limit on the number of SARs that may be exercised by the Holder in whole or in part for cash during any specified period, for a limit on the time periods during which a Holder may exercise SARs, and for such other limits on the rights of the Holder and such other terms and conditions of the SAR, including a condition that the SAR may be exercised only in accordance with rules and regulations adopted from time to time, as the Committee may determine. Unless otherwise so provided in the applicable Agreement, any such limit relating to a Tandem SAR shall not restrict the exercisability of the related Option. Such rules and regulations may govern the right to exercise SARs granted prior to the adoption or amendment of such rules and regulations as well as SARs granted thereafter.

7.6 *Exercise*. For purposes of this Article VII, the date of exercise of a SAR shall mean the date on which the Company shall have received notice from the Holder of the SAR of the exercise of such SAR (unless otherwise determined by the Committee and provided in the applicable Agreement).

ARTICLE VIII

RESTRICTED SHARES AND RESTRICTED STOCK UNITS

8.1 *Grant of Restricted Shares* . Subject to the limitations of the Plan, the Committee shall designate those eligible Persons to be granted Awards of Restricted Shares, shall determine the time when each such Award shall be granted, and shall designate (or set forth the basis for determining) the Vesting Date or Vesting Dates for each Award of Restricted Shares, and may prescribe other restrictions, terms and conditions applicable to the vesting of such Restricted Shares in addition to those provided in the Plan. The Committee shall determine the price, if any, to be paid by the Holder for the Restricted Shares; provided, however, that the issuance of Restricted Shares shall be made for at least the minimum consideration necessary to permit such Restricted Shares to be deemed fully paid and nonassessable. All determinations made by the Committee pursuant to this Section 8.1 shall be specified in the Agreement.

8.2 *Issuance of Restricted Shares* . An Award of Restricted Shares shall be registered in a book entry account (the "Account") in the name of the Holder to whom such Restricted Shares shall have been awarded. During the Restriction Period, the Account, any statement of ownership representing the Restricted Shares that may be issued during the Restriction Period and any securities constituting Retained Distributions shall bear a restrictive legend to the effect that ownership of the Restricted Shares (and such Retained Distributions), and the enjoyment of all rights appurtenant

thereto, are subject to the restrictions, terms and conditions provided in the Plan and the applicable Agreement.

8.3 *Restrictions with Respect to Restricted Shares* . During the Restriction Period, Restricted Shares shall constitute issued and outstanding shares of the applicable series of Common Stock for all corporate purposes. The Holder will have the right to vote such Restricted Shares, to receive and retain such dividends and distributions, as the Committee may designate, paid or distributed on such Restricted Shares, and to exercise all other rights, powers and privileges of a Holder of shares of the applicable series of Common Stock with respect to such Restricted Shares; except, that, unless otherwise determined by the Committee and provided in the applicable Agreement, (i) the Holder will not be entitled to delivery of the Restricted Shares until the Restriction Period shall have expired and unless all other vesting requirements with respect thereto shall have been fulfilled or waived; (ii) the Company or its designee will retain custody of the Restricted Shares during the Restriction Period as provided in Section 8.2; (iii) other than such dividends and distributions as the Committee may designate, the Company or its designee will retain custody of all distributions (“Retained Distributions”) made or declared with respect to the Restricted Shares (and such Retained Distributions will be subject to the same restrictions, terms and vesting, and other conditions as are applicable to the Restricted Shares) until such time, if ever, as the Restricted Shares with respect to which such Retained Distributions shall have been made, paid or declared shall have become vested, and such Retained Distributions shall not bear interest or be segregated in a separate account; (iv) the Holder may not sell, assign, transfer, pledge, exchange, encumber or dispose of the Restricted Shares or any Retained Distributions or such Holder’s interest in any of them during the Restriction Period; and (v) a breach of any restrictions, terms or conditions provided in the Plan or established by the Committee with respect to any Restricted Shares or Retained Distributions will cause a forfeiture of such Restricted Shares and any Retained Distributions with respect thereto.

8.4 *Grant of Restricted Stock Units* . Subject to the limitations of the Plan, the Committee shall designate those eligible Persons to be granted Awards of Restricted Stock Units, the value of which is based, in whole or in part, on the Fair Market Value of the shares of any specified series of Common Stock. Subject to the provisions of the Plan, including any rules established pursuant to Section 8.5, Awards of Restricted Stock Units shall be subject to such terms, restrictions, conditions, vesting requirements and payment rules as the Committee may determine in its discretion, which need not be identical for each Award. Such Awards may provide for the payment of cash consideration by the Person to whom such Award is granted or provide that the Award, and any shares of Common Stock to be issued in connection therewith, if applicable, shall be delivered without the payment of cash consideration; provided, however, that the issuance of any shares of Common Stock in connection with an Award of Restricted Stock Units shall be for at least the minimum consideration necessary to permit such shares to be deemed fully paid and nonassessable. The determinations made by the Committee pursuant to this Section 8.4 shall be specified in the applicable Agreement.

8.5 *Restrictions with Respect to Restricted Stock Units* . Any Award of Restricted Stock Units, including any shares of Common Stock which are part of an Award of Restricted Stock Units, may not be assigned, sold, transferred, pledged or otherwise encumbered prior to the date on which

the shares are issued or, if later, the date provided by the Committee at the time of the Award. A breach of any restrictions, terms or conditions provided in the Plan or established by the Committee with respect to any Award of Restricted Stock Units will cause a forfeiture of such Restricted Stock Units and any Dividend Equivalents with respect thereto.

8.6 *Issuance of Restricted Stock Units* . Restricted Stock Units shall be issued at the beginning of the Restriction Period, shall not constitute issued and outstanding shares of the applicable series of Common Stock, and the Holder shall not have any of the rights of a stockholder with respect to the shares of Common Stock covered by such an Award of Restricted Stock Units, in each case until such shares shall have been issued to the Holder at the end of the Restriction Period. If and to the extent that shares of Common Stock are to be issued at the end of the Restriction Period, the Holder shall be entitled to receive Dividend Equivalents with respect to the shares of Common Stock covered thereby either (i) during the Restriction Period or (ii) in accordance with the rules applicable to Retained Distributions, as the Committee may specify in the Agreement.

8.7 *Cash Payments* . In connection with any Award of Restricted Shares or Restricted Stock Units, an Agreement may provide for the payment of a cash amount to the Holder of such Awards at any time after such Awards shall have become vested. Such cash amounts shall be payable in accordance with such additional restrictions, terms and conditions as shall be prescribed by the Committee in the Agreement and shall be in addition to any other salary, incentive, bonus or other compensation payments which such Holder shall be otherwise entitled or eligible to receive from the Company.

8.8 *Completion of Restriction Period* . On the Vesting Date with respect to each Award of Restricted Shares or Restricted Stock Units and the satisfaction of any other applicable restrictions, terms and conditions, (i) all or the applicable portion of such Restricted Shares or Restricted Stock Units shall become vested, (ii) any Retained Distributions with respect to such Restricted Shares and any unpaid Dividend Equivalents with respect to such Restricted Stock Units shall become vested to the extent that the Awards related thereto shall have become vested, and (iii) any cash amount to be received by the Holder with respect to such Restricted Shares or Restricted Stock Units shall become payable, all in accordance with the terms of the applicable Agreement. Any such Restricted Shares, Restricted Stock Units, Retained Distributions and any unpaid Dividend Equivalents that shall not become vested shall be forfeited to the Company, and the Holder shall not thereafter have any rights (including dividend and voting rights) with respect to such Restricted Shares, Restricted Stock Units, Retained Distributions and any unpaid Dividend Equivalents that shall have been so forfeited. The Committee may, in its discretion, provide that the delivery of any Restricted Shares, Restricted Stock Units, Retained Distributions and unpaid Dividend Equivalents that shall have become vested, and payment of any related cash amounts that shall have become payable under this Article VIII, shall be deferred until such date or dates as the recipient may elect. Any election of a recipient pursuant to the preceding sentence shall be filed in writing with the Committee in accordance with such rules and regulations, including any deadline for the making of such an election, as the Committee may provide, and shall be made in compliance with Section 409A.

ARTICLE IX

CASH AWARDS AND PERFORMANCE AWARDS

9.1 *Cash Awards* . In addition to granting Options, SARs, Restricted Shares and Restricted Stock Units, the Committee shall, subject to the limitations of the Plan, have authority to grant to eligible Persons Cash Awards. Each Cash Award shall be subject to such terms and conditions, restrictions and contingencies, if any, as the Committee shall determine. Restrictions and contingencies limiting the right to receive a cash payment pursuant to a Cash Award shall be based upon the achievement of single or multiple Performance Objectives over a performance period established by the Committee. The determinations made by the Committee pursuant to this Section 9.1 shall be specified in the applicable Agreement.

9.2 *Designation as a Performance Award* . The Committee shall have the right to designate any Award of Options, SARs, Restricted Shares or Restricted Stock Units as a Performance Award. All Cash Awards shall be designated as Performance Awards.

9.3 *Performance Objectives* . The grant or vesting of a Performance Award shall be subject to the achievement of Performance Objectives over a performance period established by the Committee based upon one or more of the following business criteria that apply to the Holder, one or more business units, divisions or Subsidiaries of the Company or the applicable sector of the Company, or the Company as a whole, and if so desired by the Committee, by comparison with a peer group of companies: increased revenue; net income measures (including income after capital costs and income before or after taxes); stock price measures (including growth measures and total stockholder return); price per share of Common Stock; market share; earnings per share (actual or targeted growth); earnings before interest, taxes, depreciation and amortization (EBITDA); operating income before depreciation and amortization (OIBDA); economic value added (or an equivalent metric); market value added; debt to equity ratio; cash flow measures (including cash flow return on capital, cash flow return on tangible capital, net cash flow and net cash flow before financing activities); return measures (including return on equity, return on average assets, return on capital, risk-adjusted return on capital, return on investors' capital and return on average equity); operating measures (including operating income, funds from operations, cash from operations, after-tax operating income, sales volumes, production volumes and production efficiency); expense measures (including overhead cost and general and administrative expense); margins; stockholder value; total stockholder return; proceeds from dispositions; total market value and corporate values measures (including ethics compliance, environmental and safety). Unless otherwise stated, such a Performance Objective need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo or limiting economic losses (measured, in each case, by reference to specific business criteria). The Committee shall have the authority to determine whether the Performance Objectives and other terms and conditions of the Award are satisfied, and the Committee's determination as to the achievement of Performance Objectives relating to a Performance Award shall be made in writing.

9.4 *Section 162(m) of the Code* . Notwithstanding the foregoing provisions, if the Committee intends for a Performance Award to be granted and administered in a manner designed

to preserve the deductibility of the compensation resulting from such Award in accordance with Section 162(m) of the Code, then the Performance Objectives for such particular Performance Award relative to the particular period of service to which the Performance Objectives relate shall be established by the Committee in writing (i) no later than 90 days after the beginning of such period and (ii) prior to the completion of 25% of such period.

9.5 *Waiver of Performance Objectives* . The Committee shall have no discretion to modify or waive the Performance Objectives or conditions to the grant or vesting of a Performance Award unless such Award is not intended to qualify as qualified performance-based compensation under Section 162(m) of the Code and the relevant Agreement provides for such discretion.

ARTICLE X

GENERAL PROVISIONS

10.1 *Death, Disability, Approved Transactions, Board Change or Control Purchase* .

(a) *Death or Disability* . If a Holder's employment or service shall terminate by reason of death or Disability, notwithstanding any contrary waiting period, installment period, vesting schedule or Restriction Period in any Agreement or in the Plan, unless the applicable Agreement provides otherwise: (i) in the case of an Option or SAR, each outstanding Option or SAR granted under the Plan shall immediately become exercisable in full in respect of the aggregate number of shares covered thereby; (ii) in the case of Restricted Shares, the Restriction Period applicable to each such Award of Restricted Shares shall be deemed to have expired and all such Restricted Shares and any related Retained Distributions shall become vested and any related cash amounts payable pursuant to the applicable Agreement shall be adjusted in such manner as may be provided in the Agreement; and (iii) in the case of Restricted Stock Units, the Restriction Period applicable to each such Award of Restricted Stock Units shall be deemed to have expired and all such Restricted Stock Units and any unpaid Dividend Equivalents shall become vested and any related cash amounts payable pursuant to the applicable Agreement shall be adjusted in such manner as may be provided in the Agreement.

(b) *Approved Transactions; Board Change; Control Purchase* . In the event of any Approved Transaction, Board Change or Control Purchase, notwithstanding any contrary waiting period, installment period, vesting schedule or Restriction Period in any Agreement or in the Plan, unless the applicable Agreement provides otherwise: (i) in the case of an Option or SAR, each such outstanding Option or SAR granted under the Plan shall become exercisable in full in respect of the aggregate number of shares covered thereby; (ii) in the case of Restricted Shares, the Restriction Period applicable to each such Award of Restricted Shares shall be deemed to have expired and all such Restricted Shares and any related Retained Distributions shall become vested and any related cash amounts payable pursuant to the applicable Agreement shall be adjusted in such manner as may be provided in the Agreement; and (iii) in the case of Restricted Stock Units, the Restriction Period applicable to each such Award of Restricted Stock Units shall be deemed to have expired and all such Restricted Stock Units and any unpaid Dividend Equivalents shall become vested and any related cash amounts payable pursuant to the applicable Agreement shall be adjusted in such manner as may be provided in the Agreement, in each case effective upon the Board Change or

Control Purchase or immediately prior to consummation of the Approved Transaction. The effect, if any, on a Cash Award of an Approved Transaction, Board Change or Control Purchase shall be prescribed in the applicable Agreement. Notwithstanding the foregoing, unless otherwise provided in the applicable Agreement, the Committee may, in its discretion, determine that any or all outstanding Awards of any or all types granted pursuant to the Plan will not vest or become exercisable on an accelerated basis in connection with an Approved Transaction if effective provision has been made for the taking of such action which, in the opinion of the Committee, is equitable and appropriate to substitute a new Award for such Award or to assume such Award and to make such new or assumed Award, as nearly as may be practicable, equivalent to the old Award (before giving effect to any acceleration of the vesting or exercisability thereof), taking into account, to the extent applicable, the kind and amount of securities, cash or other assets into or for which the applicable series of Common Stock may be changed, converted or exchanged in connection with the Approved Transaction.

