

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

SCHEDULE 14A INFORMATION

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

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

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

ATERIAN, INC.

(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

- No fee required.
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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- Fee paid previously with preliminary materials.
 Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

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ATERIAN, INC.
37 East 18th Street, 7th Floor
New York, NY 10003

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
Thursday, July 29, 2021

10:00 a.m. Eastern Time

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders (the "Annual Meeting") of Aterian, Inc., a Delaware corporation (the "Company"), or any adjournment or postponement thereof. The Annual Meeting will be held virtually, via live webcast at www.virtualshareholdermeeting.com/ATER2021, on Thursday, July 29, 2021, at 10:00 a.m. Eastern Time, for the following purposes:

1. To elect Greg B. Petersen and Amy von Walter as Class II directors to serve until our 2024 Annual Meeting of Stockholders;
2. To elect Bari A. Harlam as a Class I director to serve until our 2023 Annual Meeting of Stockholders; and
3. To conduct any other business properly brought before the Annual Meeting and any adjournment or postponement thereof.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

The record date for the Annual Meeting is June 25, 2021. Only stockholders of record at the close of business on that date may vote at the Annual Meeting or any adjournment or postponement thereof. This Notice is being mailed to all stockholders of record entitled to vote at the Annual Meeting on or about June 29, 2021.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to be held virtually, via live webcast at www.virtualshareholdermeeting.com/ATER2021, on Thursday, July 29, 2021, at 10:00 a.m. Eastern Time.

The proxy statement and annual report to stockholders are available at www.proxyvote.com.

By Order of the Board of Directors

/s/ Yaniv Sarig

Yaniv Sarig
Chief Executive Officer

New York, New York
June 29, 2021

You are cordially invited to attend the Annual Meeting virtually, via live webcast. Whether or not you expect to attend the Annual Meeting, please complete, date, sign and return the enclosed proxy or submit your proxy through the internet or by telephone as promptly as possible in order to ensure your representation at the Annual Meeting. If you have requested physical materials to be mailed to you, then a return envelope (which is postage prepaid if mailed in the United States) is enclosed for your convenience if you choose to submit your proxy by mail. Even if you have voted by proxy, you may still vote electronically during the meeting if you attend the Annual Meeting online. Please note, however, that if your shares are held of record by a broker, bank or other agent and you wish to vote at the Annual Meeting, you must obtain a proxy issued in your name from that record holder.



ATERIAN, INC.
37 East 18th Street, 7th Floor
New York, NY 10003

**PROXY STATEMENT
FOR THE 2021 ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON JULY 29, 2021**

QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

Why am I receiving these materials?

We have sent you these proxy materials because the Board of Directors (our “Board”) of Aterian, Inc. (sometimes referred to as “we”, “us”, “Aterian” or the “Company”) is soliciting the proxy of holders of our common stock, par value \$0.0001 per share (the “Common Stock”), to vote at the 2021 Annual Meeting of Stockholders, or any adjournment or postponement thereof (the “Annual Meeting”). You are invited to attend the Annual Meeting online and we request that you vote on the proposal described in this Proxy Statement.

We intend to mail this Proxy Statement, the Notice of Annual Meeting of the Stockholders and accompanying proxy card on or about June 29, 2021 to all stockholders of record entitled to vote at the Annual Meeting.

When and where will the Annual Meeting be held?

The Annual Meeting will be conducted solely online via live webcast. You will be able to attend and participate in the Annual Meeting online, vote your shares electronically and submit your questions prior to and during the meeting by visiting www.virtualshareholdermeeting.com/ATER2021 on Thursday, July 29, 2021, at 10:00 a.m. Eastern Time.

To be admitted to the Annual Meeting at www.virtualshareholdermeeting.com/ATER2021, you must enter the control number included in your proxy materials. There is no physical location for the Annual Meeting. We recommend you log in at least 15 minutes before the Annual Meeting to ensure you are logged in when the meeting starts. Further instructions on how to attend and participate online are available at www.virtualshareholdermeeting.com/ATER2021.

Who can vote at the Annual Meeting?

Only stockholders of record at the close of business on June 25, 2021 (the “Record Date”) will be entitled to vote at the Annual Meeting. At the close of business on the Record Date, there were 34,098,096 shares of Common Stock outstanding and entitled to vote and no shares of preferred stock outstanding or entitled to vote. The holders of Common Stock will have one vote for each share of Common Stock they owned as of the close of business on June 25, 2021.

Stockholder of Record: Shares Registered in Your Name

If at the close of business on June 25, 2021, your shares of Common Stock were registered directly in your name with our transfer agent, Philadelphia Stock Transfer, Inc., then you are the stockholder of record for these shares. As a stockholder of record, you may vote either electronically during the Annual Meeting or by proxy. Whether or not you plan to attend the Annual Meeting online, we urge you to vote by proxy over the telephone or internet as instructed below to ensure that your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker, Bank or Other Agent

If at the close of business on June 25, 2021, your shares of Common Stock were held, not in your name, but rather in an account at a brokerage firm, bank, dealer or other similar organization, then you are the beneficial owner of shares held in “street name” and the proxy materials are being forwarded to you by that organization.

