

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) January 3, 2022



AutoWeb, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-34761

(Commission File Number)

33-0711569

(IRS Employer Identification No.)

400 North Ashley Drive, Suite 300

Tampa, Florida 33602-4314

(Address of principal executive offices) (Zip Code)

(949) 225-4500

Registrant's telephone number, including area code

(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:

- 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	AUTO	The Nasdaq Capital Market

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 Michael A. Sadowski as Executive Vice President, Chief Financial Officer

On January 5, 2022, Michael A. Sadowski, Executive Vice President, Chief Financial Officer of AutoWeb, Inc. (“**Company**”), notified the Company that he was resigning his officer positions with the Company effective January 10, 2022. Mr. Sadowski will remain employed by the Company in a non-officer capacity for a short period of time to assist in the transition of his duties and responsibilities.

Appointment of Carlton D. Hamer as Executive Vice President, Chief Financial Officer

By action taken as of January 5, 2022, the Board of Directors of the Company (“**Board**”) appointed Mr. Carlton D. Hamer, age 51, as Executive Vice President, Chief Financial Officer, to be effective upon his commencement of employment with the Company, which is anticipated to be January 10, 2022.

Prior to joining the Company, Mr. Hamer served as Controller of Fortna, Inc., a provider of warehouse optimization, design, and automation services (2021-2022), and as the Vice President, Finance for Nextraq, LLC, a provider of vehicle and asset tracking solutions (2020 to 2021). Mr. Hamer was employed by Cox Automotive, Inc., a provider of automotive media, software, wholesale, and mobility solutions, serving as Vice President, Corporate Services (2014 to 2020), Vice President, Strategic Planning and Program Management (2009 to 2013), and Senior Director, Finance/Controller (2006 to 2008). Mr. Hamer received his Bachelor of Business Administration, *cum laude*, from the University of Georgia.

On January 5, 2022, the Board’s Compensation Committee (“**Compensation Committee**”) approved a base annual salary and target annual incentive compensation percentage for Mr. Hamer in connection with his appointment to the position of Executive Vice President, Chief Financial Officer. Mr. Hamer’s base annual salary will be \$335,000 and his target annual incentive compensation percentage will be 55% of his base annual salary.

The Compensation Committee also approved a grant of stock options to acquire 120,000 shares of the Company’s common stock at an exercise price equal to the closing price of the common stock on The Nasdaq Capital Market on the day Mr. Hamer commences employment with the Company (“**Hamer Grant Date**”). The options will be granted as inducement options under Nasdaq rules. The options will have a term of seven years, and one-third of the options will vest on the first anniversary of the Hamer Grant Date and one thirty-sixth of the options shall vest on each successive monthly anniversary of the Hamer Grant Date for the following twenty-four months. Vesting of the options will accelerate upon the occurrence of certain events, including upon a change in control of the Company or upon a termination of Mr. Hamer’s employment by the Company without cause or by Mr. Hamer for good reason. The Company anticipates entering into an Inducement Stock Option Award Agreement with Mr. Hamer upon the commencement of his employment to provide for the foregoing grant of stock options.

Additionally, the Compensation Committee approved severance benefits for Mr. Hamer which provide that if Mr. Hamer’s employment with the Company is terminated by the Company without cause or by Mr. Hamer for good reason, Mr. Hamer would be entitled to: (i) a lump sum payment equal to 12 months of his base annual salary; and (ii) continuation of his health and welfare insurance benefits for 12 months. In addition, Mr. Hamer will be entitled to receive: (i) in the case of a termination of employment by the Company without cause or by Mr. Hamer for good reason, and not in connection with or within 18 months following a change of control of the Company, a lump sum payment equal to Mr. Hamer’s annual incentive compensation payout under the then-current annual incentive compensation plan based on actual performance for the entire performance period, prorated for the amount of time Mr. Hamer was employed by the Company prior to the date of termination during such performance period (“**Actual Incentive Compensation Payout**”); or (ii) in the case of a termination of employment by the Company without cause or by Mr. Hamer for good reason, and in connection with or within 18 months following a change of control of the Company, a lump sum payment equal to Mr. Hamer’s annual incentive compensation payout based on Mr. Hamer’s annual incentive compensation target payout, prorated for the amount of time Mr. Hamer was employed by the Company prior to the date of termination during such performance period (“**Target Incentive Compensation Payout**”) plus, if the Actual Incentive Compensation Payment is more than the Target Incentive Compensation Payment, then Mr. Hamer will receive an additional lump sum payment equal to the difference between the Actual Incentive Compensation Payment and the Target Incentive Compensation Payment. The Company anticipates entering into a Severance Benefits Agreement with Mr. Hamer upon the commencement of his employment to provide for the foregoing.

