

COSTAR TECHNOLOGIES, INC.

**Notice of 2022 Annual Meeting of Stockholders
to be Held on September 29, 2022**

Dear Stockholders of Costar Technologies, Inc.:

The 2022 Annual Meeting of Stockholders of Costar Technologies, Inc. (the “annual meeting”) will be held at the offices of Costar Technologies, Inc., 101 Wrangler Drive, Suite 201, Coppell, Texas 75019, on Thursday, September 29, 2022 at 10:00 a.m., local time, for the following purposes:

- (0) To elect six directors to hold office until the next annual meeting of stockholders and until their respective successors are elected and qualified;
- (1) To ratify the appointment of FORVIS, LLP (formerly known as BKD) as the Company’s independent registered public accounting firm for the fiscal year ended December 31, 2022; and
- (2) To transact such other business as may properly be brought before the meeting or any other adjournment or postponement thereof.

The record date for determining stockholders entitled to vote at the annual meeting is the close of business on August 10, 2022. Whether or not you plan to attend the annual meeting, please sign and date the enclosed proxy and promptly return it in the pre-addressed envelope provided for that purpose, or vote your shares via the Internet. Any stockholder may revoke his or her proxy at any time before the annual meeting by giving written notice to such effect, by submitting a subsequently dated proxy or by attending the annual meeting and voting in person.

Sincerely,

Sarah Ryder
Secretary

Coppell, Texas
August 25, 2022

**COSTAR TECHNOLOGIES, INC.
101 WRANGLER DRIVE, SUITE 201
COPPELL, TEXAS 75019**

PROXY STATEMENT

Questions and Answers Regarding This Proxy Statement and The Annual Meeting

When is the annual meeting and where is it located? The meeting will take place on Thursday, September 29, 2022, at 10:00 a.m., local time, at the offices of Costar Technologies, Inc., 101 Wrangler Drive, Suite 201, Coppell, Texas 75019.

Who is soliciting your proxy? The proxy solicitation is being made by the Board of Directors of Costar Technologies, Inc. (When we use the terms "we", "us", "our", "Costar" and the "Company", we are referring to Costar Technologies, Inc.) Proxies may also be solicited by our officers and employees, but such persons will not be specifically compensated for such services. Original solicitation of proxies by mail may be supplemented by telephone, telegram or other electronic means.

When will the proxy statement be mailed to stockholders? This proxy statement will first be mailed to stockholders on or about August 25, 2022.

What is the record date and who may attend the annual meeting? Our Board of Directors has selected the close of business on August 10, 2022 as the record date for determining the stockholders of record who are entitled to attend and vote at the annual meeting. This means that all stockholders of record as of the close of business on August 10, 2022 may vote their shares of common stock at the annual meeting. As of the record date, we had 1,653,831 shares of common stock outstanding. If your shares are held through a broker and you would like to attend, please bring a copy of your brokerage account statement reflecting your ownership of our shares on the record date or an omnibus proxy (which you can get from your broker) and we will permit you to attend the annual meeting.

Who is paying for the solicitation of proxies? We will pay all expenses of preparing and soliciting proxies. We may also reimburse brokerage houses, nominees, custodians and fiduciaries for expenses in forwarding proxy materials to the beneficial owners of shares of our common stock held of record. Although we have not yet done so, it may retain a firm to assist in the solicitation of proxies in connection with the annual meeting. We would pay such firm, if any, customary fees, which we expect would be no more than \$10,000 plus related expenses.

Who may vote at the annual meeting? If you are a holder of common stock as of the close of business on August 10, 2022, you will have one vote for each share of common stock that you hold on each matter that is presented for action at the annual meeting. If you have common stock that is registered in the name of a broker, your broker will forward your proxy materials and will vote your shares as you indicate. You may receive more than one proxy card if your shares are registered in different names or are held in more than one account.

How do you vote? Sign and date each proxy card you receive and return it in the prepaid envelope. Stockholders who hold their shares through a bank or broker can also vote via the Internet if this option is offered by the bank or broker. Any stockholder may revoke his or her proxy, whether he or she votes by mail or the Internet, at any time before the annual meeting by written notice to such effect received by us at the address set forth above, attn: corporate secretary, by delivery of a subsequently dated proxy or by attending the annual meeting and voting in person.

How will your shares be voted? All properly completed and unrevoked proxies that are received prior to the close of voting at the annual meeting will be voted in accordance with the instructions made.

Brokers, banks, or other nominees that hold shares of common stock in "street name" for a beneficial owner of those shares typically have the authority to vote in their discretion if permitted by the stock exchange or other organization of which they are members. Brokers, banks, and other nominees are permitted to vote the beneficial owner's proxy in their own discretion as to certain "routine" proposals when they have not received instructions from the

beneficial owner, such as the ratification of the appointment of FORVIS, LLP as the independent registered public accountant for the Company for the fiscal year ending December 31, 2022. If a broker, bank, or other nominee votes such “uninstructed” shares for or against a “routine” proposal, those shares will be counted towards determining whether or not a quorum is present and are considered entitled to vote on the “routine” proposals. However, where a proposal is not “routine,” a broker, bank, or other nominee is not permitted to exercise its voting discretion on that proposal without specific instructions from the beneficial owner. These non-voted shares are referred to as “broker non-votes” when the nominee has voted on other non-routine matters with authorization or voted on routine matters. These shares will be counted towards determining whether or not a quorum is present, but will not be considered entitled to vote on the “non-routine” proposals.