10.2 *Termination of Employment or Service* .

(a) *General* . If a Holder's employment or service shall terminate prior to an Option or SAR becoming exercisable or being exercised (or deemed exercised, as provided in Section 7.2) in full, or during the Restriction Period with respect to any Restricted Shares or any Restricted Stock Units, then such Option or SAR shall thereafter become or be exercisable, and the Holder's rights to any unvested Restricted Shares, Retained Distributions and related cash amounts and any unvested Restricted Stock Units, unpaid Dividend Equivalents and related cash amounts shall thereafter vest, in each case solely to the extent provided in the applicable Agreement; provided, however, that, unless otherwise determined by the Committee and provided in the applicable Agreement, (i) no Option or SAR may be exercised after the scheduled expiration date thereof; (ii) if the Holder's employment or service terminates by reason of death or Disability, the Option or SAR shall remain exercisable for a period of at least one year following such termination (but not later than the scheduled expiration of such Option or SAR); and (iii) any termination of the Holder's employment or service for cause will be treated in accordance with the provisions of Section 10.2(b). The effect on a Cash Award of the termination of a Holder's employment or service for any reason, other than for cause, shall be prescribed in the applicable Agreement. For the avoidance of doubt, in the discretion of the Committee, an Award may provide that a Holder's service shall be deemed to have continued for purposes of the Award while a Holder provides services to the Company, any Subsidiary, or any former affiliate of the Company or any Subsidiary.

(b) *Termination for Cause* . If a Holder's employment or service with the Company or a Subsidiary of the Company shall be terminated by the Company or such Subsidiary for "cause" during the Restriction Period with respect to any Restricted Shares or Restricted Stock Units or prior to any Option or SAR becoming exercisable or being exercised in full or prior to the payment in full of any Cash Award (for these purposes, "cause" shall have the meaning ascribed thereto in any employment or consulting agreement to which such Holder is a party or, in the absence thereof, shall include insubordination, dishonesty, incompetence, moral turpitude, other misconduct of any kind and the refusal to perform such Holder's duties and responsibilities for any reason other than illness or incapacity; provided, however, that if such termination occurs within 12 months after an Approved Transaction or Control Purchase or Board Change, termination for "cause" shall mean

only a felony conviction for fraud, misappropriation, or embezzlement), then, unless otherwise determined by the Committee and provided in the applicable Agreement, (i) all Options and SARs and all unpaid Cash Awards held by such Holder shall immediately terminate, and (ii) such Holder's rights to all Restricted Shares, Restricted Stock Units, Retained Distributions, any unpaid Dividend Equivalents and any related cash amounts shall be forfeited immediately

(c) *Miscellaneous* . The Committee may determine whether any given leave of absence constitutes a termination of employment or service; provided, however, that for purposes of the Plan, (i) a leave of absence, duly authorized in writing by the Company for military service or sickness, or for any other purpose approved by the Company if the period of such leave does not exceed 90 days, and (ii) a leave of absence in excess of 90 days, duly authorized in writing by the Company provided the employee's right to reemployment is guaranteed either by statute or contract, shall not be deemed a termination of employment. Unless otherwise determined by the Committee and provided in the applicable Agreement, Awards made under the Plan shall not be affected by any change of employment or service so long as the Holder continues to be an employee, director or independent contractor of the Company.

10.3 *Right of Company to Terminate Employment or Service* . Nothing contained in the Plan or in any Award, and no action of the Company or the Committee with respect thereto, shall confer or be construed to confer on any Holder any right to continue in the employ or service of the Company or any of its Subsidiaries or interfere in any way with the right of the Company or any Subsidiary of the Company to terminate the employment or service of the Holder at any time, with or without cause, subject, however, to the provisions of any employment or consulting agreement between the Holder and the Company or any Subsidiary of the Company, or in the case of a director, to the charter and bylaws, as the same may be in effect from time to time.

10.4 *Prohibition on Repricing of Awards* . Except for adjustments made pursuant to Section 4.2, in no event will the Committee, without first obtaining approval by the majority of the shareholders of the Company, (i) decrease the purchase price of an Option or SAR after the date of grant; (ii) accept for surrender to the Company any outstanding Option or SAR granted under this Plan as consideration for the grant of a new Award; (iii) repurchase from Holders whether for cash or any other consideration any outstanding Options or SARs that have an purchase price per share higher than the then current Fair Market Value of a share of Common Stock; or (iv) grant any Option or SAR that contains a so-called "reload" feature under which additional Options, SARs or other Awards are granted automatically to the Holder upon exercise of the original Option or SAR.

10.5 *Nonalienation of Benefits* . Except as set forth herein, no right or benefit under the Plan shall be subject to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, garnishment, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, hypothecate, pledge, exchange, transfer, garnish, encumber or charge the same shall be void. No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities or torts of the Person entitled to such benefits.

10.6 *Written Agreement* . Each Award under the Plan shall be evidenced by a written agreement, in such form as the Committee shall approve from time to time in its discretion, specifying the terms and provisions of such Award which may not be inconsistent with the provisions of the

Plan; provided, however, that if more than one type of Award is made to the same Holder, such Awards may be evidenced by a single Agreement with such Holder. Each grantee of an Option, SAR, Restricted Shares, Restricted Stock Units or Performance Award (including a Cash Award) shall be notified promptly of such grant, and a written Agreement shall be promptly delivered by the Company. Any such written Agreement may contain (but shall not be required to contain) such provisions as the Committee deems appropriate to insure that the penalty provisions of Section 4999 of the Code will not apply to any stock or cash received by the Holder from the Company. Any such Agreement may be supplemented or amended from time to time as approved by the Committee as contemplated by Section 10.8(b).

10.7 *Nontransferability* . Unless otherwise determined by the Committee and expressly provided for in an Agreement, Awards are not transferable (either voluntarily or involuntarily), before or after a Holder's death, except as follows: (a) during the Holder's lifetime, pursuant to a Domestic Relations Order, issued by a court of competent jurisdiction, that is not contrary to the terms and conditions of the Plan or any applicable Agreement, and in a form acceptable to the Committee; or (b) after the Holder's death, by will or pursuant to the applicable laws of descent and distribution, as may be the case. Any person to whom Awards are transferred in accordance with the provisions of the preceding sentence shall take such Awards subject to all of the terms and conditions of the Plan and any applicable Agreement.

10.8 *Termination and Amendment* .

(a) *General* . Unless the Plan shall theretofore have been terminated as hereinafter provided, no Awards may be made under the Plan on or after the fifth anniversary of the Effective Date. The Plan may be terminated at any time prior to such date and may, from time to time, be suspended or discontinued or modified or amended if such action is deemed advisable by the Committee.

(b) *Modification* . No termination, modification or amendment of the Plan may, without the consent of the Person to whom any Award shall theretofore have been granted, adversely affect the rights of such Person with respect to such Award. No modification, extension, renewal or other change in any Award granted under the Plan shall be made after the grant of such Award, unless the same is consistent with the provisions of the Plan. With the consent of the Holder and subject to the terms and conditions of the Plan (including Section 10.8(a)), the Committee may amend outstanding Agreements with any Holder, including any amendment which would (i) accelerate the time or times at which the Award may be exercised and/or (ii) extend the scheduled expiration date of the Award. Without limiting the generality of the foregoing, the Committee may, but solely with the Holder's consent unless otherwise provided in the Agreement, agree to cancel any Award under the Plan and grant a new Award in substitution therefor, provided that the Award so substituted shall satisfy all of the requirements of the Plan as of the date such new Award is made. Nothing contained in the foregoing provisions of this Section 10.8(b) shall be construed to prevent the Committee from providing in any Agreement that the rights of the Holder with respect to the Award evidenced thereby shall be subject to such rules and regulations as the Committee may, subject to the express provisions of the Plan, adopt from time to time or impair the enforceability of any such provision.

10.9 *Government and Other Regulations* . The obligation of the Company with respect to Awards shall be subject to all applicable laws, rules and regulations and such approvals by any governmental agencies as may be required, including the effectiveness of any registration statement required under the Securities Act of 1933, and the rules and regulations of any securities exchange or association on which the Common Stock may be listed or quoted. For so long as any series of Common Stock are registered under the Exchange Act, the Company shall use its reasonable efforts to comply with any legal requirements (i) to maintain a registration statement in effect under the Securities Act of 1933 with respect to all shares of the applicable series of Common Stock that may be issuable, from time to time, to Holders under the Plan and (ii) to file in a timely manner all reports required to be filed by it under the Exchange Act.

10.10 *Withholding* . The Company's obligation to deliver shares of Common Stock or pay cash in respect of any Award under the Plan shall be subject to applicable federal, state and local tax withholding requirements. Federal, state and local withholding tax due at the time of an Award, upon the exercise of any Option or SAR or upon the vesting of, or expiration of restrictions with respect to, Restricted Shares or Restricted Stock Units or the satisfaction of the Performance Objectives applicable to a Performance Award, as appropriate, may, in the discretion of the Committee, be paid in shares of Common Stock already owned by the Holder or through the withholding of shares otherwise issuable to such Holder, upon such terms and conditions (including the conditions referenced in Section 6.5) as the Committee shall determine. If the Holder shall fail to pay, or make arrangements satisfactory to the Committee for the payment to the Company of, all such federal, state and local taxes required to be withheld by the Company, then the Company shall, to the extent permitted by law, have the right to deduct from any payment of any kind otherwise due to such Holder an amount equal to any federal, state or local taxes of any kind required to be withheld by the Company with respect to such Award.

10.11 *Nonexclusivity of the Plan* . The adoption of the Plan by the Board shall not be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including the granting of stock options and the awarding of stock and cash otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

10.12 *Exclusion from Other Plans* . By acceptance of an Award, unless otherwise provided in the applicable Agreement, each Holder shall be deemed to have agreed that such Award is special incentive compensation that will not be taken into account, in any manner, as salary, compensation or bonus in determining the amount of any payment under any pension, retirement or other employee benefit plan, program or policy of the Company or any Subsidiary of the Company. In addition, each beneficiary of a deceased Holder shall be deemed to have agreed that such Award will not affect the amount of any life insurance coverage, if any, provided by the Company on the life of the Holder which is payable to such beneficiary under any life insurance plan of the Company or any Subsidiary of the Company.

10.13 *Unfunded Plan* . Neither the Company nor any Subsidiary of the Company shall be required to segregate any cash or any shares of Common Stock which may at any time be represented by Awards, and the Plan shall constitute an "unfunded" plan of the Company. Except as provided

in Article VIII with respect to Awards of Restricted Shares and except as expressly set forth in an Agreement, no Holder shall have voting or other rights with respect to the shares of Common Stock covered by an Award prior to the delivery of such shares. Neither the Company nor any Subsidiary of the Company shall, by any provisions of the Plan, be deemed to be a trustee of any shares of Common Stock or any other property, and the liabilities of the Company and any Subsidiary of the Company to any Holder pursuant to the Plan shall be those of a debtor pursuant to such contract obligations as are created by or pursuant to the Plan, and the rights of any Holder, former service provider or beneficiary under the Plan shall be limited to those of a general creditor of the Company or the applicable Subsidiary of the Company, as the case may be. In its sole discretion, the Board may authorize the creation of trusts or other arrangements to meet the obligations of the Company under the Plan, provided, however, that the existence of such trusts or other arrangements is consistent with the unfunded status of the Plan.

10.14 *Subplans* . The Company may, in its discretion, adopt any sub-plans to this Plan (“Subplan”) as it deems necessary, including without limitation, to provide that grants of Awards with respect to Holders working outside the United States comply with matters of local law or practice, including tax and securities laws. Awards made pursuant to any Subplan shall be subject to the limitations in Article IV.

10.15 *Governing Law* . The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware.

10.16 *Accounts* . The delivery of any shares of Common Stock and the payment of any amount in respect of an Award shall be for the account of the Company or the applicable Subsidiary of the Company, as the case may be, and any such delivery or payment shall not be made until the recipient shall have paid or made satisfactory arrangements for the payment of any applicable withholding taxes as provided in Section 10.10.

10.17 *Legends* . Any statement of ownership evidencing shares of Common Stock subject to an Award shall bear such legends as the Committee deems necessary or appropriate to reflect or refer to any terms, conditions or restrictions of the Award applicable to such shares, including any to the effect that the shares represented thereby may not be disposed of unless the Company has received an opinion of counsel, acceptable to the Company, that such disposition will not violate any federal or state securities laws.