Appointment of Joshua J. Barsetti as Vice President, Controller and Principal Accounting Officer

By action taken as of January 3, 2022, the Board appointed Mr. Joshua J. Barsetti, age 42, as Vice President, Controller and Principal Accounting Officer, to be effective upon the commencement of his employment, which is anticipated to be January 17, 2022.

Prior to joining the Company, Mr. Barsetti served as Senior Director of Internal Audit from May 2021 to January 2022 and Director of Sox and Internal Control from June 2020 to May 2021 for Zovio Inc. (NASDAQ: ZVO), a provider of education technology services and solutions. Mr. Barsetti was also employed by Cavco Industries, Inc. (NASDAQ: CVCO), a provider of manufactured homes, serving as Chief Accounting Officer (August 2018 to May 2020), Corporate Controller (August 2017 to August 2018), and Chief Audit Executive (September 2014 to August 2017). He previously served as Director of Financial Reporting (November 2013 to September 2014) and Financial & IT Audit Manager/Senior Audit Manager (May 2011 to November 2013) for Universal Technical Institute, Inc., a provider of transportation industry technical training. Mr. Hamer received his Bachelor of Science, Accounting from Northern Arizona University.

On January 3, 2022, the Compensation Committee approved a base annual salary and target annual incentive compensation percentage for Mr. Barsetti in connection with his appointment to the position of Vice President, Controller and Principal Accounting Officer. Mr. Barsetti's base annual salary will be \$225,000 and his target annual incentive compensation percentage will be 35% of his base annual salary.

The Compensation Committee also approved a grant of stock options to acquire 30,000 shares of the Company's common stock at an exercise price equal to the closing price of the common stock on The Nasdaq Capital Market on the day Mr. Barsetti commences employment with the Company ("**Barsetti Grant Date**"). The options will be granted as inducement options under Nasdaq rules. The options will have a term of seven years, and one-third of the options will vest on the first anniversary of the Barsetti Grant Date and one thirty-sixth of the options shall vest on each successive monthly anniversary of the Barsetti Grant Date for the following twenty-four months. The Company anticipates entering into an Inducement Stock Option Award Agreement with Mr. Barsetti upon the commencement of his employment to provide for the foregoing grant of stock options.

Additionally, the Compensation Committee approved severance benefits for Mr. Barsetti which provide that if Mr. Barsetti's employment with the Company is terminated by the Company without cause or by Mr. Barsetti for good reason, Mr. Barsetti would be entitled to: (i) a lump sum payment equal to 6 months of his base annual salary; and (ii) continuation of his health and welfare insurance benefits for 6 months. The Company anticipates entering into a Severance Benefits Agreement with Mr. Barsetti upon the commencement of his employment to provide for the foregoing.

The foregoing descriptions of Mr. Hamer's and Mr. Barsetti's terms of employment are not complete and are qualified in their entirety by reference to their Offers of Employment, which are filed with this Current Report on Form 8-K as Exhibit 10.1 and Exhibit 10.2, respectively, and are incorporated herein by reference.

A copy of the Company's press release announcing the appointment of Mr. Hamer and Mr. Barsetti is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

d. Exhibits

[10.1](#) Offer of Employment between Carlton D. Hamer and AutoWeb, Inc. dated January 4, 2022

[10.2](#) Offer of Employment between Josh J. Barsetti and AutoWeb, Inc. dated December 21, 2021

[99.1](#) Press Release dated January 7, 2022

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.

Date: January 7, 2022

AUTOWEB, INC.

By: /s/ Glenn E. Fuller
Glenn E. Fuller
Executive Vice President, Chief Legal Officer and Secretary



AutoWeb, Inc.
400 North Ashley Dr., Suite 300
Tampa, FL 33602
Phone: (949) 225-4500
www.autoweb.com

Sara Partin
SVP, Chief People Officer
Direct Line: 949.862.3069
sara.partin@autoweb.com

January 4, 2022

Carlton Hamer
[PERSONAL RESIDENCE ADDRESS REDACTED]

Re: Offer of Employment

Dear Carlton:

This letter confirms the terms and conditions upon which AutoWeb, Inc., a Delaware corporation (“**Company**”) is offering employment to you. Note that this offer of employment and your employment by the Company is contingent upon (i) approval of the terms of this offer and your appointment as an officer of the Company by the Company’s board of directors and (ii) various conditions and requirements that must be completed prior to commencement of employment, which conditions and requirements are set forth below.

