

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): June 21, 2017

Mitek Systems, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction
of Incorporation)

001-35231

(Commission File Number)

87-0418827

(IRS Employer
Identification No.)

**600 B Street, Suite 100
San Diego, California**

(Address of Principal Executive Offices)

92101

(Zip Code)

Registrant's Telephone Number, Including Area Code: (619) 269-6800

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Resignation of Russell C. Clark

On June 21, 2017, Mitek Systems, Inc. (the “Company”) announced that Russell C. Clark, the Company’s Chief Financial Officer, was leaving the Company to pursue other opportunities. Mr. Clark’s resignation from the Company will be effective July 1, 2017 (the “Effective Date”) and until such time, Mr. Clark will remain as an employee of the Company to assist with the transition of the Company’s new Chief Financial Officer (as described below), at the same base salary as Mr. Clark received during his service as Chief Financial Officer. Mr. Clark’s resignation was not the result of any disagreement with respect to the Company’s operations, policies or practices.

In connection with Mr. Clark’s resignation and on or about the Effective Date, the Company expects to enter into a separation agreement with Mr. Clark, pursuant to which Mr. Clark will provide a general release of claims against the Company and will be eligible to receive a pro-rated bonus for the fiscal year ending September 30, 2017, which such pro-rated bonus shall be based on actual performance, calculated in the same manner as applicable to other officers of the Company, but pro-rated based on days elapsed in the fiscal year through the Effective Date.

Offer Letter, Executive Severance and Change of Control Plan and Indemnification Agreement with New Chief Financial Officer

Offer Letter

On June 21, 2017, the board of directors of the Company appointed Jeffrey Davison, age 53, as the Company’s Chief Financial Officer.

Prior to joining the Company, Mr. Davison was Senior Vice President, Sales Success of NetSuite Inc., one of the world’s leading providers of cloud-based financials, enterprise resource planning, human resources, professional services automation and omnichannel commerce software suites, from May 2014 through December 2016, where he was responsible for solution consulting, business development representatives, sales operations, sales enablement, and sales planning and analysis and oversaw approximately six hundred employees. From August 2013 through April 2014, Mr. Davison served as Chief Financial Officer of Outbrain Inc., a worldwide provider of content discovery platforms, where he was responsible for all aspects of finance and accounting, planning, business systems, insurance, and reporting. Prior to his position at Outbrain, Mr. Davison served as Chief Financial Officer of RightNow Technologies, Inc., from January 2008 through April 2012, and served as Vice President, Finance and Operations from April 2006 through January 2008 and Vice President, Sales Operations, from September 2000 through April 2006. While holding these positions, he managed the financial aspects of RightNow’s transition from a privately held company through its initial public offering and eventually through its \$1.8 billion acquisition by Oracle Corporation. Mr. Davison holds a B.S. in Accounting from Montana State University-Bozeman.

Pursuant to his offer letter with the Company, which became effective on June 21, 2017, Mr. Davison’s initial base salary will be \$300,000 and he will be eligible for an annual bonus targeted at \$180,000 (i.e., 60% of his base salary), based upon achievement of certain annual corporate and individual performance goals. In connection with his appointment, Mr. Davison was granted: (i) restricted stock units to acquire shares of 150,000 shares of the Company’s common stock (the “RSUs”) and (ii) Senior Executive Long Term Incentive Restricted Stock Units to acquire 300,000 shares of the Company’s common stock (the “Senior Executive Performance RSUs”). The RSUs were granted under the Amended and Restated Mitek Systems Inc. 2012 Incentive Plan (the “Plan”) and form of restricted stock unit award agreement adopted for use thereunder and vest over a period of four years following the grant date, with 25% of the shares of the Company’s common stock subject to the RSUs vesting annually from the grant date. The Senior Executive Performance RSUs were also granted under the Plan and form of senior executive long term incentive restricted stock unit award agreement adopted for use thereunder and vest pursuant to the terms of the Plan, only if the Company meets a significant threshold level of stock price appreciation by the end of the performance period specified therein. Mr. Davison also will be eligible to participate in the Company’s 401(k) savings plan and the health, disability, insurance and other plans made available generally to the Company’s salaried employees. Mr. Davison’ offer letter is filed as Exhibit 10.1 to this Form 8-K and is incorporated herein by reference.

Mr. Davison does not have any family relationship with any director or executive officer of the Company and has not been directly or indirectly involved in any transactions with the Company.