10.18 *Company’s Rights* . The grant of Awards pursuant to the Plan shall not affect in any way the right or power of the Company to make reclassifications, reorganizations or other changes of or to its capital or business structure or to merge, consolidate, liquidate, sell or otherwise dispose of all or any part of its business or assets.

10.19 *Section 409A* . The Plan and the Awards made hereunder are intended to be (i) “stock rights” exempt from Section 409A of the Code (“Section 409A”) pursuant to Treasury Regulations § 1.409A-1(b)(5), (ii) “short-term deferrals” exempt from Section 409A or (iii) payments which are deferred compensation and paid in compliance with Section 409A, and the Plan and each Agreement shall be interpreted and administered accordingly. Any adjustments of Awards intended to be “stock rights” exempt from Section 409A pursuant to Treasury Regulations § 1.409A-1(b)(5)

shall be conducted in a manner so as not to constitute a grant of a new stock right or a change in the time and form of payment pursuant to Treasury Regulations §1.409A-1(b)(5)(v). In the event an Award is not exempt from Section 409A, (x) payment pursuant to the relevant Agreement shall be made only on a permissible payment event or at a specified time in compliance with Section 409A, (y) no accelerated payment shall be made pursuant to Section 10.1(b) unless the Board Change, Approved Transaction or Control Purchase constitutes a “change in control event” under Treasury Regulations §1.409A-3(i)(5) or otherwise constitutes a permissible payment event under Section 409A and (z) no amendment or modification of such Award may be made except in compliance with the anti-deferral and anti-acceleration provisions of Section 409A. No deferrals of compensation otherwise payable under the Plan or any Award shall be allowed, whether at the discretion of the Company or the Holder, except in a manner consistent with the requirements of Section 409A. If a Holder is identified by the Company as a “specified employee” within the meaning of Code Section 409A(a)(2)(B)(i) on the date on which such Holder has a “separation from service” (other than due to death) within the meaning of Treasury Regulation § 1.409A-1(h), any Award payable or settled on account of a separation from service that is deferred compensation subject to Code Section 409A shall be paid or settled on the earliest of (1) the first business day following the expiration of six months from the Holder’s separation from service, (2) the date of the Holder’s death, or (3) such earlier date as complies with the requirements of Code Section 409A.

10.20 *Administrative Blackouts* . In addition to its other powers hereunder, the Committee has the authority to suspend (i) the exercise of Options or SARs and (ii) any other transactions under the Plan as it deems necessary or appropriate for administrative reasons.

10.21 *Clawback Policy* . Notwithstanding any other provisions in this Plan, any Award shall be subject to recovery or clawback by the Company under any clawback policy adopted by the Company in accordance with SEC regulations or other applicable law, as amended or superseded from time to time.

COMMERCEHUB, INC.
2016 OMNIBUS INCENTIVE PLAN
NONQUALIFIED STOCK OPTION AGREEMENT

THIS NONQUALIFIED STOCK OPTION AGREEMENT (including Schedule I hereto, this “Agreement”) is made as of the date set forth on Schedule I hereto (the “Grant Date”), by and between CommerceHub, Inc. (the “Company”) and the grantee set forth on Schedule I hereto (the “Grantee”), in respect of an Award of Options granted by the Plan Administrator (as defined on Schedule I hereto) as set forth in this Agreement.

The Company has adopted the CommerceHub, Inc. 2016 Omnibus Incentive Plan (as has been or may hereafter be amended, the “Plan”), a copy of which is attached via a link at the end of this online Agreement as Exhibit A and by this reference made a part hereof, for the benefit of eligible persons as specified in the Plan. Capitalized terms used and not otherwise defined in this Agreement will have the meanings ascribed to them in the Plan.

Pursuant to the Plan, the Plan Administrator has determined that it is in the interest of the Company and its stockholders to award Options to the Grantee, subject to the conditions and restrictions set forth herein and in the Plan, in order to provide the Grantee with additional remuneration for services rendered, to encourage the Grantee to remain in the service or employ of the Company or its Subsidiaries and to increase the Grantee’s personal interest in the continued success and progress of the Company.

The Company and the Grantee therefore agree as follows:

1. Definitions . The following terms, when used in this Agreement, have the following meanings:

“Base Price” means, with respect to each type of Common Stock for which Options are granted hereunder, the amount set forth on Schedule I hereto as the Base Price for such Common Stock, which is the Fair Market Value of a share of such Common Stock on the Grant Date.

“Business Day” means any day other than Saturday, Sunday or a day on which banking institutions in Albany, New York, are required or authorized to be closed.

“Cause” has the meaning specified as “cause” in Section 10.2(b) of the Plan.

“Close of Business” means, on any day, 5:00 p.m., Albany, New York time.

“Common Stock” has the meaning specified on Schedule I hereto.

“Company” has the meaning specified in the preamble to this Agreement.

“Grant Date” has the meaning specified in the preamble to this Agreement.

“Grantee” has the meaning specified in the preamble to this Agreement.

“Options” has the meaning specified in Section 2.

“Option Share” has the meaning specified in Section 4(c)(i).

“Option Termination Date” has the meaning specified on Schedule I hereto.

“Plan” has the meaning specified in the recitals of this Agreement.

“Plan Administrator” has the meaning specified on Schedule I hereto.

“Required Withholding Amount” has the meaning specified in Section 5.

“Section 409A” has the meaning specified in Section 21.

“Term” has the meaning specified in Section 2.

“Unvested Fractional Option” has the meaning specified in Section 3(b).

“Vesting Date” has the meaning specified in Section 3(a).

“Vesting Percentage” has the meaning specified in Section 3(a).

“Voluntary Termination for Good Reason” has the meaning specified in Section 3(f).

2. Award . Pursuant to the terms of the Plan and in consideration of the covenants and promises of the Grantee herein contained, the Company hereby awards to the Grantee as of the Grant Date nonqualified stock options to purchase from the Company the number and type of shares of Common Stock authorized by the Plan Administrator at the applicable Base Price, in each case as set forth on Schedule I hereto, subject to the conditions and restrictions set forth in this Agreement and in the Plan (the “Options”). The Options are exercisable as set forth in Section 3 during the period commencing on the Grant Date and expiring at the Close of Business on the Option Termination Date (the “Term”), subject to earlier termination as provided in Section 7. However, if the Term expires when trading in the Common Stock is prohibited by law or the Company’s insider trading policy, then the Term shall expire on the 30th day after the expiration of such prohibition. No fractional shares of Common Stock will be issuable upon exercise of an Option, and the Grantee will receive, in lieu of any fractional share of such Common Stock that the Grantee otherwise would receive upon such exercise, cash equal to the fraction representing such fractional share multiplied by the Fair Market Value of one share of such Common Stock as of the date on which such exercise is considered to occur pursuant to Section 4.

3. Conditions of Exercise . Unless otherwise determined by the Plan Administrator in its sole discretion, the Options will be exercisable only in accordance with the conditions stated in this Section 3.

(a) Except as otherwise provided in Section 10.1(b) of the Plan, the Options may be exercised only to the extent they have become exercisable in accordance with the provisions of this Section 3(a) or Section 3(b), and subject to the provisions of Section

3(c). That number of each type of Options that is equal to the fraction or percentage specified as the vesting percentage on Schedule I hereto (the “Vesting Percentage”) of the total number of such type of Options that are subject to this Agreement, in each case rounded down to the nearest whole number of such type of Options, shall become exercisable on each of the vesting dates specified on Schedule I hereto (each such date, together with any other date on which Options vest pursuant to this Agreement, a “Vesting Date”).

(b) If rounding pursuant to Section 3(a) prevents any portion of an Option from becoming exercisable on a particular Vesting Date (any such portion, an “Unvested Fractional Option”), one additional Option to purchase a share of the type of Common Stock covered by such Option will become exercisable on the earliest succeeding Vesting Date on which the cumulative fractional amount of all Unvested Fractional Options to purchase shares of such type of Common Stock (including any Unvested Fractional Option created on such succeeding Vesting Date) equals or exceeds one whole Option, with any excess treated as an Unvested Fractional Option thereafter subject to the application of this Section 3(b). Any Unvested Fractional Option comprising part of a whole Option that vests pursuant to the preceding sentence will thereafter cease to be an Unvested Fractional Option.

(c) Notwithstanding the foregoing, subject to the provisions of Schedule I hereto, (i) in the event that any date on which Options would otherwise become exercisable is not a Business Day, such Options will become exercisable on the first Business Day following such date, (ii) all Options will become exercisable on the date of the Grantee’s termination of employment or, if the Grantee is a Nonemployee Director of the Company, on the date of the Grantee’s termination of service as such if (A) the Grantee’s employment with the Company or a Subsidiary or service as a Nonemployee Director, as applicable, terminates by reason of Disability or (B) the Grantee dies while employed by the Company or a Subsidiary or while serving as a Nonemployee Director of the Company, as applicable, and (iii) if the Grantee is an employee and the Grantee’s employment with the Company or a Subsidiary is terminated by the Company or such Subsidiary without Cause, or if the Grantee voluntarily terminates the Grantee’s employment pursuant to a Voluntary Termination for Good Reason (each, a “Protected Termination”) and the Protected Termination occurs within 24 months following the closing date of an Approved Transaction in which any Options that remain outstanding and unvested as of such closing date are not otherwise accelerated in connection with such Approved Transaction in accordance with the terms of the Plan, then, effective as of the date of such Protected Termination, any Options that remain outstanding and unvested as of such termination date will become exercisable on such termination date.

(d) To the extent the Options become exercisable, subject to Section 7, such Options may be exercised in whole or in part (at any time or from time to time, except as otherwise provided herein) until expiration of the Term or earlier termination thereof.

(e) The Grantee acknowledges and agrees that the Plan Administrator, in its discretion and as contemplated by Section 3.3 of the Plan, may adopt rules and regulations from time to time after the date hereof with respect to the exercise of the Options and that the exercise by the Grantee of Options will be subject to the further condition that such exercise is made in accordance with all such rules and regulations as the Plan Administrator may determine are applicable thereto.

(f) For purposes of this Agreement, a “Voluntary Termination for Good Reason” means a voluntary termination by the Grantee of the Grantee’s employment with the Company and its Subsidiaries upon the occurrence of any of the following events without the Grantee’s prior consent:

(i) a 10% or greater reduction in the Grantee’s then current base salary (defined as the Grantee’s weekly base pay in effect for the payroll period during which the Grantee’s employment is terminated, provided that weekly base pay does not in any case include overtime, bonuses, commissions, piece rate, incentive pay or taxable or nontaxable fringe benefits or payments), other than as part of an across the board reduction applicable to all eligible employees of the Company; or

(ii) the relocation of the Grantee’s primary place of employment to a location that is more than 50 miles from the Grantee’s primary place of employment as of the Grantee’s termination date.

No termination shall constitute a Voluntary Termination for Good Reason unless all of the following provisions shall have been complied with: (x) the Grantee shall have given the Company written notice of the Grantee’s intention to effect a Voluntary Termination for Good Reason, such notice to state in detail the particular circumstances that constitute the grounds on which the proposed Voluntary Termination for Good Reason is based and to be given no later than 30 days after the initial occurrence of such circumstances; (y) the Company shall have 30 days after receiving such notice in which to cure such grounds; and (z) if the Company fails, within such 30-day period, to cure such grounds, the Grantee terminates the Grantee’s employment with the Company and its Subsidiaries within 10 days following the last day of such 30-day period. If the Company timely cures such grounds in accordance with the preceding sentence, the Grantee shall not be entitled to terminate the Grantee’s employment pursuant to a Voluntary Termination for Good Reason based on such grounds.

4. Manner of Exercise . Options will be considered exercised (as to the number of Options specified in the notice referred to in Section 4(c)(i)) on the latest of (a) the date of exercise designated in the written notice referred to in Section 4(c)(i), (b) if the date so designated is not a Business Day, the first Business Day following such date or (c) the earliest Business Day by which the Company has received all of the following:

- (i) Written notice, in such form as the Plan Administrator may require, containing such representations and warranties as the Plan Administrator may require and designating, among other things, the date of exercise and the number and type of shares of Common Stock to be purchased by exercise of Options (each, an “Option Share”);
- (ii) Payment of the applicable Base Price for each Option Share in any (or a combination) of the following forms: (A) cash, (B) check, (C) the delivery, together with a properly executed exercise notice, of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay such Base Price (and, if applicable, the Required Withholding Amount as described in Section 5) or (D) at the option of the Company, the delivery of irrevocable instructions via the Company’s online grant and administration program for the Company to withhold the number of shares of Common Stock (valued at the Fair Market Value of such Common Stock on the date of exercise) required to pay such Base Price (and, if applicable, the Required Withholding Amount as described in Section 5) that would otherwise be delivered by the Company to the Grantee upon exercise of the Options; and
- (iii) Any other documentation that the Plan Administrator may reasonably require.

5. Mandatory Withholding for Taxes . The Grantee acknowledges and agrees that the Company will deduct from the shares of Common Stock otherwise payable or deliverable upon exercise of any Options that number of shares of the applicable Common Stock (valued at the Fair Market Value of such Common Stock on the date of exercise) the value of which is equal to the amount of all federal, state and other governmental taxes required to be withheld by the Company or any Subsidiary of the Company upon such exercise, as determined by the Company (the “Required Withholding Amount”), unless provisions to pay such Required Withholding Amount have been made to the satisfaction of the Company. If the Grantee elects to make payment of the applicable Base Price by delivery of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay such Base Price, such instructions may also include instructions to deliver the Required Withholding Amount to the Company. In such case, the Company will notify the broker promptly of its determination of the Required Withholding Amount.