Please note that brokers, banks, and other nominees cannot use discretionary authority to vote shares on the election of directors if they have not received specific instructions from their clients. For your vote to be counted in the election of directors, you will need to communicate your voting decisions to your broker, bank, or other nominee before the date of the meeting.

Broker non-votes will not affect the outcome of any matter being voted on at the meeting, assuming that a quorum is obtained. Abstentions have no effect on the election of directors. For the purpose of determining whether stockholders have approved all other matters, abstentions have the same effect as votes against such matters being voted on at the meeting.

Is your vote confidential? Proxy cards, ballots and voting tabulations that identify individual stockholders are mailed or returned directly to the transfer agent and are handled in a manner that protects your voting privacy. Your vote will not be disclosed except as needed to permit the transfer agent to tabulate and certify the vote and as required by law. Additionally, all comments written on the proxy card or elsewhere (including through Internet voting) will be forwarded to management. Your identity will be kept confidential, unless you ask that your name be disclosed.

What constitutes a quorum? The presence at the annual meeting, in person or by proxy, of holders of a majority of the issued and outstanding shares of common stock as of the record date is considered a quorum for the transaction of business. If you submit a properly completed proxy or if you appear at the annual meeting to vote in person, your shares of common stock will be considered part of the quorum. Directions to withhold authority to vote for any director, abstentions, and broker non-votes will be counted as present to determine if a quorum for the transaction of business is present. Once a quorum is present, voting on specific proposals may proceed. In the absence of a quorum, the annual meeting shall be adjourned.

As of the close of business on August 10, 2022, 1,653,831 shares of common stock were issued and outstanding. The common stock is our only class of securities entitled to vote, each share being entitled to one non-cumulative vote.

How many votes are needed to approve each proposal?

The Company’s by-laws provide that each director will be elected by the vote of a majority of the votes cast, meaning that the number of shares voted “for” a director’s election exceeds 50% of the number of votes cast with respect to that director’s election, and includes votes to withhold authority; provided that in the event the number of nominees exceeds the number of directors to be elected, such as in the case of a contested election, the directors shall be elected by the vote of a plurality of the votes properly cast at the annual meeting. If a director does not receive the vote of at least the majority of the votes cast at any meeting for the election of directors where the number of nominees does not exceed the number of directors to be elected, such director is required to promptly tender his or her resignation to the Board. In such event, the Nominating and Corporate Governance Committee will make a recommendation to the Board on whether to accept or reject the resignation, or whether other action should be taken. Abstentions and broker non-votes will not be treated as votes cast and therefore have no effect on the proposal. The approval of the measure to ratify our independent auditors requires the affirmative vote of a majority of the votes cast at the annual meeting. Abstentions and broker non-votes will not be treated as votes cast and therefore have no effect on the proposal.

Where can I find the voting results of the Annual Meeting? We intend to announce the preliminary voting results at the annual meeting and will publish the final results in a press release within four business days of the annual meeting.

PROPOSAL 1

ELECTION OF DIRECTORS

At the annual meeting, you will vote on the election of six individuals to serve on our Board of Directors (the “Board”). Each director will hold office until the next annual meeting and until his or her respective successor is elected and qualified. In the event that any nominee for director withdraws or for any reason is not able to serve as a director, we will vote your proxy for the remainder of those nominated for director (except as otherwise indicated in your proxy) and for any replacement nominee designated by the Board. Jared L. Landaw, Gregory T. Hradsky, and Jeffery S. Wald will each retire from our Board and are not standing for re-election at the annual meeting. Each retiring director will serve as a director until the expiration of his term at the annual meeting. The Board has fixed the authorized number of directors at six to be effective as of August 10, 2022.

The Board, at the recommendation of the Nominating and Corporate Governance Committee, has nominated the six individuals listed below to serve as directors of the Company. Set forth below is information about our nominees, including their name and age, recent employment or principal occupation, their period of service as a Company director, the names of other public companies for which they currently serve as a director or have served as a director within the past five years, and a summary of their specific experience that led to the Board’s conclusion that they are qualified to serve as a director on our Board at this time.