1. Employment.

(a) Effective as of the date you commence employment with the Company (“**Commencement Date**”), which date is anticipated at this time to be January 10, 2022, the Company will employ you in the capacity set forth on the Exhibit A attached hereto (“**Offer Letter Schedule**”). In such capacity, you will report to such person or persons as may be designated by the Company from time to time.

(b) Your employment is at will and not for a specified term and may be terminated by the Company or you at any time, with or without cause or good reason and with or without prior, advance notice. This “at-will” employment status will remain in effect throughout the term of your employment by the Company and cannot be modified except by a written amendment to this offer letter that is executed by both parties (which in the case of the Company, must be executed by the Company’s Chief People Officer) and that expressly negates the “at-will” employment status.

2. Compensation, Benefits and Expenses. As compensation for the services to be rendered by you pursuant to this agreement, you will receive the payments and be entitled to participate in the benefits set forth below, subject to the terms and conditions set forth below or in such payment or benefit plans or arrangements. If at any time a conflict between anything in this letter and the applicable benefit plan arises, the terms of the benefit plan controls. Your compensation and benefits shall be paid or made available in accordance with the Company’s normal payroll and other practices and policies of the Company.

(a) The Company hereby agrees to pay you a base salary as set forth on the Offer Letter Schedule.

(b) You shall be eligible to participate in annual incentive compensation plans, if any, that may be adopted by the Company from time to time and that are (i) afforded generally to persons employed by the Company at your employment level and position, geographic location and applicable department or operations within the Company (subject to the terms and conditions of any such annual incentive compensation plans); or (ii) that are developed and adopted specifically for you. Should such an annual incentive compensation plan be adopted for any annual period, your target annual incentive compensation opportunity will be as established by the Company for each annual period, which may be up to a percentage set forth on the Offer Letter Schedule of your annualized rate (i.e., 24 X Semi-Monthly Rate) based on achievement of objectives specified by the Company each annual incentive compensation period (which may include Company-wide performance objectives; divisional, department or operations performance objectives and/or individual performance objectives, allocated between and among such performance objectives as the Company may determine) and subject to adjustment by the Company based on the Company's evaluation and review of your overall individual job performance in the sole discretion of the Company. Specific annual incentive compensation plan details, target incentive compensation opportunity and objectives for each annual compensation plan period will be established each year. Awards under annual incentive plans may be prorated by the Company in its discretion for a variety of factors, including time employed by the Company during the year, adjustments in base compensation or target award percentage changes during the year, and unpaid time off. You understand that the Company's annual incentive compensation plans, their structure and components, specific target incentive compensation opportunities and objectives, the achievement of objectives and the determination of actual awards and payouts, if any, thereunder are subject to the sole discretion of the Company. Awards, if any, under any annual incentive compensation plan shall only be earned by you, and payable to you, if you remain actively employed by the Company through the date on which award payouts are made by the Company under the applicable annual incentive compensation plan. You will not earn any such award if your employment ends for any reason prior to that date.

(c) You shall be entitled to participate in such ordinary and customary benefits plans afforded generally to persons employed by the Company at your employment position and level and geographic location (subject to the terms and conditions of such benefit plans, your enrollment in the plans and making of any required employee contributions required for your participation in such benefits, your ability to qualify for and satisfy the requirements of such benefits plans). Upon commencement of employment with the Company, you will begin accruing vacation under the Company's vacation accrual policy at the rate set forth on the Offer Letter Schedule. Accrual of vacation is subject to a limitation on accrual as set forth in the Company's vacation accrual policy

(d) You are solely responsible for the payment of any tax liability that may result from any compensation, payments or benefits that you receive from the Company. The Company shall have the right to deduct or withhold from the compensation due to you hereunder any and all sums required by applicable federal, state, local or other laws, rules or regulations, including, without limitation federal and state income taxes, social security or FICA taxes, and state unemployment taxes, now applicable or that may be enacted and become applicable during your employment by the Company.

(e) Upon termination of your employment by either party, whether with or without cause, you will be entitled to receive only that portion of your compensation, benefits, reimbursable expenses and other payments and benefits required by applicable law or by the Company's compensation or benefit plans, policies or agreements in which you participate and pursuant to which you are entitled to receive the compensation or benefits thereunder under the circumstances of and at the time of such termination (subject to and payable in accordance with the terms and conditions of such plans, policies or agreements).

3. **Pre-Hire Conditions and Requirements.** You have previously submitted an Application for Employment and a Consent to Conduct a Background Check. This offer of employment and your employment by the Company is contingent upon various conditions and requirements for new hires that must be completed prior to commencement of employment. These conditions and requirements include, among other things, the following:

(i) Successful completion of the Company's background check.