Executive Severance and Change of Control Plan

In connection with Mr. Davison's appointment as the Chief Financial Officer of the Company, the Company entered into an Executive Severance and Change of Control Plan (the "Executive Severance Plan") with Mr. Davison. Under the terms of the Executive Severance Plan, if the Company terminates Mr. Davison's employment without cause or if Mr. Davison terminates his employment for good reason, Mr. Davison will be entitled to receive: (i) all compensation and benefits accrued, but unpaid, up to the effective date of his termination; (ii) a lump-sum cash amount equal to 100% of his then-current annual base salary; and (iii) a lump-sum cash amount equal to twelve months of premium payments for continuation coverage under the Company's health plans.

In addition, if Mr. Davison is terminated without cause or terminates his employment for good reason at any time within two months prior to or twelve months following a change in control of the Company, Mr. Davison will be entitled to receive the benefits set forth in (i) through (iii) of the above paragraph as well as, accelerated vesting of 100% of all outstanding equity awards then held by Mr. Davison.

The foregoing summary of the Executive Severance and Change of Control Plan is qualified in its entirety by reference to Exhibit 10.2 of this Current Report on Form 8-K and is incorporated herein by reference.

Indemnification Agreement

On June 21, 2017, Mr. Davison also entered into the Company's standard form of indemnification agreement, the form of which has been previously filed by the Company as Exhibit 10.21 to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2015 filed with the Securities and Exchange Commission on December 4, 2015.

Item 8.01 Other Events.

On June 21, 2017, the Company issued a press release announcing Mr. Clark's separation from the Company and the appointment of Mr. Davison as the Company's Chief Financial Officer. A copy of the press release is attached hereto as Exhibit 99.1 and is hereby incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- | | |
|------|--|
| 10.1 | Offer Letter, dated June 21, 2017 between Mitek Systems, Inc. and Jeffrey Davison. |
| 10.2 | Executive Severance and Change of Control Plan, dated June 21, 2017, by and between Mitek Systems, Inc. and Jeffrey Davison. |
| 99.1 | Press Release issued on June 21, 2017. |

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 hereunto duly authorized.

Mitek Systems, Inc.

By: /s/ Jason L. Gray
Jason L. Gray
General Counsel

Date: June 21, 2017



600 B Street, Suite 100
San Diego, CA 92101
PH: (619) 269-6800

June 21, 2017

Jeff Davison
[via email]

Dear Jeff:

On behalf of Mitek Systems, Inc., I am pleased to confirm the offer of regular, full-time employment extended to you for the position of Chief Financial Officer reporting to James DeBello, CEO, President and Chairman. Your hire date is expected to be on or about June 21, 2017 and is subject to our standard reference and background checks and proof of work authorization in the United States. Further details of this offer are as follows:

- Base Salary:** You will earn an annualized base salary of \$300,000 paid semi-monthly in the amount of \$12,500.00.
- Bonus:** You will also have the opportunity to earn an annual bonus targeted at 60% of your base salary, based upon company performance and personal achievement pursuant to the Company's Bonus Plan.
- Relocation:** The Company will pay you \$50,000, less applicable withholding taxes, in connection with the first full pay period after your date of hire to help cover the costs of your relocation to San Diego. Should you voluntarily terminate your employment or be terminated for cause from Mitek within 12 months of your start date, this amount will be repayable in full.
- Equity Grant(s):** We will request that the Board of Directors approve your participation in the 2012 Incentive Plan (the "Plan") with a Restricted Stock Unit (RSU) grant of 150,000 shares of Mitek Common Stock. The grant will be subject to our normal vesting schedule as provided in the Plan and is subject to Board approval. You will be provided details of the plan separately from this offer letter.
- In addition, we will request that the Board of Directors approve your participation in the company's Long Term Incentive Program ("LTIP"). Subject to Board approval, you will receive a grant of 300,000 LTIP shares and will be provided details of the LTIP plan separately from this offer letter.
- Benefits:** As a regular, full-time employee of Mitek you will be eligible for group benefits for yourself and your eligible dependents effective on the first day of the month

following your hire date. Basic benefits include a comprehensive health insurance plan; dental insurance and vision care insurance. In addition, you will be eligible for term life insurance and long-term disability insurance. You will also accrue three (3) weeks, equal to fifteen (15) days, of Paid Time Off (PTO) per year and ten (10) paid holidays, in accordance with Company policy. In addition, you will be eligible to participate in the Mitek Systems Inc. 401(k) Savings Plan and Mitek's Flexible Spending Plan.