6. Payment or Delivery by the Company . As soon as practicable after receipt of all items referred to in Section 4, and subject to the withholding referred to in Section 5, the Company will (a) deliver or cause to be delivered to the Grantee certificates issued in the Grantee’s name for, or cause to be transferred to a brokerage account through The Depository Trust Company a book-entry position for the benefit of the Grantee for, the number of shares of Common Stock purchased by exercise of Options and (b) deliver any cash payment to which the Grantee is entitled in lieu of a fractional share of Common Stock as provided in Section 2. Any delivery of shares of Common Stock will be deemed effected for all purposes when certificates representing such shares have been delivered personally to the Grantee or, if delivery is by mail, when the stock transfer agent of the

Company has deposited the certificates in the United States mail, addressed to the Grantee, or, in the case of a book-entry transfer, at the time the Company's stock transfer agent initiates a book-entry transfer of the shares to a brokerage account through The Depository Trust Company for the benefit of the Grantee, as applicable, and any cash payment will be deemed effected when a check from the Company, payable to the Grantee and in the amount equal to the amount of the cash payment, has been delivered personally to the Grantee or deposited in the United States mail, addressed to the Grantee.

7. Early Termination of Options . Subject to any longer period of exercisability specified on Schedule I hereto, or hereafter established by the Plan Administrator, the Options will terminate, prior to the expiration of the Term, at the times and under the circumstances specified below:

(a) Subject to Section 7(b), if the Grantee's employment with the Company or a Subsidiary is terminated or, if the Grantee is a Nonemployee Director of the Company, if the Grantee's service to the Company as such is terminated, in each case other than (i) by the Company or such Subsidiary for Cause or (ii) by reason of death or Disability, then the Options will terminate at the Close of Business on the first Business Day following the expiration of the 90-day period that began on the date of termination of the Grantee's employment, or, in the case of a Nonemployee Director of the Company, at the Close of Business on the first Business Day following the expiration of the one-year period that began on the date of termination of the Grantee's service as a Nonemployee Director of the Company.

(b) If the Grantee dies while employed by the Company or a Subsidiary or while serving as a Nonemployee Director of the Company, as applicable, or prior to the expiration of a period of time following termination of the Grantee's employment or service during which the Options remain exercisable as provided in Section 7(a) or Section 7(c), as applicable, the Options will terminate at the Close of Business on the first Business Day following the expiration of the one-year period that began on the date of the Grantee's death.

(c) Subject to Section 7(b), if the Grantee's employment with the Company or a Subsidiary terminates by reason of Disability, or, if the Grantee is a Nonemployee Director of the Company, if the Grantee's service to the Company as such is terminated by reason of Disability, then the Options will terminate at the Close of Business on the first Business Day following the expiration of the one-year period that began on the date of termination of the Grantee's employment or service.

(d) If the Grantee's employment with the Company or a Subsidiary is terminated by the Company or such Subsidiary for Cause or, if the Grantee is a Nonemployee Director of the Company, if the Grantee's service to the Company as such is terminated for Cause, then the Options will terminate immediately upon such termination of the Grantee's employment or service.

In any event in which Options remain exercisable for a period of time following the date of termination of the Grantee's employment or service as provided above or on Schedule I, the Options may be exercised during such period of time only to the extent the same were exercisable as provided in Section 3 effective as of such date of termination of the Grantee's employment or service, after giving effect to any acceleration of vesting provided for in the Plan or on Schedule I hereto. Notwithstanding any period of time referenced in this Section 7 or any other provision of this Section 7 that may be construed to the contrary, the Options will in any event terminate upon the expiration of the Term.

Unless the Plan Administrator otherwise determines, a change of the Grantee's employment from the Company to a Subsidiary or from a Subsidiary to the Company or another Subsidiary will not be considered a termination of the Grantee's employment for purposes of this Agreement if such change of employment is made at the request or with the express consent of the Company. Unless the Plan Administrator otherwise determines, however, any such change of employment that is not made at the request or with the express consent of the Company will be a termination of the Grantee's employment within the meaning of this Agreement.

8. Nontransferability . Options are not transferable (either voluntarily or involuntarily), before or after the Grantee's death, except as follows: (a) during the Grantee's lifetime, pursuant to a domestic relations order, issued by a court of competent jurisdiction, that is not contrary to the terms and conditions of the Plan or this Agreement, and in a form acceptable to the Plan Administrator; or (b) after the Grantee's death, by will or pursuant to the applicable laws of descent and distribution, as may be the case. Any Person to whom Options are transferred in accordance with the provisions of the preceding sentence shall take such Options subject to all of the terms and conditions of the Plan and this Agreement, including that the vesting and termination provisions applicable to the Grantee under this Agreement will continue to be applied with respect to the Grantee, including in respect of the transferred Options. Options are exercisable only by the Grantee (or, during the Grantee's lifetime, by the Grantee's court appointed legal representative) or a person to whom the Options have been transferred in accordance with this Section 8.

9. No Stockholder Rights . Prior to the exercise of Options in accordance with the terms and conditions set forth in this Agreement, the Grantee will not be deemed for any purpose to be, or to have any of the rights of, a stockholder of the Company with respect to any shares of Common Stock represented by the Options, nor will the existence of this Agreement affect in any way the right or power of the Company or its stockholders to accomplish any corporate act, including, without limitation, the acts referred to in Section 10.18 of the Plan.

10. Adjustments.

(a) The Options will be subject to adjustment (including, without limitation, as to the Base Price) in such manner as the Plan Administrator, in its sole discretion, deems equitable and appropriate in connection with the occurrence of any of the events described in Section 4.2 of the Plan following the Grant Date.

(b) In the event of any Approved Transaction, Board Change or Control Purchase following the Grant Date, the Options may become exercisable in accordance with Section 10.1(b) of the Plan.

11. Restrictions Imposed by Law. Without limiting the generality of Section 10.9 of the Plan, the Grantee will not exercise the Options, and the Company will not be obligated to make any cash payment or issue or cause to be issued any shares of Common Stock, if counsel to the Company determines that such exercise, payment or issuance would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which shares of Common Stock are listed or quoted. The Company will in no event be obligated to take any affirmative action in order to cause the exercise of the Options or the resulting payment of cash or issuance of shares of Common Stock to comply with any such law, rule, regulation or agreement.

12. Notice. Unless the Company notifies the Grantee in writing of a different procedure or address, any notice or other communication to the Company with respect to this Agreement will be in writing and will be delivered personally or sent by first class mail, postage prepaid, to the Company's then-current headquarters, which as of the date hereof is the address specified for the Company on Schedule I hereto. Unless the Company elects to notify the Grantee electronically pursuant to the online grant and administration program or via email, any notice or other communication to the Grantee with respect to this Agreement will be in writing and will be delivered personally, or will be sent by first class mail or overnight courier, postage prepaid, to the Grantee's address as listed in the records of the Company or any Subsidiary of the Company on the Grant Date, unless the Company has received written notification from the Grantee of a change of address.

13. Amendment . Notwithstanding any other provision hereof, this Agreement may be supplemented or amended from time to time as approved by the Plan Administrator as contemplated by Section 10.8(b) of the Plan. Without limiting the generality of the foregoing, without the consent of the Grantee:

(a) this Agreement may be amended or supplemented from time to time as approved by the Plan Administrator (i) to cure any ambiguity or to correct or supplement any provision herein that may be defective or inconsistent with any other provision herein, (ii) to add to the covenants and agreements of the Company for the benefit of the Grantee or surrender any right or power reserved to or conferred upon the Company in this Agreement, subject to any required approval of the Company's stockholders, and provided, in each case, that such changes or corrections will not adversely affect the rights of the Grantee with respect to the Award evidenced hereby in any material respect or (iii) to make such other changes as the Company, upon advice of counsel, determines are necessary or advisable because of the adoption or promulgation of, or change in the interpretation of, any law or governmental rule or regulation, including any applicable federal or state securities laws; and

(b) subject to any required action by the Board of Directors or the stockholders of the Company, the Options granted under this Agreement may be canceled by the

Plan Administrator and a new Award made in substitution therefor, provided that the Award so substituted will satisfy all of the requirements of the Plan as of the date such new Award is made and no such action will adversely affect any Options to the extent then exercisable in any material respect.

14. Grantee Employment or Status as a Director . Nothing contained in this Agreement, and no action of the Company or the Plan Administrator with respect hereto, will confer or be construed to confer on the Grantee any right to continue in the employ of the Company or any Subsidiary or as a Nonemployee Director of the Company or interfere in any way with the right of the Company or any employing Subsidiary (or the Company's stockholders in the case of a Nonemployee Director) to terminate the Grantee's employment or service, as applicable, at any time, with or without Cause, subject to applicable law and the provisions of any employment agreement between the Grantee and the Company or any Subsidiary.

15. Nonalienation of Benefits. Except as provided in Section 8, (a) no right or benefit under this Agreement will be subject to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same will be void, and (b) no right or benefit hereunder will in any manner be subject to or liable for the debts, contracts, liabilities or torts of the Grantee or other person entitled to such benefits.

16. Governing Law. This Agreement will be governed by, and construed in accordance with, the internal laws of the State of Delaware. Each party irrevocably submits to the general jurisdiction of the state and federal courts located in the State of New York in any action to interpret or enforce this Agreement and irrevocably waives any objection to jurisdiction that such party may have based on inconvenience of forum. **THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE GRANTEE IS HEREBY RELINQUISHING HIS OR HER RIGHT TO A JURY TRIAL IN CIVIL COURT WITH RESPECT TO ANY CONTROVERSY, CLAIM OR DISPUTE ARISING OUT OF OR IN ANY WAY RELATED TO THE PLAN OR THIS AGREEMENT .**

17. Construction. References in this Agreement to "this Agreement" and the words "herein," "hereof," "hereunder" and similar terms include all Exhibits and Schedules appended hereto, including the Plan. All references to "Sections" in this Agreement shall be to Sections of this Agreement unless explicitly stated otherwise. The word "include" and all variations thereof are used in an illustrative sense and not in a limiting sense. All decisions of the Plan Administrator upon questions regarding the Plan or this Agreement will be conclusive. Unless otherwise expressly stated herein, in the event of any inconsistency between the terms of the Plan and this Agreement, the terms of the Plan will control. The headings of the sections of this Agreement have been included for convenience of reference only, are not to be considered a part hereof and will in no way modify or restrict any of the terms or provisions hereof.

18. Rules by Plan Administrator. The rights of the Grantee and the obligations of the Company hereunder will be subject to such reasonable rules and regulations as the Plan Administrator may adopt from time to time.

19. Entire Agreement. This Agreement is in satisfaction of and in lieu of all prior discussions and agreements, oral or written, between the Company and the Grantee regarding the subject matter hereof. The Grantee and the Company hereby declare and represent that no promise or agreement not herein expressed has been made and that this Agreement contains the entire agreement between the parties hereto with respect to the Award and replaces and makes null and void any prior agreements between the Grantee and the Company regarding the Award. Subject to the restrictions set forth in Sections 8 and 15, this Agreement will be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

20. Grantee Acceptance. The Grantee shall signify acceptance of the terms and conditions of this Agreement by acknowledging acceptance of the Award through the online grant and administration program utilized by the Company or such other means as the Company shall determine in its sole discretion.

21. Section 409A Compliance. To the extent that Section 409A of the Code or the related regulations and Treasury pronouncements (“Section 409A”) is applicable to the Grantee in connection with the Award, if any provision of this Agreement would result in the imposition of an excise tax under Section 409A, that provision will be reformed to avoid imposition of the excise tax and no action taken to comply with Section 409A shall be deemed to impair a benefit under this Agreement.

22. Clawback Policy. Notwithstanding any other provisions in the Plan or this Agreement, this Award shall be subject to recovery or clawback by the Company under any clawback policy adopted by the Company in accordance with SEC regulations or other applicable law, as amended or superseded from time to time.

**Schedule I
to CommerceHub, Inc.
Nonqualified Stock Option Agreement**

Grantee	[●]
Number of Options	[●]
Grant Date	[●]
Issuer/Company	CommerceHub, Inc., a Delaware corporation
Common Stock	Series C common stock
Plan	CommerceHub, Inc. 2016 Omnibus Incentive Plan
Plan Administrator	[The Compensation Committee of the Board of Directors of the Company appointed by the Board of Directors of the Company pursuant to Section 3.1 of the Plan to administer the Plan] [NTD: Insert for grants to employees] [The Board of Directors of the Company] [NTD: Insert for grants to Nonemployee Directors]
Option Termination Date	[●]
Base Price	[\$●]
Vesting Schedule	[●]

[NTD: Include the following provisions on Schedule I to Option Agreements for UK Grantees:

Section 5 of the Agreement shall be replaced in its entirety with the following:

“ 5. Withholding for Taxes .

(a) The Grantee acknowledges and agrees that the Company will either deduct from the shares of Common Stock otherwise payable or deliverable upon exercise of any Options that number of shares of Common Stock (valued at the Fair Market Value of such Common Stock on the date of exercise) that is equal to the amount of the Tax Liability, as determined by the Committee (the “Required Withholding Amount”), or require the Grantee to enter into arrangements to the satisfaction of the Company, his employer or former employer (as appropriate) for payment of any Tax Liability and the Grantee irrevocably agrees to enter into such arrangements if so required.