(ii) Your acceptance, execution, and delivery of this offer letter together with the Company's Employee Confidentiality Agreement and Mutual Agreement to Arbitrate, the forms of which accompany this offer letter, and which are hereby incorporated herein by reference. Please sign this offer letter and these other documents and return the signed original documents to the Company's People & Culture Department.

(iii) Your execution and delivery of your acknowledgment and agreement to the Company's Employee Handbook and the various policies included therein, Securities Trading Policy, and Code of Conduct and Ethics. Upon your acceptance of this offer letter, you will be provided instructions how to access online, sign and return these documents.

(iv) Your compliance with all applicable federal and state laws, rules, regulations, and orders, including (1) your execution and delivery of an I-9 Employment Eligibility Verification together with complying verification documents; and (2) your execution and delivery of a W-4 Employee's Withholding Allowance Certificate. Upon your acceptance of this offer letter, you will be provided instructions how to access online, sign, and return these documents.

The documents referenced in Sections 3(ii), (iii) and (iv) above are referred to herein as the "**Standard Employee Documents.**"

4. **Amendments and Waivers.** This agreement may be amended, modified, superseded, or cancelled, and the terms and conditions hereof may be waived, only by a written instrument signed by the parties hereto or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power, or privilege hereunder will operate as a waiver thereof, nor will any waiver on the part of any party of any right hereunder, nor any single or partial exercise of any rights hereunder, preclude any other or further exercise thereof or the exercise of any other right hereunder.

5. **Notices.** Any notice required or permitted under this agreement will be considered to be effective in the case of (i) certified mail, when sent postage prepaid and addressed to the party for whom it is intended at its address of record, three (3) days after deposit in the mail; (ii) by courier or messenger service, upon receipt by recipient as indicated on the courier's receipt; or (iii) upon receipt of an Electronic Transmission by the party that is the intended recipient of the Electronic Transmission. The record addresses, facsimile numbers of record, and electronic mail addresses of record for you are set forth on the signature page to this agreement and for the Company as set forth in the letterhead above and may be changed from time to time by notice from the changing party to the other party pursuant to the provisions of this Section 5. For purposes of this Section 5, "**Electronic Transmission**" means a communication (i) delivered by facsimile, telecommunication or electronic mail when directed to the facsimile number of record or electronic mail address of record, respectively, which the intended recipient has provided to the other party for sending notices pursuant to this Agreement and (ii) that creates a record of delivery and receipt that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

6. **Choice of Law.** This agreement, its construction and the determination of any rights, duties or remedies of the parties arising out of or relating to this agreement will be governed by, enforced under and construed in accordance with the laws of the State of Florida, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws of such state.

7. **Severability.** Each term, covenant, condition, or provision of this agreement will be viewed as separate and distinct, and in the event that any such term, covenant, condition or provision will be deemed to be invalid or unenforceable, the arbitrator or court finding such invalidity or unenforceability will modify or reform this agreement to give as much effect as possible to the terms and provisions of this agreement. Any term or provision which cannot be so modified or reformed will be deleted and the remaining terms and provisions will continue in full force and effect.

8. **Interpretation.** Every provision of this agreement is the result of full negotiations between the parties, both of whom have either been represented by counsel throughout or otherwise been given an opportunity to seek the aid of counsel. No provision of this agreement shall be construed in favor of or against any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof. Captions and headings of sections contained in this agreement are for convenience only and shall not control the meaning, effect, or construction of this agreement. Time periods used in this Agreement shall mean calendar periods unless otherwise expressly indicated.

9. **Entire Agreement.** This Agreement, together with the Standard Employee Documents, is intended to be the final, complete, and exclusive agreement between the parties relating to the employment of you by the Company and all prior or contemporaneous understandings, representations, and statements, oral or written, are merged herein. No modification, waiver, amendment, discharge or change of this agreement shall be valid unless the same is in writing and signed by the party against which the enforcement thereof is or may be sought.

10. **Counterparts; Facsimile or PDF Signature.** This agreement may be executed in counterparts, each of which will be deemed an original hereof and all of which together will constitute one and the same instrument. This agreement may be executed by facsimile or PDF signature by either party and such signature shall be deemed binding for all purposes hereof, without delivery of an original signature being thereafter required.

This offer shall expire five (5) calendar days from the date of this offer letter. Should you wish to accept this offer and its terms and conditions, please confirm your understanding of, agreement to, and acceptance of the foregoing by signing and returning to the undersigned the duplicate copy of this offer letter enclosed herewith.

AUTOWEB, INC.