You will be asked to contribute a portion of the cost of your own insurance coverage and any dependent coverage you elect. The cost of coverage will vary based upon the number of dependents covered and plan selection. Any premiums, you pay, however, will be paid pre-tax. Full details of employee benefits will be provided once you are on board.

Mitek Systems Inc. is an at-will employer and as such your employment must be entered into voluntarily and for no specified period. As a result, you are free to resign or the company may terminate your employment at any time, for any reason, with or without cause. No one other than the Chief Executive Officer has the authority to alter this employment relationship, either verbally or in writing.

We will enter into a standard Severance and Change of Control Agreement ("CIC") that will provide for 12 months of salary and 12 months of Cobra payments in the event of your termination by the company other than for cause. In addition, we will provide additional RSU vesting in the event of a termination following a change in control. The details of this can be found in the CIC document separate from this letter.

Your employment, pursuant to this offer, is contingent upon your executing the Company's standard proprietary information agreement and a confidential disclosure agreement, which will be provided to you prior to your first day of employment.

If the terms described herein are acceptable to you, please acknowledge your acceptance by signing below and return a copy via email to Jim Bartolomea, Director of People Operations, (jbartolomea@miteksystems.com). If not accepted, this offer expires at 5:00 P.M. PST on Wednesday, June 21, 2017.

Sincerely,
MITEK SYSTEMS, INC.

James B. DeBello
CEO, President and Chairman

/s/ James B. DeBello

Accepted:

/s/ Jeff Davison 6/21/2017
Jeff Davison Date

EXECUTIVE SEVERANCE AND CHANGE OF CONTROL PLAN

THIS EXECUTIVE SEVERANCE AND CHANGE OF CONTROL PLAN (this “*Agreement*”) is made and entered into as of June 21, 2017 (the “*Effective Date*”) by and between MITEK SYSTEMS, INC., a Delaware corporation (the “*Company*”), and Jeffrey C. Davison (the “*Executive*”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in Appendix A hereto.

RECITALS

WHEREAS, Executive is accepting employment by the Company as its Chief Financial Officer;

WHEREAS, the Board of Directors of the Company has determined that appropriate steps should be taken to incentivize Executive’s attention and dedication to his assigned duties and to provide Executive with enhanced financial security and sufficient encouragement to remain employed by the Company in order to maximize stockholder value presently and at any time in which the Company may consider a change of control or other strategic transaction for the benefit of the Company’s stockholders; and

WHEREAS, the Board of Directors of the Company believes that it is in the best interest of the Company’s stockholders to enter into this Agreement with Executive.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and as an inducement to Executive to forego other opportunities now and in the future and to continue Executive’s employment with the Company, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, intending to be legally bound, the parties agree as follows:

AGREEMENT

1. Employment.

(a) **No Conflicts.** Executive agrees to devote Executive’s full effort, attention and energies to his position with the Company. While Executive is employed with the Company, Executive will not render any professional services or engage in any activity that might be competitive with or adverse to the best interest of the Company. Executive agrees to abide by the policies, rules and regulations of the Company as they may be amended from time to time.

2. Termination of Employment Without Cause or for Good Reason. In the event Executive’s employment with the Company is terminated without Cause or Executive terminates his employment with the Company for Good Reason, Executive shall be entitled to:

- (i) all compensation and benefits accrued, but unpaid, up to the effective date of termination;
- (ii) a lump-sum cash amount equal to 100% of Executive’s annual base salary then in effect;
- (iii) a lump-sum cash amount equal to twelve (12) times the amount Executive would be required to pay for one month of COBRA continuation coverage under the Company’s medical, vision and dental programs for Executive and his dependents;

3. **Termination of Employment Within 2 Months Prior to or 12 month following a Change of Control.** In the event that during the two (2) month period prior to the consummation of a Change of Control or the twelve (12) month period following the consummation of a Change of Control, Executive's employment with the Company is terminated by the Company without Cause or Executive terminates employment with the Company for Good Reason:

(a) the Company shall, concurrent with any such termination, pay to Executive:

(i) all compensation and benefits accrued, but unpaid, up to the effective date of termination;

(ii) a lump-sum cash amount equal to 100% of Executive's annual base salary then-in effect; and