The organization holding your account is considered the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker, bank or other agent regarding how to vote the shares in your account. Certain of these institutions offer the ability to direct your agent how to vote through the internet or by telephone. You are also invited to attend the Annual Meeting online. However, because you are not the stockholder of record, you may not vote your shares electronically during the Annual Meeting unless you request and obtain a valid proxy issued in your name from the broker, bank or other agent considered the stockholder of record of the shares.

What am I voting on?

You will be voting on:

- the election of each of the Class II nominees for director to serve until our 2024 Annual Meeting of Stockholders or until his or her successor is duly elected and qualified; and
- the election of the Class I nominee for director to serve until our 2023 Annual Meeting of Stockholders or until her successor is duly elected and qualified.

Will there be any other items of business on the agenda?

Aside from the election of the Class II directors and a Class I director, our Board knows of no matters to be presented at the Annual Meeting. If any other matter should be presented at the Annual Meeting upon which a vote properly may be taken, shares represented by all proxies received by our Board will be voted with respect thereto in accordance with the judgment of the persons named as attorneys-in-fact in the proxies.

What is the Aterian Board's voting recommendation?

Our Board recommends that you vote your shares "For" the Class II and Class I nominees to our Board.

How do I vote?

With respect to the election of each of the director nominees, you may either vote "For" a nominee or you may "Withhold" your vote for a nominee. The procedures for voting are described below, based upon your form of ownership.

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote your shares electronically during the Annual Meeting online by visiting www.virtualshareholdermeeting.com/ATER2021 on Thursday, July 29, 2021, at 10:00 a.m. Eastern Time. To be admitted to the Annual Meeting at www.virtualshareholdermeeting.com/ATER2021, you must enter the control number included in your proxy materials. We recommend you log in at least 15 minutes before the meeting to ensure you are logged in when the meeting starts. Further instructions on how to attend and participate online are available at www.virtualshareholdermeeting.com/ATER2021.

If you do not wish to vote electronically during the Annual Meeting or you will not be attending the Annual Meeting, you may vote by proxy. You may vote by proxy on the internet, vote by proxy over the telephone or vote by proxy using a proxy card that you may request. The procedures for voting by proxy are as follows:

- To vote by proxy on the internet, go to "www.proxyvote.com" and follow the instructions set forth on the internet site or scan the QR code with your smartphone. Have your proxy card available when you access the web page.
- To vote by proxy over the telephone, dial 1-800-690-6903 in the United States using a touch-tone telephone and follow the recorded instructions. Have your proxy card available when you call.
- To vote by proxy using a proxy card, complete, sign and date the proxy card that may be delivered to you upon request and return it promptly in the envelope provided.

If you vote by proxy, your vote must be received by 11:59 p.m. Eastern Time on July 28, 2021 to be counted.

We provide internet and telephone proxy voting with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your internet and telephone access, such as usage charges from internet access providers and telephone companies.

Beneficial Owner: Shares Registered in the Name of Your Broker, Bank or Other Agent

If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should have received a notice or proxy materials containing voting instructions from that organization rather than from Aterian. To ensure that your vote is counted, follow the voting instructions in the notice. To vote electronically during the Annual Meeting, you must obtain a valid proxy from your broker, bank or other agent in whose name the shares are registered. Follow the instructions from your broker, bank or other agent included with these proxy materials, or contact your broker, bank or other agent to request a proxy card.

How many votes do I have?

On each matter to be voted upon, holders of Common Stock will have one vote for each share of Common Stock they owned as of the Record Date for the Annual Meeting.

Will my vote be kept confidential?

Proxies, ballots and voting tabulations are handled on a confidential basis to protect your voting privacy. This information will not be disclosed, except as required by law.

Who is paying for this proxy solicitation?

We will bear the cost of soliciting proxies for the Annual Meeting. We will ask banks, brokerage houses, fiduciaries and custodians holding shares of Common Stock in their names for others to send proxy materials to and obtain proxies from the beneficial owners of such shares, and we will reimburse them for their reasonable expenses in doing so. We and our directors, officers and regular employees may solicit proxies by mail, personally, by telephone or by other appropriate means. No additional compensation will be paid to directors, officers or other regular employees for such services.