By: /s/ Sara Partin
Sara Partin
SVP, Chief People Officer

Accepted and Agreed
as of the date
first written above:

/s/ Carlton Hamer
Carlton Hamer
[PERSONAL RESIDENCE ADDRESS REDACTED]

Offer Letter Schedule

Employment Capacity/Title: EVP, Chief Financial Officer

Employment Commencement Date: Anticipated at this time to be January 10, 2022.

Base Salary: Semi-Monthly Rate of Thirteen Thousand Nine Hundred Fifty Eight Dollars and Thirty-Four Cents (\$13,958.34), which equates to an annualized rate of approximately Three Hundred Thirty-Five Thousand Dollars (\$335,000).

Annual Incentive Compensation Target: 55%.

Stock Options: 120,000. Priced at closing price of common stock on The Nasdaq Capital Market on employment commencement date. Stock Options shall be granted as inducement options under NASDAQ.

Vacation Accrual Rate: Vacation accrues at a rate equal to 3 weeks (120 hours for full-time employees) per year (5 hours per pay period).

/s/ CH
Employee Initials

/s/ SP
Company



AutoWeb, Inc.
400 North Ashley Dr., Suite 300
Tampa, FL 33602
Phone: (949) 225-4500
www.autoweb.com

Sara Partin
SVP, Chief People Officer
Direct Line: 949.862.3069
sara.partin@autoweb.com

December 21, 2021

Josh Barsetti
[PERSONAL RESIDENCE ADDRESS REDACTED]

Re: Offer of Employment

Dear Josh:

This letter confirms the terms and conditions upon which AutoWeb, Inc., a Delaware corporation (“**Company**”) is offering employment to you. Note that this offer of employment and your employment by the Company is contingent upon (i) approval of the terms of this offer and your appointment as an officer of the Company by the Company’s board of directors and (ii) various conditions and requirements that must be completed prior to commencement of employment, which conditions and requirements are set forth below.

1. Employment.

(a) Effective as of the date you commence employment with the Company (“**Commencement Date**”), which date is anticipated at this time to be January 17, 2022, the Company will employ you in the capacity set forth on the Exhibit A attached hereto (“**Offer Letter Schedule**”). In such capacity, you will report to such person or persons as may be designated by the Company from time to time.

(b) Your employment is at will and not for a specified term and may be terminated by the Company or you at any time, with or without cause or good reason and with or without prior, advance notice. This “at-will” employment status will remain in effect throughout the term of your employment by the Company and cannot be modified except by a written amendment to this offer letter that is executed by both parties (which in the case of the Company, must be executed by the Company’s Chief People Officer) and that expressly negates the “at-will” employment status.

2. Compensation, Benefits and Expenses. As compensation for the services to be rendered by you pursuant to this agreement, you will receive the payments and be entitled to participate in the benefits set forth below, subject to the terms and conditions set forth below or in such payment or benefit plans or arrangements. If at any time a conflict between anything in this letter and the applicable benefit plan arises, the terms of the benefit plan controls. Your compensation and benefits shall be paid or made available in accordance with the Company’s normal payroll and other practices and policies of the Company.

(a) The Company hereby agrees to pay you a base salary as set forth on the Offer Letter Schedule.

(b) You shall be eligible to participate in annual incentive compensation plans, if any, that may be adopted by the Company from time to time and that are (i) afforded generally to persons employed by the Company at your employment level and position, geographic location and applicable department or operations within the Company (subject to the terms and conditions of any such annual incentive compensation plans); or (ii) that are developed and adopted specifically for you. Should such an annual incentive compensation plan be adopted for any annual period, your target annual incentive compensation opportunity will be as established by the Company for each annual period, which may be up to a percentage set forth on the Offer Letter Schedule of your annualized rate (i.e., 24 X Semi-Monthly Rate) based on achievement of objectives specified by the Company each annual incentive compensation period (which may include Company-wide performance objectives; divisional, department or operations performance objectives and/or individual performance objectives, allocated between and among such performance objectives as the Company may determine) and subject to adjustment by the Company based on the Company's evaluation and review of your overall individual job performance in the sole discretion of the Company. Specific annual incentive compensation plan details, target incentive compensation opportunity and objectives for each annual compensation plan period will be established each year. Awards under annual incentive plans may be prorated by the Company in its discretion for a variety of factors, including time employed by the Company during the year, adjustments in base compensation or target award percentage changes during the year, and unpaid time off. You understand that the Company's annual incentive compensation plans, their structure and components, specific target incentive compensation opportunities and objectives, the achievement of objectives and the determination of actual awards and payouts, if any, thereunder are subject to the sole discretion of the Company. Awards, if any, under any annual incentive compensation plan shall only be earned by you, and payable to you, if you remain actively employed by the Company through the date on which award payouts are made by the Company under the applicable annual incentive compensation plan. You will not earn any such award if your employment ends for any reason prior to that date.