(b) The Grantee irrevocably acknowledges and agrees that (i) the Company or any employing Subsidiary may recover the whole or any part of any secondary class 1 (employer) national insurance contributions that the Company or the employing Subsidiary is liable to account for as a consequence of the exercise of Options; and (ii) at the request of the Company or any employing Subsidiary, the Grantee shall immediately join that person in making a joint election (in a form approved by HM Revenue & Customs) to transfer to the Grantee the whole or any part of the liability for secondary class 1 (employer) national insurance contributions.

(c) If the Grantee elects to make payment of the purchase price by delivery of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds required to pay the purchase price, such instructions may also include instructions to deliver the Required Withholding Amount to the Company. In such case, the Company will notify the broker promptly of the Committee’s determination of the Required Withholding Amount.

(d) The Grantee irrevocably agrees to enter into a joint election in respect of the Common Stock deliverable upon exercise of his Options under section 431(1) or section 431(2) of the United Kingdom Income Tax (Earnings and Pensions) Act 2003, if required to do so by the Company, his employer or former employer on or before the date of exercise of the Options.

“Tax Liability” means all income tax and social security contributions that the Company or any employing Subsidiary is liable to account for as a consequence of the exercise of Options including PAYE income tax and primary class 1 (employee) national insurance contributions and any secondary class 1 (employer) national insurance contributions to the extent that these can be lawfully recovered from the Holder.

A new Section 23 is hereby added to the Agreement as follows:

“ 23. Data Privacy.

(a) The Grantee’s acceptance hereof shall evidence the Grantee’s explicit and unambiguous consent to the collection, holding, processing, use and transfer, in electronic or other form, of the Grantee’s personal data by and among, as applicable, the Grantee’s employer (the “Employer”) and the Company and its Subsidiaries and Affiliates for the exclusive purposes of implementing, administering and managing the Grantee’s participation in the Plan and for all purposes connected with the Options, including:

(i) the holding and maintenance of details of the Options;

(ii) the transfer of the Grantee’s personal data to the trustee of an employee benefit trust, the Company’s registrars or brokers or any administrators of the Company’s share incentive arrangements; and

(iii) the transfer of the Grantee’s personal data to a prospective buyer of the Company or any Subsidiary or business unit that employs the Grantee, and the prospective buyer’s professional advisers.

(b) The Grantee understands that the Company and its Subsidiaries and the Employer may hold certain personal data about the Grantee, including, but not limited to, the Grantee’s name, home address and telephone number, date of birth, social insurance number or other identification number, salary, bonus and employee benefits, nationality, job title and description, any shares of stock or directorships or other positions held in the Company, its Subsidiaries and Affiliates, details of all options, stock appreciation rights, restricted stock, restricted stock units or any other entitlement to shares of stock or other Awards granted, canceled, exercised, vested, unvested or outstanding in the Grantee’s favor, annual performance objectives, performance reviews and performance ratings, for the purpose of implementing, administering and managing Awards under the Plan.

The terms “personal data,” “data subject” and “processing,” as used in this Agreement, shall have the same meanings as they are given in the United Kingdom Data Protection Act 1998.

(c) The Grantee understands and consents to the collection, holding, processing and transfer of the Grantee’s personal data being transferred to any third parties assisting in the implementation, administration and management of the Plan

that is a resident of or located in a country or territory outside the European Economic Area (including the United States) that may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the personal data by contacting the Grantee's local human resources representative. The Grantee authorizes the recipients to receive, possess, use, retain and transfer the personal data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan, including any requisite transfer of such personal data as may be required to a broker or other third party with whom the Grantee may elect to deposit any shares of stock acquired with respect to an Award.

(d) The Grantee consents to and understands that personal data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee may, by contacting in writing the Grantee's local human resources representative, request access to their personal data. The Grantee understands, however, that refusing or withdrawing the Grantee's consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of a refusal to consent or withdrawal of consent, the Grantee may contact the Grantee's local human resources representative."]

Company Notice Address

CommerceHub, Inc.
201 Fuller Rd, 6th Floor
Albany NY 12203
Attn: General Counsel

COMMERCEHUB, INC.
2016 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

THIS RESTRICTED STOCK UNIT AGREEMENT (including Schedule I hereto, this “Agreement”) is made as of the date set forth on Schedule I hereto (the “Grant Date”), by and between CommerceHub, Inc. (the “Company”) and the grantee set forth on Schedule I hereto (the “Grantee”), in respect of an Award of Restricted Stock Units granted by the Plan Administrator (as defined on Schedule I hereto) as set forth in this Agreement.

The Company has adopted the CommerceHub, Inc. 2016 Omnibus Incentive Plan (as has been or may hereafter be amended, the “Plan”), a copy of which is attached via a link at the end of this online Agreement as Exhibit A and by this reference made a part hereof, for the benefit of eligible persons as specified in the Plan. Capitalized terms used and not otherwise defined in this Agreement will have the meanings ascribed to them in the Plan.

Pursuant to the Plan, the Plan Administrator has determined that it is in the interest of the Company and its stockholders to award Restricted Stock Units to the Grantee, subject to the conditions and restrictions set forth herein and in the Plan, in order to provide the Grantee with additional remuneration for services rendered, to encourage the Grantee to remain in the service or employ of the Company or its Subsidiaries and to increase the Grantee’s personal interest in the continued success and progress of the Company.

The Company and the Grantee therefore agree as follows:

1. **Definitions** . The following terms, when used in this Agreement, have the following meanings:

“Cause” has the meaning specified as “cause” in Section 10.2(b) of the Plan.

“Common Stock” has the meaning specified on Schedule I hereto.

“Company” has the meaning specified in the preamble to this Agreement.

“Dividend Equivalents” means, to the extent specified by the Plan Administrator only, an amount equal to all dividends and other distributions (or the economic equivalent thereof) which are payable to stockholders of record during the Restriction Period on a like number and kind of shares of Common Stock as the shares represented by the Restricted Stock Units.

“Grant Date” has the meaning specified in the preamble to this Agreement.

“Grantee” has the meaning specified in the preamble to this Agreement.

“Plan” has the meaning specified in the recitals of this Agreement.

“Plan Administrator” has the meaning specified on Schedule I hereto.

“Protected Termination” has the meaning specified in Section 3(c).

“Required Withholding Amount” has the meaning specified in Section 5.

“Restricted Stock Units” has the meaning specified in Section 2.

“Restriction Period” means a period of time beginning on the date of each Award of Restricted Stock Units and ending on the Vesting Date with respect to such Award.

“Section 409A” has the meaning specified in Section 21.

“Sell-to-Cover” has the meaning specified in Section 5.

“Unpaid Dividend Equivalent” has the meaning specified in Section 3(a).

“Unvested Fractional Restricted Stock Unit” has the meaning specified in Section 3(b).

“Vesting Date” has the meaning specified in Section 3(a).

“Vesting Percentage” has the meaning specified in Section 3(a).

“Vested Dividend Equivalent” has the meaning specified in Section 9.

“Voluntary Termination for Good Reason” has the meaning specified in Section 3(d).

2. **Award** . Pursuant to the terms of the Plan and in consideration of the covenants and promises of the Grantee herein contained, the Company hereby awards to the Grantee as of the Grant Date the number of Restricted Stock Units (as defined in the Plan) authorized by the Plan Administrator and set forth on Schedule I hereto, each such Restricted Stock Unit representing the right to receive one share of Common Stock, subject to the conditions and restrictions set forth in this Agreement and in the Plan (the “Restricted Stock Units”).

3. **Conditions of Vesting** . Unless otherwise determined by the Plan Administrator in its sole discretion, the Restricted Stock Units will vest only in accordance with the conditions stated in this Section 3.

a. Except as otherwise provided in Section 10.1(b) of the Plan, the Restricted Stock Units will vest only in accordance with the provisions of this Section 3(a) or Section 3(b), and subject to the provisions of Section 3(c). That number of Restricted Stock Units that is equal

to the fraction or percentage specified as the Vesting Percentage on Schedule I hereto (the “Vesting Percentage”) of the total number of Restricted Stock Units that are subject to this Agreement, rounded down to the nearest whole number of such Restricted Stock Units, shall vest on each of the vesting dates specified on Schedule I hereto (each such date, together with any other date on which Restricted Stock Units cease to be subject to a risk of forfeiture pursuant to this Agreement, a “Vesting Date”). Upon the satisfaction of any other applicable restrictions, terms and conditions of the Plan and this Agreement, any Dividend Equivalents with respect to the Restricted Stock Units that have not theretofore become vested (“Unpaid Dividend Equivalents”), will become vested to the extent and at the same time that the Restricted Stock Units related thereto become vested in accordance with this Agreement. Notwithstanding the foregoing, the Grantee will not vest, pursuant to this Section 3(a), in Restricted Stock Units or related Unpaid Dividend Equivalents in which the Grantee would otherwise vest as of a given date if the Grantee has not been continuously employed by or, in the case of a Nonemployee Director, continuously serving as a Nonemployee Director to the Company or its Subsidiaries from the Grant Date through such date (the vesting or forfeiture of such Restricted Stock Units and related Unpaid Dividend Equivalents to be governed instead by Section 3(c) and Section 7).

b. If rounding pursuant to Section 3(a) prevents any portion of a Restricted Stock Unit from becoming vested on a particular Vesting Date (any such portion, an “Unvested Fractional Restricted Stock Unit”), one additional Restricted Stock Unit will become vested on the earliest succeeding Vesting Date on which the cumulative fractional amount of all Unvested Fractional Restricted Stock Units (including any Unvested Fractional Restricted Stock Unit created on such succeeding Vesting Date) equals or exceeds one whole Restricted Stock Unit, with any excess treated as an Unvested Fractional Restricted Stock Unit thereafter subject to the application of this Section 3(b). Any Unvested Fractional Restricted Stock Unit comprising part of a whole Restricted Stock Unit that vests pursuant to the preceding sentence will thereafter cease to be an Unvested Fractional Restricted Stock Unit.

c. Notwithstanding the foregoing, subject to the provisions of Schedule I hereto, (i) all Restricted Stock Units will vest on the date of the Grantee’s termination of employment or, if the Grantee is a Nonemployee Director of the Company, on the date of the Grantee’s termination of service as such if (A) the Grantee’s employment with the Company or a Subsidiary or service as a Nonemployee Director, as applicable, terminates by reason of Disability or (B) the Grantee dies while employed by the Company or a Subsidiary or while serving as a Nonemployee Director of the Company, as applicable, and (ii) if the Grantee is an employee and the Grantee’s employment with the Company or a Subsidiary is terminated by the Company or such Subsidiary without Cause, or if the Grantee voluntarily terminates the Grantee’s employment pursuant to a Voluntary Termination for Good Reason (each, a “Protected Termination”) and the Protected Termination occurs within 24 months following the closing date of an Approved Transaction in which any Restricted Stock Units that remain outstanding and unvested as of such closing date are not otherwise

accelerated in connection with such Approved Transaction in accordance with the terms of the Plan, then, effective as of the date of such Protected Termination, any Restricted Stock Units that remain outstanding and unvested as of such termination date will vest on such termination date.

d. For purposes of this Agreement, a “Voluntary Termination for Good Reason” means a voluntary termination by the Grantee of the Grantee’s employment with the Company and its Subsidiaries upon the occurrence of any of the following events without the Grantee’s prior consent:

i. a 10% or greater reduction in the Grantee’s then current base salary (defined as the Grantee’s weekly base pay in effect for the payroll period during which the Grantee’s employment is terminated, provided that weekly base pay does not in any case include overtime, bonuses, commissions, piece rate, incentive pay or taxable or nontaxable fringe benefits or payments), other than as part of an across the board reduction applicable to all eligible employees of the Company; or

ii. the relocation of the Grantee’s primary place of employment to a location that is more than 50 miles from the Grantee’s primary place of employment as of the Grantee’s termination date.

No termination shall constitute a Voluntary Termination for Good Reason unless all of the following provisions shall have been complied with: (x) the Grantee shall have given the Company written notice of the Grantee’s intention to effect a Voluntary Termination for Good Reason, such notice to state in detail the particular circumstances that constitute the grounds on which the proposed Voluntary Termination for Good Reason is based and to be given no later than 30 days after the initial occurrence of such circumstances; (y) the Company shall have 30 days after receiving such notice in which to cure such grounds; and (z) if the Company fails, within such 30-day period, to cure such grounds, the Grantee terminates the Grantee’s employment with the Company and its Subsidiaries within 10 days following the last day of such 30-day period. If the Company timely cures such grounds in accordance with the preceding sentence, the Grantee shall not be entitled to terminate the Grantee’s employment pursuant to a Voluntary Termination for Good Reason based on such grounds.

4. **Settlement of Restricted Stock Units** . Settlement of Restricted Stock Units following vesting in accordance with this Agreement or the Plan shall be made as soon as administratively practicable after the applicable Vesting Date, but in no event later than March 15 of the calendar year following the calendar year in which such Vesting Date occurs. Settlement of vested Restricted Stock Units shall be made in payment of shares of Common Stock, together with any related Unpaid Dividend Equivalents, in accordance with Section 6 hereof.