We have engaged D.F. King & Co., Inc. (“DF King”) for a fee of \$7,500 to assist us in the mailing, collection and administration of proxies for the Annual Meeting. If you have any questions about this Proxy Statement or the Annual Meeting, you may contact DF King at:

D.F. King & Co., Inc.
48 Wall Street, 22 Floor
New York, New York 10005
Banks and Brokers Call Collect: (212) 269-5550
All Others Call Toll-Free: (800) 628-8510
Email: ATER@dfking.com

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please follow the voting instructions on each proxy card to ensure that all of your shares of Common Stock are voted.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the Annual Meeting. If you are a stockholder of record, you may revoke your proxy in any one of four ways:

- You may submit another properly completed and executed proxy card with a later date;
- You may submit a new proxy through the internet by going to “www.proxyvote.com” and following the instructions set forth on the internet site or scan the QR code with your smartphone, or by telephone by dialing 1-800-690-6903 in the United States using a touchtone telephone and following the recorded instructions. Have your proxy card available when you access the web page or call (your latest internet or telephone instructions submitted prior to the deadline will be followed);
- You may send a written notice that you are revoking your proxy to our Secretary, c/o Aterian, Inc., 37 East 18th Street, 7th Floor, New York, NY 10003; or
- You may attend the Annual Meeting online and vote electronically during the Annual Meeting. However, simply attending the Annual Meeting will not, by itself, revoke your proxy.

If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should follow the voting instructions from that organization, or contact that organization to determine how you may revoke your proxy.

Votes will be counted by the inspector of election appointed for the Annual Meeting.

How are my shares voted if I give no specific instruction?

We must vote your shares as you have instructed. If there is a matter on which a stockholder of record has given no specific instruction but has authorized us generally to vote the shares, they will be voted as follows:

- “For” the election of the Class II director nominees; and
- “For” the election of the Class I director nominee.

If other matters properly come before the Annual Meeting and you do not provide specific voting instructions, your shares will be voted at the discretion of the proxies.

If your shares are held in street name, see “What is a broker non-vote?” below regarding the ability of banks, brokers and other such holders of record to vote the uninstructed shares of their customers or other beneficial owners in their discretion and regarding broker non-votes.

What is a broker non-vote?

Under rules that govern banks, brokers and others who have record ownership of company stock held in brokerage accounts for their clients who beneficially own the shares, these banks, brokers and other such holders who do not receive voting instructions from their clients have the discretion to vote uninstructed shares on certain matters (“discretionary matters”) but do not have discretion to vote uninstructed shares as to certain other matters (“non-discretionary matters”). A broker may return a proxy card on behalf of a beneficial owner from whom the broker has not received voting instructions that casts a vote with regard to discretionary matters but expressly states that the broker is not voting as to non-discretionary matters. The broker’s inability to vote with respect to the non-discretionary matters for which the broker has not received voting instructions from the beneficial owner is referred to as a “broker non-vote”. Each of the proposals is a non-discretionary matter and as such, if you do not instruct your bank, broker or other such holder how to vote your shares, no votes will be cast on your behalf on any proposal.

What voting requirement applies to the proposal discussed in this Proxy Statement?

<u>Proposals</u>	<u>Vote Required</u>	<u>Discretionary Voting Allowed?</u>
1. Election of Class II Directors	Plurality	No
2. Election of Class I Director	Plurality	No

The election of the Class II nominees for director to serve until our 2024 Annual Meeting of Stockholders or until his or her successor is duly elected and qualified and the election of the Class I nominee for director to serve until our 2023 Annual Meeting of Stockholders or until her successor is duly elected and qualified will be approved by a plurality vote, which means the nominee receiving the most “For” votes (from the holders of shares present in person or represented by proxy and entitled to vote on the election of the director nominees) will be elected to our Board.

“Discretionary voting” occurs when a bank, broker, or other holder of record does not receive voting instructions from the beneficial owner and votes those shares at its discretion on any proposal as to which the rules permit such bank, broker or other holder of record to vote. As noted above, when banks, brokers and other holders of record are not permitted under the rules to vote the beneficial owner’s shares, the affected shares are referred to as “broker non-votes”.

Accordingly, as it relates to the election of each of the director nominees, the nominees receiving the most “For” votes (from the holders of shares present in person or represented by proxy and entitled to vote on the election of the director nominees) will be elected. Only votes “For” or “Withheld” will affect the outcome.

What is the effect of abstentions and broker non-votes?

Abstentions: Under Delaware law (under which Aterian is incorporated), abstentions are counted as shares present and entitled to vote at the Annual Meeting, but they are not counted as votes cast. Moreover, our Second Amended and Restated Bylaws (the “Bylaws”) provide that a plurality of votes cast shall be sufficient to elect a director, and therefore there will not be an option to abstain from voting on Proposal No. 1—Election of Class II Directors or Proposal No. 2—Election of Class I Director.

Broker Non-Votes: Under the rules related to discretionary voting and broker non-votes, banks, brokers and other such record holders are not permitted to vote the uninstructed shares of their customers on a discretionary basis in the election of directors. Because broker non-votes are not considered under Delaware law to be entitled to vote at the Annual Meeting, they will have no effect on the outcome of the vote on either Proposal No. 1—Election of Class II Directors or Proposal No. 2—Election of Class I Director. As a result, if you hold your shares in street name and you do not instruct your bank, broker or other such holder how to vote your shares in the election of the director nominee, no votes will be cast on your behalf on the proposal. **Therefore, it is critical that you indicate your vote on this proposal if you want your vote to be counted.**

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if the holders of at least a majority of our outstanding shares of Common Stock are present electronically during the Annual Meeting or represented by proxy. At the close of business on June 25, 2021, the Record Date for the Annual Meeting, there were 34,098,096 shares of Common Stock outstanding. Thus, a total of 34,098,096 shares are entitled to vote at the Annual Meeting and the holders of 17,049,049 shares of Common Stock representing at least 17,049,049 votes must be represented at the Annual Meeting or by proxy to have a quorum.