(c) You shall be entitled to participate in such ordinary and customary benefits plans afforded generally to persons employed by the Company at your employment position and level and geographic location (subject to the terms and conditions of such benefit plans, your enrollment in the plans and making of any required employee contributions required for your participation in such benefits, your ability to qualify for and satisfy the requirements of such benefits plans). Upon commencement of employment with the Company, you will begin accruing vacation under the Company's vacation accrual policy at the rate set forth on the Offer Letter Schedule. Accrual of vacation is subject to a limitation on accrual as set forth in the Company's vacation accrual policy

(d) You are solely responsible for the payment of any tax liability that may result from any compensation, payments or benefits that you receive from the Company. The Company shall have the right to deduct or withhold from the compensation due to you hereunder any and all sums required by applicable federal, state, local or other laws, rules or regulations, including, without limitation federal and state income taxes, social security or FICA taxes, and state unemployment taxes, now applicable or that may be enacted and become applicable during your employment by the Company.

(e) Upon termination of your employment by either party, whether with or without cause, you will be entitled to receive only that portion of your compensation, benefits, reimbursable expenses and other payments and benefits required by applicable law or by the Company's compensation or benefit plans, policies or agreements in which you participate and pursuant to which you are entitled to receive the compensation or benefits thereunder under the circumstances of and at the time of such termination (subject to and payable in accordance with the terms and conditions of such plans, policies or agreements).

3. **Pre-Hire Conditions and Requirements.** You have previously submitted an Application for Employment and a Consent to Conduct a Background Check. This offer of employment and your employment by the Company is contingent upon various conditions and requirements for new hires that must be completed prior to commencement of employment. These conditions and requirements include, among other things, the following:

(i) Successful completion of the Company's background check.

(ii) Your acceptance, execution and delivery of this offer letter together with the Company's Employee Confidentiality Agreement and Mutual Agreement to Arbitrate, the forms of which accompany this offer letter, and which are hereby incorporated herein by reference. Please sign this offer letter and these other documents and return the signed original documents to the Company's People & Culture Department.

(iii) Your execution and delivery of your acknowledgment and agreement to the Company's Employee Handbook and the various policies included therein, Securities Trading Policy, and Code of Conduct and Ethics. Upon your acceptance of this offer letter, you will be provided instructions how to access online, sign and return these documents.

(iv) Your compliance with all applicable federal and state laws, rules, regulations, and orders, including (1) your execution and delivery of an I-9 Employment Eligibility Verification together with complying verification documents; and (2) your execution and delivery of a W-4 Employee's Withholding Allowance Certificate. Upon your acceptance of this offer letter, you will be provided instructions how to access online, sign, and return these documents.

The documents referenced in Sections 3(ii), (iii) and (iv) above are referred to herein as the "**Standard Employee Documents.**"

4. **Amendments and Waivers.** This agreement may be amended, modified, superseded, or cancelled, and the terms and conditions hereof may be waived, only by a written instrument signed by the parties hereto or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power, or privilege hereunder will operate as a waiver thereof, nor will any waiver on the part of any party of any right hereunder, nor any single or partial exercise of any rights hereunder, preclude any other or further exercise thereof or the exercise of any other right hereunder.

5. **Notices.** Any notice required or permitted under this agreement will be considered to be effective in the case of (i) certified mail, when sent postage prepaid and addressed to the party for whom it is intended at its address of record, three (3) days after deposit in the mail; (ii) by courier or messenger service, upon receipt by recipient as indicated on the courier's receipt; or (iii) upon receipt of an Electronic Transmission by the party that is the intended recipient of the Electronic Transmission. The record addresses, facsimile numbers of record, and electronic mail addresses of record for you are set forth on the signature page to this agreement and for the Company as set forth in the letterhead above and may be changed from time to time by notice from the changing party to the other party pursuant to the provisions of this Section 5. For purposes of this Section 5, "**Electronic Transmission**" means a communication (i) delivered by facsimile, telecommunication or electronic mail when directed to the facsimile number of record or electronic mail address of record, respectively, which the intended recipient has provided to the other party for sending notices pursuant to this Agreement and (ii) that creates a record of delivery and receipt that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form.

6. **Choice of Law.** This agreement, its construction and the determination of any rights, duties or remedies of the parties arising out of or relating to this agreement will be governed by, enforced under and construed in accordance with the laws of the State of Arizona, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws of such state.