Information Concerning Nominees

<u>Name</u>	<u>Age</u>	<u>Position with the Company</u>	<u>Director Since</u>
Sally Washlow	51	Chair of the Board of Directors ⁽¹⁾⁽²⁾⁽³⁾	2019
Alan B. Howe	61	Director ⁽³⁾⁽⁴⁾	2019
Scott Switzer	49	Director	2022
Christopher J. Pappano	52	Director	Nominee
Guy E.J. Phillips	56	Director	Nominee
Robert Tirva	56	Director	Nominee

⁽¹⁾ Member of Audit Committee

⁽²⁾ Member of Nominating and Corporate Governance Committee

⁽³⁾ Member of Compensation Committee

⁽⁴⁾ Member of Strategic Committee

Ms. Sally Washlow has served as one of our directors since 2019. Ms. Washlow currently leads the Midwest practice for the International Center for Executive Options, a boutique provider of executive transition consulting services. She is also the Managing Director of SW Consulting Solutions LLC, a strategic and executive management consulting firm. From 2015 to 2017, Ms. Washlow was the Chief Executive Officer of Cedar Electronics Corporation, a supplier of radar detectors, GPS systems, dash cameras and other electronic products, and led the integration of the Cobra and Escort electronics businesses. Prior to that, Ms. Washlow worked for 13 years at Cobra Electronics Corporation in various capacities, including as President from 2013 until 2015. Ms. Washlow received a Masters in Business Administration in Marketing from DePaul University and a BA in Supply Chain Management from Michigan State University. She is on the Board of Industry Leaders for the Consumer Technology Association and is Chicago Chapter President of the Private Directors Association. Sally also serves on the Data IO board (NASDAQ: DAIO) and is a nominee for the board of Orion Energy Systems (NASDAQ: OESX). We believe Ms. Washlow is qualified to serve on our Board due to her extensive leadership experience and industry knowledge.

Mr. Alan B. Howe has served as one of our directors since 2019. He has served as a co-founder and the Managing Partner of Broadband Initiatives, LLC, a boutique corporate advisory and strategic consulting firm, since 2001. Previously, he held various executive management positions at Covad Communications, Inc., Teletrac, Inc., Sprint PCS and Manufacturers Hanover Trust Company. Mr. Howe is an experienced public company director. He currently serves as a director of Sonim Technologies (NASDAQ: SONM), Babcock & Wilcox (NYSE: BW), and NextNAV (NASDAQ: NN). He previously served on the boards of SEC reporting companies MagicJack VocalTec, CafePress, WidePoint, Urban Communications, Determine, Orion Energy, Data I/O Corporation, and Spartan Acquisition Corp. Mr. Howe received a Masters Business Administration from the Kelley Business School at Indiana University and a Bachelor of Science in Business Administration and Marketing from the University of Illinois. We believe Mr. Howe is qualified to serve on our Board due to his extensive experience in public company corporate governance, industry experience and experience in mergers and acquisitions.

Mr. Scott Switzer has served as one of our directors since 2022. He was appointed President and Chief Executive Officer by the Board of Directors of Costar Technologies, Inc. on June 2, 2022. Mr. Switzer served as the Company's Interim President and CEO since April 2020. He held the position of Chief Operating Officer beginning in 2018, while retaining his earlier responsibilities as Chief Financial Officer and Secretary of the company, to which he was first named in 2011. Beginning his career with the company in 2001, Mr. Switzer became Controller in 2008 after previously holding the same assignment for Costar Video Systems, LLC. Prior to joining the company, he served as a consultant with Accenture. Mr. Switzer holds a BBA from the Hankamer School of Business at Baylor University. We believe Mr. Switzer is qualified to serve on our Board due to his experience as an executive of our company and his knowledge of our business and industry.

Mr. Christopher J. Pappano is a director nominee. He is a Managing Director of Barington Capital Group, L.P., an investment management firm, where he has been employed since 2016. From 2008 to 2015, Mr. Pappano served as a Partner and Managing Director of Richmond Hill Investment Co., L.P., an investment management firm. From 2002 to 2008, he worked as a Senior Analyst at Barington Capital Group, L.P. Mr. Pappano served on the board of a special purpose acquisition company, M III Acquisition Corp. (NASDAQ: MIII), in 2017 and 2018 where he was a member of the audit committee, until it merged with Infrastructure and Energy Alternatives, Inc. (NASDAQ: IEA). Prior to joining Barington Capital, Mr. Pappano held positions at Greenhill & Co., Merrill Lynch & Co. and Coopers & Lybrand. Mr. Pappano holds an A.B. in Economics from the College of the Holy Cross. We believe Mr. Pappano is qualified to serve on our Board due to his financial, investment and mergers and acquisitions experience.

Mr. Guy E.J. Phillips is a director nominee. He is a Managing Member of NuOrion Capital, LLC, a broker-dealer and NuOrion Advisors, LLC, a registered investment advisor. Previously, Mr. Phillips worked for UBS AG from 1998 to 2013 and held various positions, including as Global Head of the Consumer Products & Retail Group in its Investment Banking Division. He holds an M.B.A from Harvard University and a B.A. from Franklin & Marshall College. Mr. Phillips serves on the boards of Lummus Corporation, a privately owned industrial company and Rip Van Wafels, a privately owned, high growth snacking business. We believe Mr. Phillips is qualified to serve on our Board due to his financial and investment experience.