Your shares will be counted towards the quorum requirement only if you submit a valid proxy (or if one is submitted on your behalf by your broker, bank or other agent) or if you vote electronically during the Annual Meeting. If there is no quorum, the chairperson of the Annual Meeting or a majority of the shares present at the Annual Meeting may adjourn the Annual Meeting to another date.

Who will count the votes?

The votes will be counted, tabulated and certified by Broadridge Financial Solutions, Inc.

Do Aterian’s executive officers and directors have an interest in any of the matters to be acted upon at the Annual Meeting?

Mr. Petersen and Ms. Von Walter each have an interest in Proposal No. 1—Election of Class II Directors, and Ms. Harlam has an interest in Proposal No. 2—Election of Director, as each nominee is currently a member of our Board.

Other than as set forth in this Proxy Statement, no person who is or has been our director or executive officer since the beginning of the last fiscal year, or any of their associates has any substantial interest, direct or indirect, by security holdings or otherwise in any matter to be acted upon at the Annual Meeting.

How can I find out the results of the voting at the Annual Meeting?

Voting results are expected to be announced at the Annual Meeting and will also be disclosed in a Current Report on Form 8-K (the “Form 8-K”) that we will file with the Securities and Exchange Commission (the “SEC”) within four business days of the date of the Annual Meeting. In the event the results disclosed in our Form 8-K are preliminary, we will subsequently amend the Form 8-K to report the final voting results within four business days of the date that such results are known.

When are stockholder proposals due for next year’s annual meeting of stockholders?

Stockholders may submit proposals on matters appropriate for stockholder action at the 2022 annual meeting of our stockholders (“2022 Annual Meeting of Stockholders”) consistent with Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). To be considered for inclusion in proxy materials for our 2022 Annual Meeting of Stockholders, a stockholder proposal must be submitted in writing no later than March 1, 2022 to our Secretary, c/o Aterian, Inc., 37 East 18th Street, 7th Floor, New York, NY 10003.

If you wish to submit a proposal that is not to be included in the proxy materials for our 2022 Annual Meeting of Stockholders, your proposal generally must be submitted in writing to the same address no earlier than March 31, 2022, but no later than April 30, 2022. However, if the date of the 2022 Annual Meeting of Stockholders is convened more than 30 days before, or delayed by more than 30 days after, July 29, 2022, to be considered for inclusion in proxy materials for our 2022 Annual Meeting of Stockholders, a stockholder proposal must be submitted in writing to our Secretary, c/o Aterian, Inc., 37 East 18th Street, 7th Floor, New York, NY 10003 a reasonable time before we begin to print and send our proxy materials for the 2022 Annual Meeting of Stockholders. If the date of the 2022 Annual Meeting of Stockholders is convened more than 30 days before, or delayed by more than 60 days after, July 29, 2022 and you wish to submit a proposal that is not to be included in the proxy materials for our 2022 Annual Meeting of Stockholders, your proposal generally must be submitted in writing to the same address not earlier than the close of business on the 120th day prior to the date of the 2022 Annual Meeting of Stockholders, and no later than the close of business on the later of (1) the 90th day before the date of the 2022 Annual Meeting of Stockholders, or (2) the 10th day following the day on which we first publicly announce (by press release or a filing with the SEC) the date of the 2022 Annual Meeting of Stockholders. Please review our Bylaws, which contain additional requirements regarding advance notice of stockholder proposals. You may view our Bylaws by visiting the SEC's internet website at www.sec.gov.

EXECUTIVE OFFICERS

Our executive officers are elected by, and serve at the discretion of, our Board. The names of our executive officers and their ages as of June 29, 2021, positions and biographies are set forth below.

Name	Age	Position(s)
Yaniv Sarig	43	President and Chief Executive Officer, Chairman of the Board
Arturo Rodriguez	45	Chief Financial Officer
Joseph A. Risico	47	Chief Legal Officer and Head of Corporate Development, North America
Mihal Chaouat-Fix	41	Chief Product Officer
Tomer Pascal	41	Chief Revenue Officer
Roi Zahut	33	Chief Technology Officer

Yaniv Sarig has served as a director and our President and Chief Executive Officer since September 2018, is a co-founder of Aterian Group, Inc. (“Aterian Opco”) and has served as a director and President and Chief Executive Officer of Aterian Opco since June 2014. Prior to co-founding Aterian, Mr. Sarig led the Financial Services Engineering department at Coverity, a leading software startup providing code quality and security solutions for top financial institutions and hedge funds in New York including NYSE, Nasdaq, JPMC and Barclays, from April 2012 to April 2014. Before joining Coverity, Mr. Sarig held lead technical roles at Bloomberg from October 2011 to April 2012 and EPIQ Systems, Inc. (Nasdaq: EPIQ), a legal process outsourcing company, from February 2006 to October 2011. Prior to moving to New York City, Mr. Sarig lived in Israel where he held various software engineering roles at startups from various industries including companies involved in digital printing solutions and military navigation systems. Mr. Sarig also served in the IDF Special Forces from November 1995 to November 1998, where he obtained the rank of Sergeant First Class. Mr. Sarig holds a Bachelor of Science in Computer Science from Touro College, is fluent in English, French, Hebrew and C++. We believe that Mr. Sarig is qualified to serve as a member of our Board based on the perspective and experience he brings as co-founder and President and Chief Executive Officer of Aterian Opco.