(iii) a lump-sum cash amount equal to twelve (12) times the amount Executive would be required to pay for one month of COBRA continuation coverage under the Company's medical, vision and dental programs for Executive and his dependents; and

(b) notwithstanding anything to the contrary contained in any Company Equity Plan or Equity Award (including any restrictions contained in Section 16 of the Company Stock Option Plans or in any other Company Equity Plan or Equity Award), (i) all of the unvested shares of Company stock underlying outstanding Equity Awards then held by Executive shall automatically accelerate and become vested and exercisable and all such Equity Awards shall remain exercisable at all times prior to the expiration of the original term of each such Equity Award, and (ii) all restrictions of any kind imposed by the Company or contained in any Equity Plan or any Equity Award and that relates to any equity securities or Equity Awards of the Company then held by Executive shall lapse.

(c) Notwithstanding the foregoing, in the event Executive has received or is entitled to receive any payments under this Section 3, then Executive shall not be entitled to any additional payments or benefits under Section 2.

4. **Section 409A.** If any benefit or amount payable to Executive hereunder on account of the Executive's termination of employment constitutes "nonqualified deferred compensation" within the meaning of Section 409A ("**409A**") of the Internal Revenue Code of 1986, as amended (the "**Code**"), payment of such benefit or amount shall commence during the thirty-six (36) months following the Executive's "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h), which in part provides that a separation from service will be deemed to occur if the Company and Executive reasonably anticipate that Executive shall perform no further services for the Company (whether as an employee or an independent contractor) or that the level of bona fide services Executive will perform in the future (whether as an employee or an independent contractor) will permanently decrease to no more than 49% of the average level of bona fide services performed (whether as an employee or independent contractor) over the immediately preceding thirty-six (36) month period. If, at the time Executive incurs a separation from service, Executive is a "specified employee" within the meaning of 409A, any benefit or amount payable to the Executive under this Agreement on account of Executive's termination of employment that constitutes nonqualified deferred compensation subject to 409A shall be delayed until the first day of the seventh month following the Executive's separation from service (the "**409A Suspension Period**"). Within fourteen (14) days after the end of the 409A Suspension Period, the Company shall pay to the Executive a lump-sum payment in cash equal to any payments that the Company would otherwise have been required to provide under this Agreement but for the imposition of the 409A Suspension Period. Thereafter, the Executive shall receive any remaining payments due under this Agreement in accordance with the terms of this Agreement (as if there had not

been any suspension period beforehand). For purposes of Section 409A, each payment hereunder shall be considered a separate identifiable payment.

5. **Golden Parachute Tax Provisions.** In the event it is determined that any payments by the Company to or for the benefit of Executive under this Agreement or otherwise pursuant to which Executive is entitled to receive payments or benefits, including any benefits derived from the acceleration of vesting of any Equity Awards or the lapse of any restrictions on any equity securities or contained in any Equity Plans or Equity Awards (such payments, benefits and lapses of restrictions, collectively, the “**Payments**”) shall be subject to an excise tax by reason of the operation of Section 4999 of the Code (including any parachute payments resulting from any additional payments made pursuant to this Section 7), relating to parachute payments, or any interest, penalties or additional tax are incurred by Executive with respect to such excise tax (such excise tax together with any such interest, penalties and any additional tax, collectively, the “**Excise Tax**”), then Executive shall receive: (i) a payment from the Company sufficient to pay the Excise Tax; and (ii) an additional payment from the Company sufficient to pay any additional Excise Tax and federal and state income taxes arising from the payments made by the Company to Executive pursuant to this sentence (such additional payments under clauses (i) and (ii) collectively, the “**Reimbursement Payments**”). For purposes of determining the amount of the Reimbursement Payments, Executive shall be deemed to: (x) pay federal income taxes at the highest marginal rates of federal income taxation for the calendar year in which the Reimbursement Payments are to be made; and (y) pay applicable state and local income taxes at the highest marginal rate of taxation for the calendar year in which the Reimbursement Payments are to be made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. Unless the Company and Executive otherwise agree in writing, the determination of Executive’s Excise Tax liability and the amount required to be paid under this paragraph shall be made in writing by the Company’s accountants or attorneys (the “**Advisors**”). In the event that the Excise Tax incurred by Executive is determined by the Internal Revenue Service to be greater or lesser than the amount so determined by the Advisors, the Company and Executive agree to promptly make such payment, including interest and any tax penalties, to the other party as the Advisors reasonably determine is appropriate to ensure that the net economic effect to Executive, on an after-tax basis, is as if the Excise Tax did not apply to Executive. For purposes of making the calculations required by this Section 7, the Advisors may make reasonable assumptions and approximations concerning applicable taxes and may rely on interpretations of the Code for which there is a “substantial authority” tax reporting position. The Company and Executive shall furnish to the Advisors such information and documents as the Advisors may reasonably request in order to make a determination under this Section 7. The Company shall bear all costs the Advisors may reasonably incur in connection with any calculations contemplated by this paragraph. The Reimbursement Payments shall be made to Executive no later than thirty (30) days before the due date of any taxes that are the subject of the Reimbursement Payment.