5. **Mandatory Withholding for Taxes** . To the extent that the Company or any Subsidiary of the Company is subject to withholding tax requirements under any national, state, local or other governmental law with respect to the award of the Restricted Stock Units to the Grantee or the vesting thereof, or the designation of any Dividend Equivalents as payable or distributable or the payment or distribution thereof, the Grantee must, as a condition of receiving the benefits of this Agreement, make arrangements satisfactory to the Company to make payment to the Company or its designee of the amount required to be withheld by the Company or any Subsidiary of the Company under such tax laws, as determined by the Company (collectively, the “Required Withholding Amount”). To the extent such withholding is required because the Grantee vests in some or all of the Restricted Stock Units and any related Dividend Equivalents, the Grantee shall, on each Vesting Date (or the first business day thereafter if the Vesting Date is not a trading day), in compliance with the Company’s Insider Trading Policy and using the broker-assisted sale program arranged by the Company, sell from the shares of Common Stock represented by vested Restricted Stock Units and otherwise deliverable to the Grantee a number of shares of Common Stock that the Company determines has at least the Fair Market Value sufficient to satisfy the Required Withholding Amount, plus additional shares of Common Stock to account for rounding and market fluctuations, and the proceeds from such sale shall be remitted to the Company and used to satisfy the Required Withholding Amount (collectively, a “Sell-to-Cover”), unless the Grantee instead remits the Required Withholding Amount to the Company or its designee in cash in such form and by such time as the Company may require. As of the date hereof, the Grantee certifies that (a) the Grantee is currently unaware of any material, non-public information with respect to the Company and (b) this Agreement is entered into in good faith and not as a part of a scheme to evade the prohibitions of Rule 10b-5 of the Exchange Act or any other securities laws. No fractional shares of Common Stock will be issuable following application of this Section 5, and the Grantee will receive, in lieu of any fractional share of Common Stock that the Grantee otherwise would receive upon payment or delivery, the economic benefit of an amount equal to the fraction representing such fractional share multiplied by the Fair Market Value of one share of such Common Stock as of the applicable Vesting Date.

6. **Delivery by the Company** . As soon as practicable after the vesting of Restricted Stock Units and any related Unpaid Dividend Equivalents pursuant to this Agreement or the Plan (but no later than March 15 of the calendar year following the year in which such vesting occurs), and subject to the withholding referred to in Section 5, the Company will (a) deliver or cause to be delivered to the Grantee certificates issued in the Grantee’s name for, or cause to be transferred to a brokerage account through The Depository Trust Company a book-entry position for the benefit of the Grantee for, the number of shares of Common Stock represented by such vested Restricted Stock Units and any securities representing related vested Unpaid Dividend Equivalents, and (b) deliver or cause to be delivered to the Grantee any cash payment representing related vested Unpaid Dividend Equivalents. Any delivery of securities will be deemed effected for all purposes when

certificates representing such shares have been delivered personally to the Grantee or, if delivery is by mail, when the stock transfer agent of the Company has deposited the certificates in the United States mail, addressed to the Grantee, or, in the case of a book-entry transfer, at the time the Company's stock transfer agent initiates a book-entry transfer of the shares to a brokerage account through The Depository Trust Company for the benefit of the Grantee, as applicable, and any cash payment will be deemed effected when a check from the Company, payable to the Grantee and in the amount equal to the amount of the cash payment, has been delivered personally to the Grantee or deposited in the United States mail, addressed to the Grantee.

7. Forfeiture of Restricted Stock Units .

a. Unless otherwise determined by the Plan Administrator in its sole discretion, upon termination of the Grantee's employment with the Company or a Subsidiary for any reason (whether voluntary or involuntary and whether for or without Cause), or, if the Grantee is a Nonemployee Director of the Company, upon termination of the Grantee's service to the Company as such for any reason (whether voluntary or involuntary and whether for or without Cause), any Restricted Stock Units and related Unpaid Dividend Equivalents that are not vested as of the date of such termination of employment or service (after giving effect to any acceleration of vesting provided for in this Agreement or the Plan), will be forfeited immediately upon such termination of employment or service.

b. Upon forfeiture of any unvested Restricted Stock Units, and any related Unpaid Dividend Equivalents, such Restricted Stock Units and any related Unpaid Dividend Equivalents will be immediately cancelled, and the Grantee will cease to have any rights with respect thereto.

c. Unless the Plan Administrator otherwise determines, a change of the Grantee's employment from the Company to a Subsidiary or from a Subsidiary to the Company or another Subsidiary will not be considered a termination of the Grantee's employment for purposes of this Agreement if such change of employment is made at the request or with the express consent of the Company. Unless the Plan Administrator otherwise determines, however, any such change of employment that is not made at the request or with the express consent of the Company will be a termination of the Grantee's employment within the meaning of this Agreement.

8. **Nontransferability** . Restricted Stock Units and any related Dividend Equivalents are not transferable (either voluntarily or involuntarily), before or after the Grantee's death, except as follows: (a) during the Grantee's lifetime, pursuant to a domestic relations order, issued by a court of competent jurisdiction, that is not contrary to the terms and conditions of the Plan or this Agreement, and in a form acceptable to the Plan Administrator; or (b) after the Grantee's death, by will or pursuant to the applicable laws of descent and distribution, as may be the case. Any Person

to whom Restricted Stock Units and any related Dividend Equivalents are transferred in accordance with the provisions of the preceding sentence shall take such Restricted Stock Units and any related Dividend Equivalents subject to all of the terms and conditions of the Plan and this Agreement, including that the vesting and termination provisions applicable to the Grantee under this Agreement will continue to be applied with respect to the Grantee, including in respect of the transferred Restricted Stock Units and any related Dividend Equivalents. Certificates representing Restricted Stock Units and any related Dividend Equivalents that have vested may be delivered (or, in the case of book entry registration, registered) only to the Grantee (or during the Grantee's lifetime, to the Grantee's court appointed legal representative) or a person to whom the Restricted Stock Units and any related Dividend Equivalents have been transferred in accordance with this Section.

9. **No Stockholder Rights; Dividend Equivalents** . The Grantee will not be deemed for any purpose to be, or to have any of the rights of, a stockholder of the Company with respect to any shares of Common Stock represented by any Restricted Stock Units unless and until such time as shares of Common Stock represented by vested Restricted Stock Units have been delivered to the Grantee in accordance with Section 6, nor will the existence of this Agreement affect in any way the right or power of the Company or its stockholders to accomplish any corporate act, including, without limitation, the acts referred to in Section 10.18 of the Plan. The Grantee will have no right to receive, or otherwise with respect to, any Dividend Equivalents until such time, if ever, as (a) the Restricted Stock Units to which such Dividend Equivalents relate shall have become vested, or (b) such Dividend Equivalents shall have become vested in accordance with the penultimate sentence of this Section, and, if vesting does not occur, the related Dividend Equivalents will be forfeited. Dividend Equivalents shall not bear interest or be segregated in a separate account. Notwithstanding the foregoing, the Plan Administrator may, in its sole discretion, accelerate the vesting of any portion of the Dividend Equivalents. The settlement of any such vested Dividend Equivalents shall be made as soon as administratively practicable after the accelerated vesting date, but in no event later than March 15 of the calendar year following the year in which such accelerated vesting date occurs.

10. **Adjustments** .

a. The Restricted Stock Units and any related Dividend Equivalents will be subject to adjustment in such manner as the Plan Administrator, in its sole discretion, deems equitable and appropriate in connection with the occurrence of any of the events described in Section 4.2 of the Plan following the Grant Date.

b. In the event of any Approved Transaction, Board Change or Control Purchase following the Grant Date, the Restricted Stock Units and any related Unpaid Dividend Equivalents may vest in accordance with Section 10.1(b) of the Plan.

11. **Restrictions Imposed by Law** . Without limiting the generality of Section 10.9 of the Plan, the Company will not be obligated to make any cash payment or issue or cause to be issued any shares of Common Stock represented by vested Restricted Stock Units or other securities constituting vested Unpaid Dividend Equivalents, if counsel to the Company determines that such payment or issuance would violate any applicable law or any rule or regulation of any governmental authority or any rule or regulation of, or agreement of the Company with, any securities exchange or association upon which shares of Common Stock are listed or quoted. The Company will in no event be obligated to take any affirmative action in order to cause any payment of cash or issuance of shares of Common Stock represented by vested Restricted Stock Units or other securities constituting vested Unpaid Dividend Equivalents to comply with any such law, rule, regulation or agreement.

12. **Notice** . Unless the Company notifies the Grantee in writing of a different procedure or address, any notice or other communication to the Company with respect to this Agreement will be in writing and will be delivered personally or sent by first class mail, postage prepaid, to the Company's then-current headquarters, which as of the date hereof is the address specified for the Company on Schedule I hereto. Unless the Company elects to notify the Grantee electronically pursuant to the online grant and administration program or via email, any notice or other communication to the Grantee with respect to this Agreement will be in writing and will be delivered personally, or will be sent by first class mail or overnight courier, postage prepaid, to the Grantee's address as listed in the records of the Company or any Subsidiary of the Company on the Grant Date, unless the Company has received written notification from the Grantee of a change of address.

13. **Amendment** . Notwithstanding any other provision hereof, this Agreement may be supplemented or amended from time to time as approved by the Plan Administrator as contemplated by Section 10.8(b) of the Plan. Without limiting the generality of the foregoing, without the consent of the Grantee:

a. this Agreement may be amended or supplemented from time to time as approved by the Plan Administrator (i) to cure any ambiguity or to correct or supplement any provision herein that may be defective or inconsistent with any other provision herein, (ii) to add to the covenants and agreements of the Company for the benefit of the Grantee or surrender any right or power reserved to or conferred upon the Company in this Agreement, subject to any required approval of the Company's stockholders, and provided, in each case, that such changes or corrections will not adversely affect the rights of the Grantee with respect to the Award evidenced hereby in any material respect or (iii) to make such other changes as the Company, upon advice of counsel, determines are necessary or advisable because of the adoption or promulgation of, or change in the interpretation of, any law or governmental rule or regulation, including any applicable federal or state securities laws; and

b. subject to any required action by the Board of Directors or the stockholders of the Company, the Restricted Stock Units granted under this Agreement may be canceled by the Plan Administrator and a new Award made in substitution therefor, provided that the Award so substituted will satisfy the requirements of the Plan as of the date such new Award is made and no such action will adversely affect any Restricted Stock Units or related Dividend Equivalents to the extent then vested in any material respect.

14. **Grantee Employment or Status as a Director** . Nothing contained in this Agreement, and no action of the Company or the Plan Administrator with respect hereto, will confer or be construed to confer on the Grantee any right to continue in the employ of the Company or any Subsidiary or as a Nonemployee Director of the Company or interfere in any way with the right of the Company or any employing Subsidiary (or the Company's stockholders in the case of a Nonemployee Director) to terminate the Grantee's employment or service, as applicable, at any time, with or without Cause, subject to applicable law and the provisions of any employment agreement between the Grantee and the Company or any Subsidiary.

15. **Nonalienation of Benefits** . Except as provided in Section 8, (a) no right or benefit under this Agreement will be subject to anticipation, alienation, sale, assignment, hypothecation, pledge, exchange, transfer, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, hypothecate, pledge, exchange, transfer, encumber or charge the same will be void, and (b) no right or benefit hereunder will in any manner be subject to or liable for the debts, contracts, liabilities or torts of the Grantee or other person entitled to such benefits.

16. **Governing Law** . This Agreement will be governed by, and construed in accordance with, the internal laws of the State of Delaware. Each party irrevocably submits to the general jurisdiction of the state and federal courts located in the State of New York in any action to interpret or enforce this Agreement and irrevocably waives any objection to jurisdiction that such party may have based on inconvenience of forum. **THE GRANTEE ACKNOWLEDGES AND AGREES THAT THE GRANTEE IS HEREBY RELINQUISHING HIS OR HER RIGHT TO A JURY TRIAL IN CIVIL COURT WITH RESPECT TO ANY CONTROVERSY, CLAIM OR DISPUTE ARISING OUT OF OR IN ANY WAY RELATED TO THE PLAN OR THIS AGREEMENT** .

17. **Construction** . References in this Agreement to "this Agreement" and the words "herein," "hereof," "hereunder" and similar terms include all Exhibits and Schedules appended hereto, including the Plan. All references to "Sections" in this Agreement shall be to Sections of this Agreement unless explicitly stated otherwise. The word "include" and all variations thereof are used in an illustrative sense and not in a limiting sense. All decisions of the Plan Administrator upon questions regarding the Plan or this Agreement will be conclusive. Unless otherwise expressly stated herein, in the event of any inconsistency between the terms of the Plan and this Agreement, the

terms of the Plan will control. The headings of the sections of this Agreement have been included for convenience of reference only, are not to be considered a part hereof and will in no way modify or restrict any of the terms or provisions hereof.

18. **Rules by Plan Administrator** . The rights of the Grantee and the obligations of the Company hereunder will be subject to such reasonable rules and regulations as the Plan Administrator may adopt from time to time.

19. **Entire Agreement** . This Agreement is in satisfaction of and in lieu of all prior discussions and agreements, oral or written, between the Company and the Grantee regarding the subject matter hereof. The Grantee and the Company hereby declare and represent that no promise or agreement not herein expressed has been made and that this Agreement contains the entire agreement between the parties hereto with respect to the Award and replaces and makes null and void any prior agreements between the Grantee and the Company regarding the Award. Subject to the restrictions set forth in Sections 8 and 15, this Agreement will be binding upon and inure to the benefit of the parties and their respective heirs, successors and assigns.

20. **Grantee Acceptance** . The Grantee shall signify acceptance of the terms and conditions of this Agreement by acknowledging acceptance of the Award through the online grant and administration program utilized by the Company or such other means as the Company shall determine in its sole discretion.