Arturo Rodriguez has served as our Chief Financial Officer since March 2021. Prior to that, he served as our Senior Vice President of Finance since September 2017. Prior to joining the Company, Mr. Rodriguez served as Chief Accounting Officer and Global Controller for Píksel, Inc. from July 2012 to September 2017 and also held the role of Interim Chief Operating Officer in 2017. From 2000 to 2011, Mr. Rodriguez held several financial leadership roles with the Atari Group, most notably Acting Chief Financial Officer of Atari, Inc. (Nasdaq: ATAR) from 2007 to 2008, and Deputy CFO of Atari SA (Euronext: ATA) from 2008 to 2010. Mr. Rodriguez started his career at Arthur Andersen LLP in 1997 and is a CPA in the State of New York (inactive). Mr. Rodriguez holds a Bachelor of Business Administration – Accounting from Hofstra University.

Joseph A. Risico has served as our Chief Legal Officer and Head of Corporate Development, North America since March 2021. Prior to that, he served as our General Counsel since September 2018 and has served as General Counsel for Aterian Opco since February 2018. Prior to joining Aterian, Mr. Risico held a number of legal and business positions, most recently at AutoModality, Inc., a UAV flight control software company, where he served as Chief Operating Officer and General Counsel from February 2017 to February 2018, Ecovative Design LLC, a biomaterials company, where he served as General Counsel and Head of Business Development from August 2011 to February 2017, and 3M Company, where he served as the General Counsel of 3M’s corporate ventures business from May 2010 to July 2011. Mr. Risico started his legal career as a corporate associate at the law firm of Cravath, Swaine & Moore LLP from August 2001 to June 2006. Mr. Risico holds a B.A. from New York University with concentrations in accounting and economics and a J.D. from Columbia Law School. Mr. Risico also holds a CPA (not active).

Tomer Pascal has served as our Chief Revenue Officer since September 2018 and has served as the Chief Revenue Officer for Aterian Opco since August 2017. Prior to joining Aterian, he was the Chief Executive Officer and co-founder for OMG Studios, a developer of digital media and advertising software products, from January 2015 to January 2016 and in various roles at Perion, an ad-tech company, from September 2009 to

January 2015. Mr. Pascal has held a variety of co-founder and general manager roles focusing on marketing and revenue growth for companies in media and technology. He served in the Israeli military from August 1998 to October 2003 and was a company commander for certain special combat units and when he left the military in 2003 he held the rank of Captain.

Mihal Chaouat-Fix has served as our Chief Product Officer since September 2018. Prior to taking the Chief Product Officer role, since June 2014, Ms. Chaouat-Fix served as our Chief Operating Officer, where she was responsible for our day-to-day leadership and operational management. Prior to joining Aterian, Ms. Chaouat-Fix worked in various strategic roles from April 2000 to March 2014 at Gottex Models Ltd., an international fashion swimwear company. Among her various roles spanning operations and marketing, she oversaw manufacturing, supply chain and distribution of 12 million units a year to over 40 countries world-wide.

Roi Zahut has served as our Chief Technology Officer since January 2019. Prior to joining Aterian, he served in a number of roles, including as the CTO of the Advanced Analytics global consulting team at IBM and as the architect of IBM Metropulse, a retail & CPG analytics platform, from October 2016 to January 2019. Prior to that, Mr. Zahut lived in Israel where he held senior technical, business and data science roles in startups and consulting companies including IBM Israel from January 2015 to October 2016, Brainbow Ltd from October 2013 to January 2015 and Matrix IT Ltd, an information technology company, from October 2008 to October 2011, working across industries (CPG, industrial and defense). Mr. Zahut also served in the Israeli Air Force from September 2005 to October 2008 where he obtained the rank of Sergeant First Class. Mr. Zahut holds an MSc in Neuroscience with distinction from Bar Ilan University.

Family Relationships

There are no family relationships among any of our directors or executive officers except that Yaniv Sarig and Mihal Chaouat-Fix are siblings.

BOARD OF DIRECTORS

Our business and affairs are managed under the direction of our Board, which currently consists of five members. The primary responsibilities of our Board are to provide oversight, strategic guidance, counseling and direction to our management.