7. **Severability.** Each term, covenant, condition, or provision of this agreement will be viewed as separate and distinct, and in the event that any such term, covenant, condition or provision will be deemed to be invalid or unenforceable, the arbitrator or court finding such invalidity or unenforceability will modify or reform this agreement to give as much effect as possible to the terms and provisions of this agreement. Any term or provision which cannot be so modified or reformed will be deleted and the remaining terms and provisions will continue in full force and effect.

8. **Interpretation.** Every provision of this agreement is the result of full negotiations between the parties, both of whom have either been represented by counsel throughout or otherwise been given an opportunity to seek the aid of counsel. No provision of this agreement shall be construed in favor of or against any of the parties hereto by reason of the extent to which any such party or its counsel participated in the drafting thereof. Captions and headings of sections contained in this agreement are for convenience only and shall not control the meaning, effect, or construction of this agreement. Time periods used in this Agreement shall mean calendar periods unless otherwise expressly indicated.

9. **Entire Agreement.** This Agreement, together with the Standard Employee Documents, is intended to be the final, complete, and exclusive agreement between the parties relating to the employment of you by the Company and all prior or contemporaneous understandings, representations, and statements, oral or written, are merged herein. No modification, waiver, amendment, discharge or change of this agreement shall be valid unless the same is in writing and signed by the party against which the enforcement thereof is or may be sought.

10. **Counterparts; Facsimile or PDF Signature.** This agreement may be executed in counterparts, each of which will be deemed an original hereof and all of which together will constitute one and the same instrument. This agreement may be executed by facsimile or PDF signature by either party and such signature shall be deemed binding for all purposes hereof, without delivery of an original signature being thereafter required.

This offer shall expire five (5) calendar days from the date of this offer letter. Should you wish to accept this offer and its terms and conditions, please confirm your understanding of, agreement to, and acceptance of the foregoing by signing and returning to the undersigned the duplicate copy of this offer letter enclosed herewith.

AUTOWEB, INC.

By: /s/ Sara Partin
Sara Partin
SVP, Chief People Officer

Accepted and Agreed
as of the date
first written above:

/s/ Josh Barsetti
Josh Barsetti
[PERSONAL RESIDENCE ADDRESS REDACTED]

Offer Letter Schedule

Employment Capacity/Title: VP, Controller & Principal Accounting Officer

Employment Commencement Date: Anticipated at this time to be January 17, 2022.

Base Salary: Semi-Monthly Rate of Nine Thousand Three Hundred and Seventy-Five Dollars (\$9,375), which equates to an annualized rate of approximately Two Hundred and Twenty-Five Thousand Dollars (\$225,000).

Annual Incentive Compensation Target: 35%.

Stock Options: 30,000. Priced at closing price of common stock on The Nasdaq Capital Market on employment commencement date. Stock Options shall be granted as inducement options under NASDAQ.

Vacation Accrual Rate: Vacation accrues at a rate equal to 3 weeks (120 hours for full-time employees) per year (5 hours per pay period).

/s/ JB
Employee Initials

/s/ SP
Company



AutoWeb Appoints Carlton Hamer as Executive Vice President, Chief Financial Officer and Josh Barsetti as Vice President, Controller & Principal Accounting Officer

New Finance Executives to Enhance Operational Performance Opportunities as Company Continues on its Strategic Growth Plans

TAMPA, Fla., Jan. 7, 2022 – AutoWeb, Inc. (Nasdaq: AUTO), an automotive matchmaking platform connecting in-market car shoppers to their preferred vehicle transactions, has appointed Carlton Hamer as executive vice president, chief financial officer (CFO), succeeding Michael Sadowski, and Josh Barsetti as vice president, controller and principal accounting officer. Hamer’s appointment to CFO is effective Jan. 10, 2022, and Barsetti’s appointment is effective as of Jan. 17, 2022. Sadowski will remain with the company until at least March to facilitate a smooth transition for the company’s new finance executives.

“As AutoWeb remains focused on operational efficiencies and continuing our growth initiatives, Carlton’s impressive financial acumen and strong industry experience will undoubtedly strengthen our executive leadership team’s capabilities,” said Jared Rowe, president and CEO of AutoWeb. “The addition of Josh and his diverse compliance background further supports our focus on enhancing performance results, and we look forward to incorporating their expertise as we execute on our 2022 objectives and beyond.”