Mr. Robert Tirva is a director nominee. He joined the Skyworks Aeronautics Board of Directors in August 2021 and leads the company's Audit Committee. Mr. Tirva has over 25 years of experience in finance and accounting, most recently serving as President, COO and CFO of Sonim Technologies, Inc. (NASDAQ: SONM). He also served as a Director, Audit Committee Chair and member of the Nominating and Corporate Governance Committee of Resonant, Inc. (NASDAQ: RESN), prior to its acquisition by Murata Manufacturing Company in March 2022. Mr. Tirva's previous roles include CFO of Intermedia, Corporate Controller of Dropbox, Inc., Corporate Controller and Principal Accounting Officer of Broadcom Corporation as well as senior accounting positions with IBM and Navistar Financial Corporation. He started his career with Ernst & Young. Mr. Tirva received an M.B.A. in Finance from the Yale School of Management and a B.B.A. in Accounting from the University of Notre Dame. He is a Certified Public Accountant, licensed in Illinois, but is not engaged in public practice. He is a prior board member of the Forum for Corporate Directors. We believe Mr. Tirva is qualified to serve on our Board due to his executive and financial experience.

Our Board of Directors unanimously recommends that you vote *FOR* the election of each of the nominees listed above.

Board of Directors and Committees of the Board of Directors

Our business is managed under the direction of the Board. The Board consists of a single class of directors who are elected for a term of one year, such term beginning and ending at each annual meeting of stockholders. The Board presently consists of six members. Jared L. Landaw, Gregory T. Hradsky, and Jeffery S. Wald will each retire from our Board and are not standing for re-election at the annual meeting. Each retiring director will serve as a director until the expiration of his term at the annual meeting. The Board has fixed the authorized number of directors at six to be effective as of August 10, 2022.

There are no family relationships among any of our directors or executive officers. The Board has determined that each of our directors is independent under the rules and regulations promulgated by the SEC.

Audit Committee. We have a separately designated standing audit committee. The current members of our Audit Committee are Gregory Hradsky, Jeffrey Wald, and Sally Washlow. The Board determined that each member of the Audit Committee is “independent” under Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is “financially literate,” and that Mr. Hradsky qualifies as an “Audit Committee Financial Expert” as defined under the Exchange Act. In addition, no member of our audit committee has participated in the preparation of the financial statements for the Company or a current subsidiary during the last three fiscal years. Mr. Hradsky currently serves as Chair of the Audit Committee.

The Audit Committee retains our independent registered public accounting firm and is charged with the responsibility of overseeing our accounting and financial reporting process. In the course of performing its functions, the Audit Committee reviews, with management and the independent accountants, our internal accounting controls, the annual and periodic financial statements, the report and recommendations of the independent accountants, the scope of the audit (if any) and the qualifications and independence of the auditors. A copy of the Audit Committee charter is available on our website at www.costartechnologies.com.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee currently consists of Jared Landaw, Gregory Hradsky, Jeffrey Wald and Sally Washlow. Mr. Landaw currently serves as Chair of the Nominating and Corporate Governance Committee.

The Nominating and Corporate Governance Committee is responsible for identifying individuals who are qualified to become directors, recommending nominees for membership on the Board and committees of the Board, promulgating minimum qualifications that it believes must be met by director nominees, reviewing and considering director candidates recommended or nominated by stockholders, and developing, recommending to the Board and overseeing corporate governance guidelines. Copies of the Nominating and Corporate Governance Committee charter and our Corporate Governance Guidelines are available on our website at www.costartechnologies.com.

The Nominating and Corporate Governance Committee has established a process for identifying and evaluating director nominees. The Nominating and Corporate Governance Committee may solicit recommendations from any or all of the following sources: non-management directors, the Chief Executive Officer, other executive officers, stockholders, third-party search firms or any other source it deems appropriate. The Nominating and Corporate Governance Committee will then, without regard to the source of the initial recommendation of such proposed director candidate, review and evaluate the qualifications of any such proposed director candidate and conduct inquiries it deems appropriate. In considering whether to recommend any director nominee, including candidates recommended by stockholders, we believe that the backgrounds and qualifications of the directors, considered as a group, should provide an appropriate mix of backgrounds, experiences, knowledge, abilities and perspectives that will allow our Board to effectively fulfill its responsibilities. Upon identifying individuals qualified to become members of the Board, consistent with the minimum qualifications and other criteria approved by the Board from time to time, and provided that we are not legally required to provide third parties with the ability to nominate individuals for election as a member of the Board, the Nominating and Corporate Governance Committee will then recommend that the Board select the director nominees for election at each annual meeting of stockholders.

The Nominating and Corporate Governance Committee will review and consider director candidates recommended by our stockholders. Recommendations must include the proposed nominee's name, detailed biographical data, work history, qualifications and corporate and charitable affiliations. Stockholders of record may also nominate candidates for election to the Board by following the procedures set forth in the Company's by-laws.

Compensation Committee. The Compensation Committee currently consists of Jared Landaw, Sally Washlow and Alan Howe. The Board has determined that each member is a "non-employee directors" under Rule 16b-3 of the Exchange Act. Ms. Washlow currently serves as Chair of the Compensation Committee.