In accordance with our amended and restated certificate of incorporation and our Bylaws, our Board is divided into three classes with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Our directors are divided among the three classes as follows:

- our class II directors are Mr. Petersen, Ms. von Walter and Ms. Harlam and their term will expire at the Annual Meeting;
- our class III director is Mr. Sarig and his term will expire at the annual meeting of stockholders to be held in 2022; and
- our class I director is currently Mr. Kurtz and, subject to Ms. Harlam's election as a Class I director at the Annual Meeting (Proposal No. 2), Ms. Harlam will also be a class I director, and their term will expire at the annual meeting of stockholders to be held in 2023.

At each annual meeting of stockholders, the successors to the directors whose term will then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. In addition, the authorized number of directors may be changed only by resolution of our Board. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of our Board may have the effect of delaying or preventing a change of our management or a change in control.

The names of our current directors, their ages as of June 29, 2021, director class and biographies are listed below. There are no family relationships between or among any of our directors.

Name	Age	Director Class	Position(s)
Greg B. Petersen	58	Class II	Director
Amy von Walter	47	Class II	Director
Bari A. Harlam	59	Class II ⁽¹⁾	Director
Yaniv Sarig ⁽²⁾	43	Class III	President and Chief Executive Officer, Director
William Kurtz	64	Class I	Director

(1) As of the Record Date, Ms. Harlam is a class II director. Subject to Ms. Harlam's election at the Annual Meeting (Proposal No. 2), Ms. Harlam will be a class I director immediately following the Annual Meeting.

(2) Please see "Executive Officers" on page 8 of this Proxy Statement for Mr. Sarig's biography.

Greg B. Petersen has served as a director since June 2019. Mr. Petersen currently serves on two other public company boards, PROS Holdings, Inc. and Plus Therapeutics, Inc. Mr. Petersen has previously served on other public company boards and has extensive experience as a Chief Financial Officer and executive at several software companies. Since February 2020, Mr. Petersen has served as a member of the board of directors for Plus Therapeutics, Inc., a clinical-stage pharmaceutical company focused on the discovery, development and delivery of innovative treatments for cancer and rare diseases, and serves as a member of its Audit Committee and Compensation Committee. Since 2007, he has served as a member of the board of directors of PROS Holdings, Inc., a provider of artificial intelligence solutions that powers commerce in the digital economy, and serves as chairman of its Compensation and Leadership Development Committee and as a member of its Audit Committee. Mr. Petersen also served on the board of directors of Diligent Corporation (2013 to 2016), a provider of enterprise governance management solutions, and Pikel, Inc. (2012 to 2017), which designs, builds and manages online video services. He was also an advisory board member at Synthesio (2014 to 2016), a provider of social listening tools. Mr. Petersen served as the chairman of the audit committee at Diligent and Pikel. A petition of bankruptcy was filed by Pikel, Inc. (f/k/a Kit Digital Inc.) in April 2013. Mr. Petersen has served as the president of Brookview Capital Advisors, an operations and investment advisory business, since 2016. From 2014 to 2015, he served as Executive Vice Chairman at Diligent Corporation. Mr. Petersen previously served as Chief Financial Officer of Lombardi Software, Inc., a business process management software provider (which

was sold to IBM in 2010), from 2008 to 2010 and Activant Solutions, Inc., a provider of business management solutions to retail and wholesale distribution businesses (which is now part of Epicor Software), from 2001 to 2007. Mr. Petersen previously served in executive roles with Trilogy Software, a provider of enterprise software and business services, from 1999 to 2001 and RailTex, a short-line and regional rail service provider, from 1997 to 1999. Mr. Petersen began his career with American Airlines, Inc., including serving as managing director of corporate development. Mr. Petersen holds a Bachelor of Arts in Economics from Boston College and a Master of Business Administration from the Fuqua School of Business at Duke University. We believe Mr. Petersen is qualified to serve as a member of our Board due to his business and leadership experience in software companies, merger and acquisition experience and extensive financial planning, accounting, governance, compensation planning and risk management knowledge.

Amy von Walter has served as a director since June 2019. Since August 2018, Ms. von Walter has served in various roles at The Nature's Bounty Co., a privately held, global manufacturer, marketer and online seller in the nutritional market, including Chief Administrative Officer and Global Chief Communications Officer. Ms. von Walter has held a number of senior level leadership roles at a variety of organizations, including Toys "R" Us, Inc. (March 2016 to August 2018), Best Buy Co., Inc. (NYSE: BBY) (September 2012 to March 2016), Medtronic PLC (NYSE: MDT) (October 2011 to September 2012), HealthPartners & Regions Hospital (May 2008 to October 2011), Target Corporation (NYSE: TGT) (December 2006 to May 2008) and the Department of Homeland Security (July 2003 to November 2006). She is an expert in crises and issues, having joined the Department of Homeland Security during its early days following 9/11 and having spent much of her career in this space. Ms. von Walter has deep experience in highly complex scenarios, including turnarounds, proxy battles and restructuring, and has managed reputational threats ranging from cybersecurity and terrorism to labor strife, privacy issues, recalls and employee misconduct. Ms. von Walter holds a Bachelor of Arts in Broadcast Journalism and Public Relations from the University of Minnesota, and later served as an adjunct professor at its School of Journalism in 2016. She previously served as an advisory board member for the USC Annenberg Center for Public Relations as well as several nonprofit boards, including Oakland-based Techbridge Girls and Minnesota-based ACES, a nonprofit dedicated to helping low-income students close the achievement gap. We believe Ms. von Walter is qualified to serve as a member of our Board due to her experience in the consumer packaged goods and retail industries as well as her expertise in human resources, communications, crisis management and public relations.