6. **Wire Transfers.** Any cash payments made to Executive under this Agreement shall be made by wire transfer of immediately available funds to a bank account designated in writing by Executive.

7. **Taxes.** Except as set forth in Section 7 above, Executive will be responsible for the payment of any tax liability incurred as a result of this Agreement. The Company may withhold tax on any payments or benefits provided to Executive as required by law or regulation. The Executive is solely responsible and liable for the satisfaction of all taxes and penalties that may arise under 409A, and the Company shall not have any obligation to indemnify or otherwise hold Executive harmless from any or all of such taxes. The Company shall have the sole discretion to interpret the requirements of the Code, including 409A, for purposes of this provision, but shall only act in accordance with written advice from its Advisors. Nevertheless, if the Company or Executive determines that delaying severance payments will avoid subjecting Executive to 409(A) taxes and penalties, the Company shall

modify the payment terms of this Agreement to the limited extent, and for the minimum deferral period, that the Company reasonably determines is necessary to avoid subjecting Executive to 409A taxes or penalties.

8. Waiver. The waiver by the Company or Executive of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by the Company or Executive, as the case may be, of any provision of this Agreement.

9. Severability. The parties have carefully reviewed the provisions of this Agreement and agree that they are fair and equitable. However, in light of the possibility of differing interpretations of law and changes of circumstances, the parties agree that in the event that any section, paragraph or term of this Agreement shall be determined to be invalid or unenforceable by any competent authority or tribunal for any reason, the remainder of this Agreement shall be unaffected thereby and shall remain in full force and effect.

10. No Duty to Mitigate; Legal Fees. Executive shall not be required to mitigate damages or the amount of any benefits or payments provided under this Agreement by seeking other employment or otherwise. The Company's obligations to make the payments required hereunder and otherwise provide the benefits conferred to Executive hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action the Company may have against Executive. The Company agrees to pay as incurred all legal fees, costs and expenses which Executive may incur as a result of any contest (regardless of the outcome thereof) by the Company, Executive or others as to the validity, enforceability of, or liability or entitlement under, any provision of this Agreement.

11. Successors and Assigns. This Agreement shall bind and inure to the benefit of the successors and assigns of the Company and the heirs, executors or personal representatives of Executive. This Agreement may not be assigned by Executive. This Agreement may be assigned to any successor in interest to the Company (including by way of merger, consolidation or reorganization, or by way of any assignment of all or substantially all of the Company's assets, business or properties), and Executive hereby consents to such assignment, provided that any such successor agree in writing to be bound by the terms and conditions of this Agreement as though such successor were the Company. For all purposes under this Agreement, the term "Company" shall include any constituent or surviving corporation resulting from or parent corporation a party to any Change of Control and any other direct or indirect successor to the Company's business and/or assets.

12. Entire Agreement; Amendments. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and there are no other understandings, agreements or representations, expressed or implied. This Agreement supersedes any and all prior or contemporaneous agreements, oral or written, concerning Executive's employment and compensation, except for any invention assignment and confidentiality terms of any agreement signed by Executive, provided that the provisions of this Agreement relating to acceleration and time to exercise Equity Awards in the event of a Change of Control are in addition to, not in lieu of, any such similar provisions set forth in any Equity Plan, Equity Award or other document. This Agreement may be amended only in writing signed by Executive and an authorized member of the Board of Directors of the Company.

13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws (other than conflicts of laws principles) of the State of California applicable to contracts executed in and to be performed entirely within such state by residents of such state.

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IN WITNESS WHEREOF, the parties hereto have executed this **EXECUTIVE SEVERANCE AND CHANGE OF CONTROL PLAN** as of the date first written above.