21. **Section 409A Compliance** . To the extent that Section 409A of the Code or the related regulations and Treasury pronouncements (“Section 409A”) is applicable to the Grantee in connection with the Award, if any provision of this Agreement would result in the imposition of an excise tax under Section 409A, that provision will be reformed to avoid imposition of the excise tax and no action taken to comply with Section 409A shall be deemed to impair a benefit under this Agreement.

22. **Clawback Policy** . Notwithstanding any other provisions in the Plan or this Agreement, this Award shall be subject to recovery or clawback by the Company under any clawback policy adopted by the Company in accordance with SEC regulations or other applicable law, as amended or superseded from time to time.

Schedule I
To CommerceHub, Inc.
Restricted Stock Unit Agreement

Grantee	[●]
Number of Restricted Stock Units	[●]
Grant Date	[●]
Issuer/Company	CommerceHub, Inc., a Delaware corporation
Common Stock represented by Restricted Stock Units	Series C common stock
Plan	CommerceHub, Inc. 2016 Omnibus Incentive Plan
Plan Administrator	[The Compensation Committee of the Board of Directors of the Company appointed by the Board of Directors of the Company pursuant to Section 3.1 of the Plan to administer the Plan] [NTD: Insert for grants to employees] [The Board of Directors of the Company] [NTD: Insert for grants to Nonemployee Directors]
Vesting Schedule (Specify Vesting Percentage and Vesting Dates)	[NTD: Insert for grants to employees: Vesting Percentage: [●] Vesting Date(s): [●]] [NTD: Insert for grants to Nonemployee Directors: Vesting Percentage: 100% Vesting Date: The earlier of (i) [NTD: Insert one-year anniversary of Grant Date] or (ii) the date of the next annual meeting of stockholders held after the Grant Date for the purpose of electing directors of the Company.]
Other Terms and Conditions	[NTD: Include the following paragraph on Schedule I to RSU Agreements for Non-Employee Directors : Notwithstanding anything to the contrary in the Agreement, including Sections 4 and 6 thereof, the Grantee may elect in accordance with the terms of the CommerceHub, Inc. Non-Employee Director Deferred Compensation Plan (the “Deferred Compensation Plan”), to defer payment, settlement and delivery of the Restricted Stock Units and any related Unpaid Dividend Equivalents following vesting to such time as is specified in an election that is duly executed by the Grantee and delivered to the Company in accordance with the Deferred Compensation Plan.] [NTD: Include the following provisions on Schedule I to RSU Agreements for Section 16 officers: Section 5 of the Agreement shall be amended by adding the following clause at

the end of the second sentence thereof:

; provided that, if the Grantee has made an acquisition of securities of the Company during the six-month period prior to the applicable Vesting Date such that a Sell-to-Cover could be matchable against such acquisition for purposes of Section 16(b) of the Exchange Act, the Grantee shall remit the Required Withholding Amount to the Company or its designee in cash in such form and by such time as the Company may require, unless the Company determines, in its sole discretion, to withhold from the shares of Common Stock represented by vested Restricted Stock Units and otherwise deliverable to the Grantee a number of shares of Common Stock that the Company determines has at least the Fair Market Value sufficient to satisfy the Required Withholding Amount, plus additional shares of Common Stock to account for rounding and market fluctuations.]

[NTD: Include the following provisions on Schedule I to RSU Agreements for UK Grantees:

Section 5 of the Agreement shall be replaced in its entirety with the following:

“ 5. Withholding for Taxes .

(a) As a condition of receiving the benefits of this Agreement, the Grantee acknowledges and agrees that the Grantee shall, on each Vesting Date (or the first business day thereafter if the Vesting Date is not a trading day), in compliance with the Company’s Insider Trading Policy and using the broker-assisted sale program arranged by the Company, sell from the shares of Common Stock represented by vested Restricted Stock Units and otherwise deliverable to the Grantee a number of shares of Common Stock that the Company determines has at least the Fair Market Value sufficient to satisfy the Tax Liability, as determined by the Committee (the “Required Withholding Amount”), plus additional shares of Common Stock to account for rounding and market fluctuations, and the proceeds from such sale shall be remitted to the Company and used to satisfy the Required Withholding Amount (collectively, a “Sell-to-Cover”), unless the Grantee instead remits the Required Withholding Amount to the Company or its designee in cash in such form and by such time as the Company may require **[NTD: include the following clause only if the Grantee is a Section 16 officer:** ; provided that, if the Grantee has made an acquisition of securities of the Company during the six-month period prior to the applicable Vesting Date such that a Sell-to-Cover could be matchable against such acquisition for purposes of Section 16(b) of the Exchange Act, the Grantee shall remit the Required Withholding Amount to the Company or its designee in cash in such form and by such time as the Company may require, unless the Company determines, in its sole discretion, to withhold from the shares of Common Stock represented by vested Restricted Stock Units and otherwise deliverable to the Grantee a number of shares of Common Stock that the Company determines has at least the Fair Market Value sufficient to satisfy the Required Withholding Amount, plus additional shares of Common Stock to account for rounding and market fluctuations] . As of the date hereof, the Grantee certifies that (a) the Grantee is currently unaware of any material, non-public information with respect to the Company and (b) this Agreement is entered into in good faith and not as a part of a scheme to evade the prohibitions of Rule 10b-5 of the Exchange Act or any other securities laws.

(b) The Grantee irrevocably acknowledges and agrees that (i) the Company or any employing Subsidiary may recover the whole or any part of any secondary class 1 (employer) national insurance contributions that the Company or the employing Subsidiary is liable to account for as a consequence of the exercise of the grant or vesting of the Restricted Stock Units; and (ii) at the request of the Company or any employing Subsidiary the Grantee shall immediately join that person in making a joint election (in a form approved by HM Revenue & Customs) to transfer to the Grantee the whole or any part of the liability for secondary class 1 (employer) national insurance contributions.

(c) The Grantee irrevocably agrees to enter into a joint election in respect of the Common Stock deliverable to the Grantee in consequence of the vesting of the Restricted Stock Units under section 431(1) or section 431(2) of the United Kingdom Income Tax (Earnings and Pensions) Act 2003, if required to do so by

the Company, his employer or former employer on or before the applicable Vesting Date of the Restricted Stock Units.

“Tax Liability” means all income tax and social security contributions that the Company or any employing Subsidiary is liable to account for as a consequence of the grant or vesting of Restricted Stock Units and/or Dividend Equivalents including PAYE income tax and primary class 1 (employee) national insurance contributions and any secondary class 1 (employer) national insurance contributions to the extent that these can be lawfully recovered from the Grantee. A new Section 23 is hereby added to the Agreement as follows:

“ 23. Data Privacy.

(a) The Grantee’s acceptance hereof shall evidence the Grantee’s explicit and unambiguous consent to the collection, holding, processing, use and transfer, in electronic or other form, of the Grantee’s personal data by and among, as applicable, the Grantee’s employer (the “Employer”) and the Company and its Subsidiaries and Affiliates for the exclusive purposes of implementing, administering and managing the Grantee’s participation in the Plan and for all purposes connected with the Restricted Stock Units and/or the Dividend Equivalents, including:

(i) the holding and maintenance of details of the Restricted Stock Units and/or the Dividend Equivalents;

(ii) the transfer of the Grantee’s personal data to the trustee of an employee benefit trust, the Company’s registrars or brokers or any administrators of the Company’s share incentive arrangements; and

(iii) the transfer of the Grantee’s personal data to a prospective buyer of the Company or any Subsidiary or business unit that employs the Grantee, and the prospective buyer’s professional advisers.

(b) The Grantee understands that the Company and its Subsidiaries and the Employer may hold certain personal data about the Grantee, including, but not limited to, the Grantee’s name, home address and telephone number, date of birth, social insurance number or other identification number, salary, bonus and employee benefits, nationality, job title and description, any shares of stock or directorships or other positions held in the Company, its Subsidiaries and Affiliates, details of all options, stock appreciation rights, restricted stock, restricted stock units or any other entitlement to shares of stock or other Awards granted, canceled, exercised, vested, unvested or outstanding in the Grantee’s favor, annual performance objectives, performance reviews and performance ratings, for the purpose of implementing, administering and managing Awards under the Plan.

The terms “personal data,” “data subject” and “processing,” as used in this Agreement, shall have the same meanings as they are given in the United Kingdom Data Protection Act 1998.

(c) The Grantee understands and consents to the collection, holding, processing and transfer of the Grantee’s personal data being transferred to any third parties assisting in the implementation, administration and management of the Plan that is a resident of or located in a country or territory outside the European Economic Area (including the United States) that may have different data privacy laws and protections than the Grantee’s country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the personal data by contacting the Grantee’s local human resources representative. The Grantee authorizes the recipients to receive, possess, use, retain and transfer the personal data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee’s participation in the Plan, including any requisite transfer of such personal data as may be required to a broker or other third party with whom the Grantee may elect to deposit any shares of stock acquired with respect to an Award.

(d) The Grantee consents to and understands that personal data will be held only as long as is necessary to implement, administer and manage the Grantee’s participation in the Plan. The Grantee may, by contacting in writing the Grantee’s local human resources representative, request access to their personal data. The Grantee understands, however, that refusing or withdrawing the Grantee’s

Company Notice Address

consent may affect the Grantee's ability to participate in the Plan. For more information on the consequences of a refusal to consent or withdrawal of consent, the Grantee may contact the Grantee's local human resources representative."]

CommerceHub, Inc.
201 Fuller Rd, 6th Floor
Albany NY 12203
Attn: General Counsel

COMMERCEHUB, INC.
NON-EMPLOYEE DIRECTOR DEFERRED COMPENSATION PLAN

1. **Purpose.** The purpose of this CommerceHub, Inc. Non-Employee Director Deferred Compensation Plan (the “Plan”) is to allow Non-Employee Directors of the Corporation to defer the payment of Cash Compensation and/or RSUs. Notwithstanding any provision of the Plan to the contrary, amounts deferred under the Plan are subject to the provisions of Code section 409A, and at all times the Plan as applied to those amounts shall be interpreted and administered so that it is consistent with such Code section. The Plan is intended to be, and shall be administered as, an unfunded plan maintained for the purpose of providing deferred compensation for the Non-Employee Directors and, as such, is not an “employee benefit plan” within the meaning of Title I of ERISA.

2. **Definitions .** Where the context of the Plan permits, words in the masculine gender shall include the feminine gender, the plural form of a word shall include the singular form, and the singular form of a word shall include the plural form. Unless the context clearly indicates otherwise, section references refer to sections of the Plan, and the following terms shall have the following meanings:

- (a) “Administrator” shall mean the Board.
- (b) “Annual Retainer” means the annual cash retainer fee payable by the Corporation to a Non-Employee Director for services as a director of the Corporation, as such amount may be changed from time to time.
- (c) “Beneficiary” shall have the meaning assigned to such term in Section 9.
- (d) “Board” means the Board of Directors of the Corporation.
- (e) “Cash Compensation” means the Annual Retainer and Committee Fees.
- (f) “Change in Control” means an “Approved Transaction,” a “Board Change” or a “Control Purchase” as such terms are defined in the Incentive Plan.
- (g) “Code” means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute or statutes thereto. Reference to any specific Code section shall include any successor section.

- (h) “Committee Fees” means the annual fees payable by the Corporation to a Non-Employee Director for services as a member or chair of a Board committee, as such amounts may be changed from time to time.
- (i) “Corporation” means CommerceHub, Inc., a Delaware corporation, and any successor thereto.
- (j) “Deferral” means an amount deferred pursuant to a Deferral Election.
- (k) “Deferral Account” means a bookkeeping account in the name of a Non-Employee Director who elects to defer all or a portion of Cash Compensation or RSUs.
- (l) “Deferral Crediting Date” means the business day coinciding with or next following the first day of each calendar month.
- (m) “Deferral Elections” means irrevocable elections to defer receipt of Cash Compensation and/or RSUs.
- (n) “Distribution Date” shall have the meaning assigned to such term in Section 4(d).
- (o) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.
- (p) “Fair Market Value” means the Fair Market Value of Stock determined in accordance with the Incentive Plan.
- (q) “Incentive Plan” means the CommerceHub, Inc. 2016 Omnibus Incentive Plan or any successor thereto that provides for the issuance of Stock or Stock awards to Non-Employee Directors.
- (r) “Non-Employee Director” means a director of the Corporation who is not an employee of the Corporation or any subsidiary of the Corporation.
- (s) “Plan” shall have the meaning assigned to such term in Section 1.
- (t) “Plan Year” means the calendar year.
- (u) “Re-Deferral Election” shall have the meaning assigned to such term in Section 4(g).
- (v) “RSU” means any restricted stock unit award granted to a Non-Employee Director under and in accordance with the terms of the Incentive Plan.

(w) “Stock” means the Series C common stock of the Corporation.

(x) “Stock Equivalent Account” means the investment alternative in which a Deferral is invested as provided in Section 6.

(y) “Termination Date” means the date that a Non-Employee Director’s service on the Board terminates for any reason; provided that such Termination Date must constitute a “separation from service” under Code section 409A.

(z) “Unforeseeable Financial Emergency” shall have the meaning assigned to such term in Section 10.