The Compensation Committee is solely responsible for determining our Chief Executive Officer's compensation. Our Chief Executive Officer is not present during this process. For our other executive officers, our Chief Executive Officer prepares and presents to the Compensation Committee performance assessments and compensation recommendations, which the Compensation Committee considers as one factor in its deliberations. The other executive officers are not present during this process. The Compensation Committee administers our equity incentive plans and executive compensation programs, determines eligibility for, and awards under, such plans and programs, and makes recommendations to the Board with regard to the adoption of new employee benefit plans, equity incentive plans and executive compensation plans. A copy of the Compensation Committee charter is available on our website at www.costartechnologies.com.

Strategic Committee. The Board has a Strategic Committee which explores various strategic alternatives to improve stockholder value, including, without limitation, a strategic acquisition, merger or sale of all or a portion of the Company. The Strategic Committee consists of Jared Landaw, Jeffrey Wald and Alan Howe. Consistent with its mandate, the Strategic Committee meets from time to time in order to review and evaluate various strategic options available to the Company. A copy of the Strategic Committee charter is available on our website at www.costartechnologies.com.

Code of Business Conduct and Ethics. The Company has a Code of Business Conduct and Ethics which applies to our directors, officers and employees. Any amendments or waivers to the Code will be publicly disclosed on a timely basis to the extent required by the applicable rules and regulation of the Securities and Exchange Commission (the "SEC") on our website. A copy of the Code of Business Conduct and Ethics is available on our website at www.costartechnologies.com or can be obtained, free of charge, by writing to Costar Technologies, Inc., 101 Wrangler Drive, Suite 201, Coppell, Texas 75019; Attn: Secretary.

Independent Chair

As specified in the Company's Corporate Governance Guidelines, it is the policy of the Board that its Chair should be an independent director. The Board believes that having a separate and independent Chair is in the best interests of stockholders as it allows the Chief Executive Officer to focus on the day-to-day management of the Company while enabling the Board to maintain an independent perspective on the activities of the Company and its duty to advise, counsel and oversee management. Ms. Washlow currently serves as the Chair of the Board.

CEO Succession Plan

The Board has adopted a CEO Succession Plan. The purpose of the plan is to help ensure organizational stability and leadership continuity at the CEO level which is critical to the ongoing successful operations of our Company. The plan also sets forth procedures for the appointment of an acting CEO in the event of an unplanned and extended absence of the CEO.

Minimum Stock Ownership Policy

The Board has adopted a minimum stock ownership guideline policy for the Company's directors and members of senior management. The policy provides that each person subject to the policy must own shares of common stock of the Company meeting certain minimum value thresholds established by the Nominating and Corporate Governance Committee. Further details of the plan are available on the Company's website at www.costartechnologies.com.

Compensation Claw Back Policy

The Board has adopted an incentive compensation clawback policy. The policy is designed to ensure that incentive compensation is paid based on accurate financial and operating data and the correct calculation of the Company's performance against incentive targets. The policy permits the Company's Compensation Committee to seek the recovery of incentive compensation in the event of fraud or misconduct or a restatement of the financial or operating results of the Company that, in either case, results in the payment of inflated incentive compensation. The Company's clawback policy is available on the Company's website at www.costartechologies.com.

Stockholder Communication with Board Members

We maintain contact information for stockholders, both telephone and email, on our website under the heading "Contact Us." By following the "Contact Us" link, a stockholder will be given access to our telephone number and mailing address, as well as links for providing email correspondence to our management. Communications specifically marked as a communication for our Board of Directors will be forwarded to the Board or specific members of the Board as directed in the stockholder communication. In addition, communications sent directly to us via telephone, facsimile or email for our Board of Directors will be forwarded to the Board by an officer.

EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

Compensation Discussion and Analysis

The Company's executive compensation programs for the year ending December 31, 2021, which applied to the Company's Named Executive Officers (as hereinafter defined), emphasized the achievement of revenue, profitability and strategic goals. These programs, which were established by the Compensation Committee with the assistance of an executive compensation consultant, seek to provide a balanced mix of short and long-term incentive compensation combined with a competitive base salary. A large portion of total compensation is tied to the achievement of performance goals based on financial, operational and strategic metrics established annually by the Compensation Committee of our Board of Directors. Our 2021 program included four key components:

Base Salary. Base salaries for the Company's executive officers are based upon the scope of the individual's responsibilities, taking into consideration competitive market compensation for the industry and geography. Base salaries for the President and Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer increased 1.1%, 4.6%, and 3.4% in 2021 compared to 2020, respectively. The Company believes the base salaries of its executive officers are in line with its competitors.

Non-Equity Incentive Plan Compensation. The Company established a bonus plan based upon the achievement of specific short-term financial and operational performance metrics for the Company's executive officers. For 2021, the Company did not achieve the financial performance metrics established as part of the executive bonus plan. As a result, no bonuses were earned by the Named Executive Officers for the year ending December 31, 2021.