Bari A. Harlam has served as a director since February 2020, is a business leader, marketer, educator and author. In February 2020, she co-founded Trouble LLC, a pro-social, experience brand. Ms. Harlam has served on the Board of Directors of Eastern Bank since February 2014, Champion Petfoods LP since April 2020 OneWater Marine Inc. (Nasdaq: ONEW) since May 2020 and Rite Aid (NYSE: RAD) since September 2020, and serves as a member of the Compensation Committee for OneWater Marine Inc., as a member of the Nominating and Governance Committee of Rite Aid and as a member of the Risk, Trust, Innovation and Charitable Foundation Committees of Eastern Bank. From April 2018 to March 2020, she served as EVP, Chief Marketing Officer North America at Hudson's Bay Company (TSX: HBC). Prior to her time at Hudson's Bay Company, she was EVP, Membership, Marketing & Analytics at BJ's Wholesale Club (NYSE: BJ) from July 2012 to December 2016. Before joining BJ's Wholesale Club, she served as Chief Marketing Officer at Swipely, now called Upserve, from August 2011 to July 2012 and prior to that, she served as SVP, Marketing at CVS Health (NYSE: CVS) from 2000 to August 2011. Early in her career, she was a Professor at Columbia University from July 1989 to July 1992 and The University of Rhode Island from July 1992 to July 2000. In addition, she was an Adjunct Professor at The Wharton School at The University of Pennsylvania from January 2015 to May 2018. She received a Bachelor of Science, a Master of Science and a Ph.D. in Marketing from The University of Pennsylvania, The Wharton School. We believe Ms. Harlam is qualified to serve as a member of our Board due to her experience in the consumer packaged goods and retail industries as well as her expertise in marketing.

William Kurtz has served as a director since August 2019. Mr. Kurtz is a senior financial and operations executive with over 30 years of experience operating as chief financial officer or chief operating officer at several private and public technology companies on the East Coast and in Silicon Valley. Since 2016, he has served as a member of the board of directors of Verint Systems Inc., a customer experience software SaaS company, and he currently serves as chairman of its Audit Committee and as a member of the Nominating & Governance Committee. Mr. Kurtz has served as the Chief Financial and Commercial Officer for Ripcord, Inc. since January 2021 and as its Chief Commercial Officer since April 2021 and is currently serving as its interim Chief Executive Officer while the company conducts a search for a chief executive officer. He is also a member

of the Board of Ripcord Inc. Mr. Kurtz also served as a Strategic Advisor for Bloom Energy Corporation, a manufacturer of on-site power generation platforms, since January 2019 to January 2021 and previously served as its Chief Commercial Officer (from May 2015 to December 2018) and Chief Commercial & Financial Officer (from March 2008 to May 2015). Mr. Kurtz has also held a number of CFO or other senior finance and operations roles at a variety of organizations, including Novellus Systems, Inc. (from September 2005 to February 2008), Engenio Information Technologies, Inc. (from March 2004 to August 2005), 3PARdata, Inc. (from July 2001 to February 2004), Scient Corporation (from August 1998 to June 2001), AT&T Corporation (from July 1983 to July 1998) and Price Waterhouse & Co./Brout & Company (from June 1979 to July 1983). Mr. Kurtz also served as a member of the board of directors and chair of the audit committee of Violin Memory Inc. (from November 2014 to February 2017), PMC-Sierra, Inc. (from April 2003 to January 2016), AuraSound, Inc. (from August 2010 to April 2012), ONStor, Inc. (from January 2008 to July 2009) and Redback Networks Inc. (from October 1999 to January 2007). Mr. Kurtz holds a Bachelor of Science in Commerce from Rider University and a Master of Science in Management Sciences from Stanford University. We believe Mr. Kurtz is qualified to serve as a member of our Board due to his experience in chief financial officer and chief operating officer roles and his experience in private and public technology companies.

CORPORATE GOVERNANCE AND BOARD MATTERS

This section describes key corporate governance guidelines and practices that we have adopted. Complete copies of the charters of the committees of our Board and our Code of Conduct and Ethics described below may be viewed on our internet website at <https://ir.aterian.io/corporate-governance/governance-highlights> under “Governance Charters” and “Governance Documents”. Alternately, you can request a copy of any of these documents free of charge by writing to our Secretary, c/o Aterian, Inc., 37 East 18th Street, 7th Floor, New York, NY 10003.