COMPANY:

MITEK SYSTEMS, INC.

/s/ James B. DeBello

James B. DeBello

President and Chief Executive Officer

EXECUTIVE:

/s/ Jeffrey C. Davison

Jeffrey C. Davison

APPENDIX A

DEFINITIONS

“Acquiring Company” shall mean the resulting or surviving corporation, or the company issuing cash or securities (or its ultimate parent company), in a merger, consolidation, tender offer or share exchange involving the Company, or the successor corporation to the Company (whether in any such transaction or otherwise).

“Cause” shall mean the occurrence of any one or more of the following events or conditions:

- (i) any material failure on the part of Executive (other than by reason of disability of Executive) to faithfully and professionally carry out Executive’s duties which failure continues for ten (10) days after written notice detailing such failure is delivered to Executive by the Company;
- (ii) Executive’s dishonesty or other willful misconduct, if such dishonesty or other willful misconduct is intended to or likely to materially injure the business of the Company;
- (iii) Executive’s conviction of any felony (other than any traffic related offense) or of any other crime, in each case, involving moral turpitude;
- (iv) Executive’s insobriety or illegal use of drugs, chemicals or controlled substances either (A) in the course of performing Executive’s duties and responsibilities under this Agreement or (B) otherwise materially affecting the ability of Executive to perform the same; and
- (v) Any wanton or willful dereliction of duties by Executive.

“Change of Control” of the Company shall mean the occurrence of any of the following events or circumstances:

- (i) any “person” (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the **“Exchange Act”**)), including a “group” within the meaning of such Section 13(d) but excluding the Company and any of its subsidiaries and any employee benefit plan sponsored or maintained by the Company or any subsidiary thereof (a **“Person”**), shall become the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company’s then outstanding securities entitled to vote generally in the election of directors (**“Company Voting Securities”**);
- (ii) the consummation of a merger or consolidation involving the Company, or the acceptance by the stockholders of the Company of equity securities in a share exchange, where the Persons who were the beneficial owners of the Company Voting Securities outstanding immediately prior to such merger, consolidation or share exchange, do not beneficially own, directly or indirectly, immediately after such merger, consolidation or share exchange, securities representing more than fifty percent (50%) of the combined voting power of the then-outstanding Company Voting Securities or voting securities of the Acquiring Company in such merger, consolidation or share exchange, in substantially the same proportions as their ownership of the Company Voting Securities immediately prior to such merger, consolidation or share exchange;
- (iii) a sale, exchange or other disposition or transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company; provided, however, that a Change of Control

shall not be deemed to have occurred where: (x) the Company sells, exchanges or otherwise disposes or transfers all or substantially all of its assets to another corporation which is beneficially owned, directly or indirectly, immediately following such transaction by the holders of Company Voting Securities in substantially the same proportions as their ownership of the Company Voting Securities immediately prior to such transaction; and (y) such corporation expressly assumes this Agreement; or

(iv) such time as the Continuing Directors (as defined below) do not constitute at least a majority of the Board of Directors of the Company (or, if applicable, the board of directors of a successor to the Company), where the term “**Continuing Director**” means at any date a member of the Board who was: (x) a member of the Board of Directors of the Company on the date of this Agreement; or (y) nominated or elected subsequent to the date of this Agreement by at least a majority of the directors who were Continuing Directors at the time of such nomination or election or whose election to the Board of Directors of the Company was recommended or endorsed by at least a majority of the directors who were Continuing Directors at the time of such nomination or election (it being understood that no individual whose initial assumption of office occurred as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person or entity other than the Board shall be a Continuing Director).

“**Equity Plan**” shall mean the Company Stock Option Plans and any other plan, agreement or arrangement (whether written or oral) pursuant to or out of which the Company issues or grants any Equity Awards to any person.

“**Equity Award**” shall mean any equity security, stock option, restricted stock, restricted stock unit, stock appreciation right, phantom stock unit or other right to acquire equity securities of the Company, whether such equity security, stock option, restricted stock, restricted stock unit, stock appreciation right, phantom stock unit or other right to acquire equity securities of the Company is granted or issued pursuant to an Equity Plan, outside an Equity Plan or otherwise.