Long-Term Equity-Based Compensation. The Company believes that the issuance of long-term equity incentive grants are an integral part of its overall executive compensation program and that the Company's long-term performance will be enhanced through the use of equity awards that reward executive officers for maximizing stockholder value over time. The Company adopted the 2014 Omnibus Performance Award Plan (the "Plan"), which authorizes the grant of awards relating to 150,000 shares of the Company's Common Stock. At the 2020 annual meeting an amendment to the Plan to increase award shares to 300,000 was approved. In October 2020, the Compensation Committee of the Board of Directors granted restricted stock awards to the President and Chief Executive Officer, Chief Operating Officer and Chief Financial Officer pursuant to provisions of the Plan. All of the 2020 awards are subject to a three-year time-based vesting schedule and 75% of the 2020 awards are subject to the achievement of performance targets relating to EBITDA growth for the years ending December, 31, 2020, 2021 and 2022, vesting on December 31, 2022 if performance achievement is met. The Summary Compensation Table below reflects the fair market value of the unvested awards based upon the vesting schedule at December 31, 2020.

Retirement, Health and Welfare Benefits and Other Perquisites. Executive officers are eligible to participate in the Company's employee benefit plans offered to all of its employees, including medical, dental, group life, disability, accidental death insurance and the Company's sponsored 401(k).

The individual compensation of non-executive officers and other employees is determined by our executive officers or non-executive officers, depending on the employee, based upon the compensation plan approved by our Compensation Committee. Furthermore, these same executive officers make recommendations with respect to equity incentive awards to people at these levels, which are then submitted to our Compensation Committee for final determination. The Compensation Committee determines the compensation of our named executive officers in executive session.

Employment Contracts

The Company does not have employment agreements with its executive officers.

On April 15, 2020 James Pritchett, who had been President and Chief Executive Officer of the Company since January 2009, retired from the Company. Mr Pritchett served as a consultant to the Company through April 2021. In April 2020, the Board of Directors appointed Scott Switzer, the Company's Chief Operating Officer and Chief Financial

Officer, to serve as Interim President and Chief Executive Officer. In June 2022, Mr. Switzer was appointed President and Chief Executive Officer and as a member of the Board of Directors.

Summary Compensation Table

The following table provides information as to compensation paid by the Company to our former President and Chief Executive Officer, our current President and Chief Executive Officer (principal executive officer), our Chief Operating Officer (principal operating officer), and our Chief Financial Officer (principal financial officer), (collectively, the “Named Executive Officers”), for services rendered for the fiscal years ended December 31, 2021, 2020 and 2019:

Name and Principal Position	Year	Salary	Bonus	Stock Awards ⁽¹⁾	All Other Compensation	Total
James Pritchett Former President and Chief Executive Officer ⁽²⁾	2021	\$0	\$0	\$0	\$74,205 ⁽⁵⁾	\$74,205
	2020	\$67,000	\$0	\$0	\$192,212 ⁽⁵⁾	\$259,212
	2019	\$395,000	\$44,200	\$47,600	-	\$486,800
Scott Switzer President and Chief Executive Officer ⁽³⁾	2021	\$270,000	\$0	\$4,650	-	\$274,650
	2020	\$267,000	\$14,381	\$12,619	-	\$294,000
	2019	\$255,000	\$22,500	\$43,600	-	\$321,100
Shane Compton Chief Operating Officer ⁽⁴⁾	2021	\$248,000	\$0	\$3,100	-	\$251,100
	2020	\$237,000	\$11,594	\$3,600	-	\$252,194
	2019	\$210,000	\$13,125	\$19,058	-	\$242,183
Sarah Ryder Chief Financial Officer ⁽⁴⁾	2021	\$215,000	\$0	\$3,100	-	\$218,100
	2020	\$208,000	\$9,844	\$3,600	-	\$221,444
	2019	\$165,000	\$10,471	\$16,335	-	\$191,806

(1) Represents the dollar amount recognized for financial statement reporting purposes for restricted stock awards vested during the fiscal years ended December 31, 2021, 2020 and 2019 in accordance with ASC 718. See Note 11 to the Company’s Consolidated Financial Statements for the fiscal year ended December 31, 2021 for a further discussion of the valuation assumptions used for purpose of the calculation.

(2) Mr. Pritchett retired as President and Chief Executive Officer in April 2020.

(3) Effective upon Mr. Pritchett’s retirement in April 2020, Mr. Switzer, the Company’s Chief Financial Officer and Chief Operating Officer, was appointed Interim President and Chief Executive Officer. Effective June 2022, Mr. Switzer was appointed President and Chief Executive Officer.

(4) Effective upon Mr. Switzer’s appointment to Interim President & Chief Executive Officer in April 2020, Sarah Ryder, the Company’s Corporate Controller was appointed Chief Financial Officer and Shane Compton, the Company’s Chief Engineering Officer was appointed Chief Operating Officer.

(5) All other compensation for Mr. Pritchett included consulting fees and severance payments.