3. **Administration** . The Plan shall be administered by the Administrator. The Administrator shall have full power and authority to interpret and construe the Plan and adopt such rules and regulations as it shall deem necessary and advisable to implement and administer the Plan and to designate individual members of the Board or persons other than members of the Board to carry out its responsibilities, subject to applicable law and such limitations, restrictions and conditions as it may prescribe, such determinations to be made in accordance with the Administrator’s best business judgment as to the best interests of the Corporation and its stockholders and in accordance with the purposes of the Plan. The Administrator may delegate administrative duties under the Plan to one or more agents, as it shall deem necessary or advisable. No member of the Board, or any of its designees, shall be personally liable for any action or determination made in good faith with respect to the Plan or to any settlement of any dispute between a Non-Employee Director and the Corporation. Any decision or action taken by the Administrator or any of its designees with respect to the administration or interpretation of the Plan shall be conclusive and binding upon all persons.

4. **Deferral Elections** . Any eligible Non-Employee Director may make irrevocable elections to defer receipt of all or a portion (in 25% increments) of his Cash Compensation or 100% of any RSU grant (each such election shall constitute a Deferral Election, and any amount deferred pursuant to such Deferral Election shall constitute a Deferral) for a Plan Year in accordance with the rules set forth below.

(a) A Non-Employee Director shall be eligible to make a Deferral Election only if he is an active member of the Board, or has been elected to the Board on the date such election is made.

(b) For a Plan Year, a Non-Employee Director may make only one Deferral Election with respect to each of the Non-Employee Director’s Cash Compensation and RSUs (for example, a Non-Employee Director may not make different Deferral Elections for different portions of his Cash Compensation for a Plan Year).

(c) All Deferral Elections must be made in writing on such forms as the Administrator may prescribe and must be received by the Corporation no later than the date specified by the Administrator in any such form. In no event will the date specified by the Administrator with respect to a Deferral Election be later than the end of the Plan Year preceding the Plan Year in which the Cash Compensation would otherwise be paid or the RSUs granted. In the case of the first year in which the Non-Employee Director becomes eligible to participate, such election may be made with respect to services to be performed subsequent to the election after the date the Non-Employee Director becomes eligible to participate, as prescribed by the Administrator.

(d) As part of each Deferral Election, the Non-Employee Director must elect from the available options the date on which the Deferral will be paid (a "Distribution Date"). The Distribution Dates specified in a Non-Employee Director's Deferral Elections may, but need not necessarily, be the same for all Deferrals (i.e., a Non-Employee Director may elect different Distribution Dates with respect to a Deferral of Cash Compensation and a Deferral of RSUs in the same Deferral Election; however, a Non-Employee Director will not be permitted to elect different Distribution Dates with respect to different portions of Cash Compensation Deferrals or different portions of RSU Deferrals). Except as provided in Section 4(g), each Distribution Date is irrevocable and shall apply only to that portion of the Non-Employee Director's Deferral Account which is attributable to the Deferral. If a Non-Employee Director fails to elect a Distribution Date, the Distribution Date will be as set forth in Section 4(e)(i).

(e) Unless other Distribution Dates are offered under a Deferral Election form approved by the Board, and subject to Section 14, the Distribution Dates available for any Deferral Election include:

i. in January of the Plan Year that is (x) with respect to Deferrals of Cash Compensation, five (5) years after the Plan Year for which the Deferral Election is made or (y) with respect to Deferrals of RSUs, five (5) years after the Plan Year in which the RSUs become vested; and

ii. in January of the Plan Year that is (x) with respect to Deferrals of Cash Compensation, ten (10) years after the Plan Year for which the Deferral Election is made or (y) with respect to Deferrals of RSUs, ten (10) years after the Plan Year in which the RSUs become vested.

(f) The Distribution Date selected by a Non-Employee Director as part of a Deferral Election shall not be earlier than the January 1 immediately following the first anniversary of the date on which the Deferral Election is made.

(g) A Non-Employee Director may make an irrevocable election to extend a Distribution Date (a “Re-Deferral Election”), provided that no Re-Deferral Election shall be effective unless (i) the Corporation receives the Re-Deferral Election not later than 12 months prior to the Distribution Date to be changed and (ii) the new Distribution Date is not earlier than the fifth (5th) anniversary of the prior Distribution Date (subject to Section 14). All Re-Deferral Elections must be made in writing on such forms and pursuant to such rules as the Administrator may prescribe.

(h) Deferrals and Deferral Elections shall be irrevocable; provided that, if the Administrator determines that a Non-Employee Director has an Unforeseeable Financial Emergency, then the Non-Employee Director’s Deferral Elections then in effect shall be revoked with respect to all amounts not previously deferred.

5. **Deferral Accounts** . All amounts deferred pursuant to a Non-Employee Director’s Deferral Elections under Section 4 shall be allocated to a bookkeeping account in the name of the Non-Employee Director, and the Corporation shall maintain a separate subaccount under a Non-Employee Director’s Deferral Account for each Deferral. Deferrals shall be credited to the Deferral Account as of the Deferral Crediting Date coinciding with or next following the date on which, in the absence of a Deferral Election, the Non-Employee Director would otherwise have received the Cash Compensation or, in the case of vested RSUs, the vesting date of the RSUs. A Non-Employee Director shall be fully vested at all times in the balance of his Deferral Account.

6. **Stock Equivalent Account** . The value of the Non-Employee Director’s Deferral shall be determined as if the Deferral were invested in Stock as of the Deferral Crediting Date established under Section 5. If payment of Stock is deferred (such as in the case of a Deferral of vested RSUs), the number of Stock equivalents to be credited to the Non-Employee Director’s Deferral Account and appropriate subaccounts on each Deferral Crediting Date shall equal the number of shares deferred. If payment of Cash Compensation is deferred, the number of Stock equivalents to be credited to the Non-Employee Director’s Deferral Account and appropriate subaccounts on each Deferral Crediting Date shall be determined by dividing the amount of the Deferral on that date by the Fair Market Value of a share of Stock on that date. Fractional Stock equivalents will be computed to two decimal places. An amount equal to the number of Stock equivalents multiplied by the dividend paid on a share of Stock on each dividend payment date shall be credited to the Non-Employee Director’s Deferral Account and appropriate subaccount as of the Deferral Crediting Date coincident with or next following the dividend payment date and “invested” in additional Stock equivalents as though such dividend credits were a Deferral. The number of shares of Stock to be paid to a Non-Employee Director on a Distribution Date shall be equal to the number of Stock equivalents accumulated in the Stock Equivalent Account on the Distribution Date.

7. **Time and Method of Payment** . Payment of a Non-Employee Director's Deferral Account shall be made in a single lump payment on the Distribution Date elected by the Non-Employee Director in the Deferral Election. All such payments shall be made under the Incentive Plan in whole shares of Stock, with fractional shares distributed in cash, and shall be made as soon as practicable following the Distribution Date but not later than 30 days following the Distribution Date.

8. **Payment Upon Death of a Non-Employee Director** . In the event a Non-Employee Director dies before all amounts credited to his Deferral Account have been paid, payment of the Non-Employee Director's Deferral Account shall be made in a single sum payment as soon as practicable thereafter but not later than 60 days following notice to the Corporation of the Non-Employee Director's death.

9. **Beneficiary** . A Non-Employee Director's "Beneficiary" shall mean the individuals or entities designated by the Non-Employee Director to receive the balance of the Non-Employee Director's Deferral Account in the event of the Non-Employee Director's death prior to the payment of his entire Deferral Account. To be effective, any Beneficiary designation shall be filed in writing with the Corporation. A Non-Employee Director may revoke an existing Beneficiary designation by filing another written Beneficiary designation with the Corporation. The latest Beneficiary designation received by the Corporation shall be controlling. If no Beneficiary is named by a Non-Employee Director or if he survives all of his named Beneficiaries, the Deferral Account shall be paid in the following order of precedence:

- (a) the Non-Employee Director's spouse;
- (b) the Non-Employee Director's children (including adopted children) in equal shares; or
- (c) the Non-Employee Director's estate.

10. **Unforeseeable Financial Emergency** . If the Administrator or its designee determines that a Non-Employee Director has incurred an Unforeseeable Financial Emergency (as defined below), the Non-Employee Director may withdraw in cash and/or Stock, as determined by the Corporation, the portion of the balance of his Deferral Account needed to satisfy the Unforeseeable Financial Emergency, to the extent that the Unforeseeable Financial Emergency may not be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Non-Employee Director's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship. An "Unforeseeable Financial Emergency" is a severe financial hardship to the Non-Employee Director resulting from (i) a sudden and unexpected illness or accident of the Non-Employee Director or of a dependent of the Non-Employee Director; (ii) loss of the Non-Employee Director's property due to casualty;

or (iii) such other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Non-Employee Director as determined by the Administrator. A withdrawal on account of an Unforeseeable Financial Emergency shall be settled as soon as possible following the date on which the withdrawal is approved by the Administrator.

11. **Funding** . Payouts under the Plan to any Non-Employee Director shall be paid directly by the Corporation. The Corporation shall not be required to fund or otherwise segregate assets to be used for payment of benefits under the Plan. Notwithstanding the foregoing, the Corporation, in the discretion of the Administrator, may maintain one or more grantor trusts to hold assets to be used for payment of benefits under the Plan. The assets of any such trust shall remain the assets of the Corporation subject to the claims of its general creditors. Any payments from any such a trust of benefits provided to a Non-Employee Director under the Plan shall be considered payment by the Corporation and shall discharge the Corporation of any further liability under the Plan for such payments.

12. **Interests Not Transferable** . Except as provided in Section 9, no benefit payable at any time under the Plan shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment, or other legal process, or encumbrance of any kind. Any attempt to alienate, sell, transfer, assign, pledge or otherwise encumber any such benefits, whether currently or thereafter payable, shall be void. No person shall, in any manner, be liable for or subject to the debts or liabilities of any person entitled to such benefits. If any person shall attempt to, or shall alienate, sell, transfer, assign, pledge or otherwise encumber his benefits under the Plan, or if by any reason of his bankruptcy or other event happening at any time, such benefits would devolve upon any other person or would not be enjoyed by the person entitled thereto under the Plan, then the Administrator, in its discretion, may terminate the interest in any such benefits of the person entitled thereto under the Plan and hold or apply them for or to the benefit of such person entitled thereto under the Plan or his spouse, children or other dependents, or any of them, in such manner as the Administrator may deem proper.

13. **Forfeitures and Unclaimed Amounts** . Unclaimed amounts shall consist of the amounts of the Deferral Account of a Non-Employee Director that are not distributed because of the Administrator's inability, after a reasonable search, to locate a Non-Employee Director or his Beneficiary, as applicable, within a period of two (2) years after the Distribution Date upon which the payment of any benefits becomes due. Unclaimed amounts shall be forfeited at the end of such two-year period. These forfeitures shall reduce the obligations of the Corporation under the Plan, and the Non-Employee Director or Beneficiary, as applicable, shall have no further right to his Deferral Account.

14. **Termination Date or Change in Control** . Notwithstanding a Non-Employee Director's elections under the terms of the Plan regarding the form and timing of payment, upon

the Non-Employee Director's Termination Date or a Change in Control, the Non-Employee Director's Deferral Account shall become immediately payable in a single lump sum as soon as administratively practicable but not later than 30 days following the Non-Employee Director's Termination Date or the Change in Control, as applicable.

15. **Amendment and Termination** . The Board may amend the Plan from time to time or terminate the Plan at any time and may unilaterally modify the terms and conditions of an outstanding election under the Plan as necessary, including revoking an election entirely, to reflect changes in applicable law.

16. **Adjustment Provisions** . In the event of any stock split, stock dividend, recapitalization, reorganization, merger, consolidation, combination, exchange of shares, liquidation, spin-off or other similar change in capitalization or event, or any distribution to holders of Stock other than a regular cash dividend, the number of Stock equivalents in the Stock Equivalent Account under the Plan shall be appropriately adjusted by the Administrator. The decision of the Administrator regarding any such adjustment shall be final, binding and conclusive.

17. **Governing Law** . The Plan shall be governed by, and construed in accordance with, the internal laws of the State of Delaware. Each Non-Employee Director, by making a Deferral Election under the Plan, irrevocably submits to the general jurisdiction of the state and federal courts located in the State of New York in any action to interpret or enforce the Plan and/or any Deferral Election and irrevocably waives any objection to jurisdiction that such person may have based on inconvenience of forum. **EACH NON-EMPLOYEE DIRECTOR, BY MAKING A DEFERRAL ELECTION UNDER THE PLAN, ACKNOWLEDGES AND AGREES THAT SUCH NON-EMPLOYEE DIRECTOR IS HEREBY RELINQUISHING HIS RIGHT TO A JURY TRIAL IN CIVIL COURT WITH RESPECT TO ANY CONTROVERSY, CLAIM OR DISPUTE ARISING OUT OF OR IN ANY WAY RELATED TO THE PLAN AND/OR ANY DEFERRAL ELECTION .**

18. **Effective Date of Plan** . The Plan shall be effective as of October 13, 2016, as approved by the Board.

CERTIFICATION

I, Francis Poore, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of CommerceHub, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 8, 2016

By: /S/ FRANCIS POORE

Francis Poore
 President and Chief Executive Officer
 (Principal Executive Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER,
AS REQUIRED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Francis Poore, hereby certify pursuant to 18 U.S.C. Section 1350 adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(i) The accompanying quarterly report on Form 10-Q for the quarter ended September 30, 2016 fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

(ii) The information contained in such report fairly presents, in all material respects, the financial condition and results of operations of CommerceHub, Inc.

Date: November 8, 2016

By:

/S/ FRANCIS POORE

Francis Poore

President and Chief Executive Officer

(Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this report.