“**Good Reason**” means any one or more of the following events or conditions:

(i) the Company’s breach of any of the material terms of this Agreement;

(ii) the Company’s relocating its office at which Executive is principally employed on the Effective Date to a location either outside of the United States or which is more than fifty (50) miles from both Executive’s residence and the offices of the Company at which Executive is principally employed on the Effective Date, and that reassignment materially and adversely affects Executive’s commute based on Executive’s principal place of employment immediately prior to the time such relocation is announced and Executive is required to commute to such location without Executive’s written consent;

(iii) a material diminution in Executive’s duties or responsibilities or conditions of employment from those in effect on the Effective Date;

or

(iv) a reduction or reductions which, in the aggregate, is more than 10% of Executive’s base salary in effect when any reduction is first imposed without Executive’s consent (other than such a reduction or reductions applicable generally to other senior executives of the Company).

Provided, however, that before Executive shall be entitled to terminate his employment for Good Reason, (i) Executive must provide the Company with written notice of the Executive’s intent to terminate his employment and a description of the event the Executive believes constitutes Good Reason within 60 days after the

initial existence of the event, and (ii) the Company shall have 30 days after Executive provides the notice described above to cure the default that constitutes Good Reason (the “**Cure Period**”) The Executive will have 90 days following the end of the Cure Period (if the Company has not cured the event that otherwise constituted Good Reason) to terminate Executive’s employment, after which “Good Reason” will no longer be deemed to exist based on such event.

“**Person**” shall mean any individual, corporation, limited liability corporation, partnership, or other business entity.

“**Stock Option Plans**” shall mean each of the Company’s 1999 Stock Option Plan, Amended 2000 Stock Option Plan, 2002 Stock Option Plan, 2006 Stock Option Plan, 2010 Stock Option Plan, 2012 Stock Option Plan, and Amended and Restated 2012 Incentive Plan.

Mitek Names SaaS Veteran Jeff Davison as Chief Financial Officer

Senior technology executive brings extensive SaaS financial and operational experience

SAN DIEGO, CA and LONDON, UK, June 21, 2017 – Mitek (NASDAQ: MITK, www.miteksystems.com), a global leader in mobile capture and identity verification software solutions, today announced that Jeff Davison has joined the company as Chief Financial Officer, effective June 21, 2017.

“Jeff brings a wealth of financial, operational and public company experience, and extensive SaaS expertise that will be a tremendous asset to our leadership team as Mitek continues to evolve into a leading SaaS ID verification provider,” said James DeBello, Chairman and CEO, Mitek. “The Board of Directors and I are delighted to welcome Jeff and look forward to his contribution as we move forward with our aggressive growth plan. Delivering over 50 percent growth in our ID business in the second quarter, Mitek continues to gain momentum with our industry leading mobile ID verification offering, which squarely addresses the over \$10 billion and growing identity and access management market.”

Mr. Davison has more than 25 years of experience in the financial operations and management of technology companies, including serving as CFO at RightNow Technologies, a successful SaaS CRM company. During his 12-year tenure at RightNow, he played a key role in taking RightNow from a privately held company through a successful IPO and ultimately its \$1.8 billion acquisition by Oracle. He was instrumental in executing RightNow’s acquisition activities, completing four acquisitions, and also served as VP Sales Operations and VP Finance and Operations. Mr. Davison also previously served as an SVP at NetSuite, CFO of Outbrain, and in senior finance and sales positions at other leading tech companies.

“This is an exciting time for Mitek as the company continues to emerge into a global leader in SaaS identity verification,” said Davison. “I am thrilled to join the talented leadership team as they continue to grow the business and further expand their presence in this large and growing industry, and I look forward to driving increased shareholder value.”

Mr. Davison will replace Russ Clark, who is leaving the company to pursue other opportunities. “On behalf of the Board, I would like to thank Russ for his extraordinary contributions to Mitek over the last five-plus years, and we wish him the best in his future endeavors,” added DeBello.

About Mitek

Mitek (NASDAQ: MITK) is a global leader in mobile capture and identity verification software solutions. Mitek’s ID document verification allows an enterprise to verify a user’s identity during a mobile transaction, enabling financial institutions, payments companies and other businesses operating in highly regulated markets to transact business safely while increasing revenue from the mobile channel. Mitek also reduces the friction in the mobile users’ experience with advanced data prefill. These innovative mobile solutions are embedded into the apps of more than 5,600 organizations and used by tens of millions of consumers for mobile check deposit, new account opening, insurance quoting, and more. For more information, visit www.miteksystems.com or www.miteksystems.co.uk. (MITK-F)

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