Outstanding Equity Awards at Fiscal Year-End

The following table provides summary information concerning equity awards held by the Named Executive Officers as of December 31, 2021:

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options		Option Exercise Price	Option Expiration Date	Number of Shares of Stock That Have Not Vested	Market Value of Shares That Have Not Vested ⁽¹⁾	Equity Incentive Plan Awards:	
Exercisable	Unexercisable	Number of Unearned Shares That Have Not Vested					Market of Payout Value of Unearned Shares That Have Not Vested ⁽¹⁾	
Scott Switzer	5,000 ⁽²⁾	-	\$11.50	3/19/2024	1,000 ⁽³⁾	\$4,650	9,000 ⁽⁴⁾	\$41,850
Shane Compton	-	-	-	-	666 ⁽³⁾	\$3,097	6,000 ⁽⁴⁾	\$27,900
Sarah Ryder	-	-	-	-	666 ⁽³⁾	\$3,097	6,000 ⁽⁴⁾	\$27,900

(1) Based on the closing market price of our Common Stock as of December 31, 2021 (\$4.65).

(2) Such options were granted on March 19, 2014 and vested annually in 4 equal installments.

(3) Time-based restricted stock awards granted on October 29, 2020 that vest on December 31, 2022.

(4) Performance-based restricted stock awards granted on October 29, 2020 that vest on December 31, 2022 based on the Company's achievement of 5% annual EBITDA growth from fiscal year 2019.

Director Compensation

The following table contains information concerning the compensation of our non-employee directors for the fiscal year ended December 31, 2021.

Name	Fees Earned or Paid in Cash	Options Awards⁽¹⁾	All Other Compensation	Total
Rory Cowan⁽²⁾	\$2,500	—	—	\$2,500
Sally Washlow	\$29,167	\$14,712	—	\$43,879
Jared Landaw⁽³⁾	\$20,000	\$14,712	—	\$34,712
Gregory Hradsky⁽³⁾	\$20,000	\$14,712	—	\$34,712
Jeffrey Wald⁽³⁾	\$20,000	\$14,712	—	\$34,712
Alan Howe	\$20,000	\$14,712	—	\$34,712

(1) Reflects the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2021 in accordance with SFAS 123(R). A discussion of valuation assumptions used for purposes of the SFAS 123(R) calculation is included under Note 2 to our Consolidated Financial Statements set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, which can be accessed at www.sec.gov.

(2) Rory Cowan resigned as from the Board of Directors on February 1, 2021.

(3) Mr. Landaw, Mr. Hradsky, and Mr. Wald are not standing for reelection and their term as a director will expire at the annual meeting.

Our 2021 director compensation policy entitles each director to cash compensation of \$20,000 upon initial election and annually thereafter during their term of services, with our Chair receiving an additional \$10,000 annually. Directors can receive up to 50% of their annual cash compensation in stock at their election. Non-employee directors are entitled to fully vested options to purchase 4,000 shares of common stock upon initial election and fully vested options to purchase 4,000 shares of common stock granted at the annual meeting date.

SECURITY OWNERSHIP OF MANAGEMENT

The following table presents information with respect to beneficial ownership of the common stock as of August 10, 2022 by:

- each of our Named Executive Officers that are currently providing services to the company;
- each of our current directors; and
- all current executive officers and directors as a group

Except as otherwise noted, the address of each person/entity listed in the table is c/o Costar Technologies, Inc., 101 Wrangler Drive, Suite 201, Coppell, Texas 75019. The table includes all shares of common stock issuable within 60 days of August 10, 2022 upon the exercise of options and other rights beneficially owned by the indicated stockholders on that date. Beneficial ownership is determined in accordance with the rules of the SEC and includes voting and investment power with respect to all shares of common stock. To our knowledge, except under applicable community property laws or as otherwise indicated, the persons named in the table have sole voting and sole investment control with respect to all shares of common stock beneficially owned. The applicable percentage of ownership for each stockholder is based on 1,653,831 shares of common stock outstanding as of August 10, 2022. Shares of common stock issuable upon exercise of options and other rights beneficially owned are deemed outstanding for the purpose of computing the percentage ownership of the person holding those options and other rights, but are not deemed outstanding for computing the percentage ownership of any other person. We no longer disclose information with respect to beneficial ownership of our common stock by persons who beneficially own more than 5% of our common stock, as such persons, if any, are no longer required to publicly disclose their ownership of our company as a result of the suspension of our reporting requirements under the Exchange Act.

Name of Beneficial Owner	Number of Shares	Percent
Scott Switzer	50,015 ⁽¹⁾	3.02
Jeffrey Wald	41,205 ⁽²⁾	2.46
Jared L. Landaw	38,574 ⁽³⁾	2.30
Gregory T. Hradsky	35,798 ⁽⁴⁾	2.13
Sally Washlow	22,208 ⁽⁵⁾	1.33
Alan B. Howe	21,294 ⁽⁶⁾	1.27
Sarah Ryder	11,625 ⁽⁷⁾	0.70
Shane Compton	9,875 ⁽⁸⁾	0.60
All executive officers and directors as a group (consisting of 8 persons)	230,594 ⁽⁹⁾	13.01