Hamer is a Certified Public Accountant and brings nearly three decades of experience to AutoWeb, with a significant portion of his career dedicated to the automotive industry. He held several executive leadership positions during his 15 years at Cox Automotive, including serving as senior director of finance/controller of its AutoTrader.com division, where he spearheaded all core accounting and finance functions and helped enable substantial growth of the business. During his extensive tenure with Cox Automotive, he also held roles that focused on strategic planning, supply chain and real estate. Hamer began his career with Deloitte on the audit team in the Atlanta office, where he served many private and public clients.

“During our time at Cox Automotive, several members of AutoWeb’s senior leadership team had the privilege of working with Carlton, and we look forward to the opportunity to work with him again in this important role,” said Rowe.

Barsetti boasts a successful 20-year history of driving efficiencies and productivity that align well with AutoWeb’s financial and operational performance objectives. A Certified Public Accountant, he most recently served as senior director of internal audit at Zovio, a publicly traded education management and technology services company where he advised business and financial leadership on strategic, operational and financial risks. In addition, he led corporate governance and compliance initiatives, as well as the organization’s internal audit and Sox 404 functions. Prior to Zovio, Barsetti was the chief accounting officer at Cavco Industries, Inc., where he also held roles as senior director of financial administration and director of internal audit.

“As we welcome Carlton and Josh to AutoWeb, I want to thank Michael for his invaluable contributions as our CFO,” said Rowe. “His leadership has been a pivotal part of our organization’s evolution and he has set the table for Carlton and Josh to follow through on our business transformation. We wish Michael much success in his future endeavors.”

Inducement Options

As an inducement for joining the company, upon commencement of their employment with the company, Hamer and Barsetti will be granted options to acquire 120,000 and 30,000 shares of the company’s common stock, respectively, at an exercise price per share equal to the closing price of the common stock on The Nasdaq Capital Market on the day Hamer and Barsetti, respectively, commence employment with the Company.

The options will have a term of seven years. One third of the options will vest on the first anniversary of the grant date, and 1/36th of the options shall vest on each successive monthly anniversary of the grant date for the following 24 months. Vesting of the options will accelerate upon the occurrence of certain events, including upon a change in control of the company (unless the options are assumed or substituted by a successor entity), and in the case of the options granted to Hamer, will also accelerate upon a termination of Hamer's employment with the company without cause or by Hamer with good reason.

About AutoWeb, Inc.

AutoWeb, Inc. provides high-quality consumer leads, clicks and associated marketing services to automotive dealers and manufacturers throughout the United States. The company also provides consumers with robust and original online automotive content to help them make informed car-buying decisions. The company pioneered the automotive Internet in 1995 and has since helped tens of millions of automotive consumers research vehicles; connected thousands of dealers nationwide with motivated car buyers; and has helped every major automaker market its brand online.

Forward-Looking Statements Disclaimer

The statements contained in this press release that are not historical facts are forward-looking statements under the federal securities laws. Words such as "anticipates," "could," "may," "estimates," "expects," "projects," "intends," "pending," "plans," "believes," "will" and words of similar substance, or the negative of those words, used in connection with any discussion of future operations or financial performance identify forward-looking statements. In particular, statements regarding expectations and opportunities, new product expectations and capabilities, projections, statements regarding future events, and our outlook regarding our performance and growth are forward-looking statements. These forward-looking statements, including that the company looks forward to incorporating Hamer's and Barsetti's expertise as the company executes on its 2022 objectives and beyond, are not guarantees of future performance and involve assumptions and risks and ---uncertainties that are difficult to predict. Actual outcomes and results may differ materially from what is expressed in, or implied by, these forward-looking statements. AutoWeb undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Among the important factors that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements are the responses of federal and state government to the COVID-19 pandemic; changes in general economic conditions; the financial condition of automobile manufacturers and dealers; disruptions in automobile supply chains and production; changes in fuel prices; the economic impact of terrorist attacks, political revolutions, military actions, or natural disasters (such as floods, earthquakes, tornadoes and hurricanes and pandemics and epidemics); failure of AutoWeb's internet security measures; the economic impact of epidemics and pandemics; dealer attrition; pressure on dealer fees; increased or unexpected competition; the failure of new products and services to meet expectations; failure to retain key employees or attract and integrate new employees; actual costs and expenses exceeding charges taken by AutoWeb; changes in laws and regulations; costs of legal matters, including, defending lawsuits and undertaking investigations and related matters; and other matters disclosed in AutoWeb's filings with the Securities and Exchange Commission. Investors are strongly encouraged to review the company's Annual Report on Form 10-K for the year ended December 31, 2020 and other filings with the Securities and Exchange Commission for a discussion of risks and uncertainties that could affect the business, operating results or financial condition of the company and the market price of the company's stock.

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