- (1) Includes 5,000 shares of common stock issuable upon the exercise of options and 10,000 shares of restricted stock subject to vesting.
- (2) Includes 24,000 shares of common stock issuable upon the exercise of options.
- (3) Includes 25,000 shares of common stock issuable upon the exercise of options.
- (4) Includes 24,000 shares of common stock issuable upon the exercise of options.
- (5) Includes 20,000 shares of common stock issuable upon the exercise of options.
- (6) Includes 20,000 shares of common stock issuable upon the exercise of options.
- (7) Includes 6,666 shares of restricted stock subject to vesting.
- (8) Includes 6,666 shares of restricted stock subject to vesting.
- (9) Includes 118,000 shares of common stock issuable upon the exercise of options and 23,332 shares of restricted stock subject to vesting.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Persons

In December 2018, we entered into a cooperation agreement with Milfam LLC (“the cooperation agreement”). According to the cooperation agreement, Milfam and its affiliated entities beneficially own approximately 20% of the Company’s outstanding common stock as of the date of the agreement. Pursuant to the cooperation agreement, the Board agreed to expand the size of the Board by one director and appoint Mr. Howe to the newly created vacancy. The cooperation agreement provides customary standstill provisions including that, so long as Mr. Howe continues to serve on the Board, Milfam LLC will not, among other things, engage in a proxy contest concerning the Company’s director nominees or take any other action seeking a change in management. The cooperation agreement will terminate following the deadline for stockholders to nominate director candidates for this annual meeting. A copy of the cooperation agreement is available on the Company’s website at <https://costartechnologies.com/Investor-Relations/Corporate-Governance>.

Transactions with Related Persons

In the last fiscal year, other than as set forth above, there has not been nor are there currently proposed any transactions or a series of similar transactions to which the Company was or is to be a party in which the amount involved exceeds \$120,000 and in which any director, executive officer, holder of more than 5% of our common stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest.

Review, Approval or Ratification of Transactions with Related Persons

Pursuant to the Charter of the Audit Committee, the Audit Committee is charged, on behalf of the Board of Directors, with conducting an appropriate review of all related party transactions for potential conflict of interest situations on an ongoing basis, and the approval of the Audit Committee is required for all such transactions.

PROPOSAL 2

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The audit committee of our Board of Directors has appointed FORVIS LLP (formerly known as BKD LLP) as our independent registered public accounting firm for 2022. We expect a representative of FORVIS, LLP to attend the 2022 Annual Meeting of Stockholders. Such representative will have an opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions.

Stockholder Ratification

We are not required to submit the appointment of FORVIS, LLP for ratification by our stockholders. However, we are doing so as a matter of good corporate practice. If the stockholders fail to ratify the appointment, the audit committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the audit committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if they determine that such an appointment would be in our best interests and that of our stockholders.

The Board of Directors, based upon the recommendation of the audit committee, unanimously recommends a vote *FOR* the ratification of the appointment of FORVIS LLP as the independent registered public accounting firm of the Company for 2022.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

FORVIS LLP served as our independent registered public accounting firm to perform the review of our quarterly interim financial statements and the audits of our financial statements for the years ending December 31, 2021 and 2020. The table below sets forth the aggregate audit fees for services rendered by BKD LLP in our fiscal years ended December 31, 2021 and December 31, 2020.

<u>Fee Category</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>
Audit Fees ⁽¹⁾	\$166,375	\$129,542

(1) Audit fees consist of fees billed for professional services rendered for the audit of our annual financial statements and review of our interim quarterly financial statements and for services normally provided in connection with statutory and regulatory filings.

Pre-Approval Policies and Procedures of Audit Committee

The Audit Committee has responsibility for the appointment, compensation and oversight of the work of the independent accountant. As part of this responsibility, the Audit Committee must pre-approve all permissible services to be performed by the independent accountant.

The Audit Committee has adopted an auditor pre-approval policy which sets forth the procedures and conditions pursuant to which pre-approval may be given for services performed by the independent auditor. Under the policy, the Committee must give prior approval for all auditing services and the terms thereof (which may include providing comfort letters in connection with securities underwritings) and non-audit services (other than non-audit services prohibited under Section 10A(g) of the Exchange Act or the applicable rules of the SEC or the Public Company Accounting Oversight Board) to be provided. Prior approval need not be given with respect to the provision of non-audit services if certain “de minimis” provisions of Section 10A(i)(1)(B) of the Exchange Act are satisfied. The Audit Committee may delegate to one or more of its members authority to approve a request for pre-approval provided the member reports any approval so given to the Audit Committee at its next scheduled meeting.

ANNUAL REPORT

In March 2010, the Company terminated the registration of its common stock under the Exchange Act. As a result, the Company's obligation to file reports under the Exchange Act, including an annual report under Form 10-K, has been suspended. The Company will continue to make unaudited quarterly and reviewed or audited annual financial information available to its stockholders by press release and through its website located at <http://www.costartechologies.com>.

OTHER MATTERS

Our Board of Directors knows of no other matters to be brought before the meeting. However, if other matters should come before the meeting, it is the intention of each person named in the proxy to vote such proxy in accordance with his or her judgment on such matters.