Director Independence

Under the rules and listings standards of The Nasdaq Stock Market LLC (the “Nasdaq Rules”), a majority of the members of our Board must satisfy the Nasdaq criteria for “independence.” No director qualifies as independent under the Nasdaq Rules unless our Board affirmatively determines that the director does not have a relationship with us that would impair independence (directly or as a partner, stockholder or officer of an organization that has a relationship with us). Our Board has determined that Mses. Harlam and von Walter and Messrs. Kurtz and Petersen are independent directors as defined under the Nasdaq Rules. Mr. Sarig is not independent under the Nasdaq Rules as a result of his position as our Chief Executive Officer.

Board Leadership Structure

Our Bylaws provide our Board with the discretion to appoint a chairperson of our Board, which may be combined or separate from our Chief Executive Officer. On June 22, 2021, our independent directors appointed Mr. Sarig, our Chief Executive Officer, co-founder of the Company and Aterian Opco, as the Chairman of the Board. The independent directors believed this was appropriate as Mr. Sarig is most familiar with our business and industry, possesses detailed and in-depth knowledge of the issues, opportunities and challenges facing us and is therefore best positioned to develop agendas that ensure that the Board’s time and attention are focused on the most critical matters. Our independent directors bring experience, oversight and expertise from outside the Company and industry, while the Chief Executive Officer brings Company-specific experience and expertise.

Effective June 22, 2021, the Board adopted a Lead Independent Director Charter. The first Lead Independent Director is expected to be chosen at the meeting of the Board to be held following the Annual Meeting. The duties and responsibilities of our Lead Independent Director will include, among other things:

- acting as a liaison and a channel for communication between the Chairman and/or Chief Executive Officer and the independent directors;
- providing leadership to ensure that the Board works cohesively and independently and creates a climate of constructive candor among directors that encourages all viewpoints to be expressed and considered;
- advising the Chairman and/or Chief Executive Officer as to the quality, quantity and timeliness of the flow of information from company management that is necessary for the independent directors to effectively and responsibly perform their duties;
- in consultation with the Chairman and/or Chief Executive Officer and Chairperson of the Nominating and Corporate Governance Committee, coordinating the assessment of Board committee structure, organization and charters and evaluating the need for any changes, and consulting with the Chairman and/or Chief Executive Officer and Chairperson of the Nominating and Corporate Governance Committee concerning recommendations to the Board for committee membership, including chairpersons;
- along with the Chairperson of the Nominating and Corporate Governance Committee, interviewing all Board candidates, and making recommendations to the Nominating and Corporate Governance Committee and the Board;
- serving as non-executive Chairman until a permanent Chairman is appointed in the event of the incapacitation of a Chief Executive Officer who is serving as Chairman;
- coordinating and developing the agenda for executive sessions of the Board’s independent directors, chairing executive sessions, and communicating to the Chairman and/or Chief Executive Officer the substance of the discussions occurring at such sessions;

- working with the Chairman and/or Chief Executive Officer and the Chairpersons of the Audit Committee and the Nominating and Corporate Governance Committee to ensure there is a process to implement best practices that relate to the responsibilities of the Board;
- assisting in orienting and integrating new directors to the Board;
- suggesting possible Board meeting agenda items as the Lead Independent Director deems appropriate and serving as a sounding board on the development and presentation of significant issues, plans and strategies for Board consideration;
- together with the Chairperson of the Compensation Committee and such other directors as they deem appropriate, meeting with the Chief Executive Officer to discuss the Board's evaluation of the Chief Executive Officer's performance; and
- acting as the principal liaison between the independent directors and stockholders.

Our Lead Independent Director will also perform such additional duties as our Board of Directors may otherwise determine and delegate. Our Board will continue to periodically review our leadership structure and may make such changes in the future as it deems appropriate.

Role of Board in Risk Oversight Process

Our Board is responsible for overseeing our overall risk management process. The responsibility for managing risk rests with executive management while the committees of our Board and our Board as a whole participate in the oversight process. Our Board's risk oversight process builds upon management's risk assessment and mitigation processes, which include reviews of long-term strategic and operational planning, executive development and evaluation, regulatory and legal compliance, and financial reporting and internal controls with respect to areas of potential material risk, including operations, finance, legal, regulatory, cybersecurity, strategic and reputational risk.

Meetings and Executive Sessions

Our Board meets on a regular basis throughout the year to review significant developments affecting us and to act upon matters requiring its approval. Our Board also holds special meetings as required from time to time when important matters arise requiring Board action between scheduled meetings. During fiscal year 2020, (i) our Board met 19 times and acted by unanimous written consent 5 times, (ii) our audit committee of the Board (the "Audit Committee") met 7 times, (iii) our compensation committee of the Board (the "Compensation Committee") met 5 times and acted by unanimous written consent 2 times, and (iv) our nominating and corporate governance committee of the Board (the "Nominating and Corporate Governance Committee") did not have standalone meetings as it conducted its business through full Board meetings. None of our directors attended fewer than 75% of the total number of meetings held by our Board and the committees (on which and for the period during which the director served) during fiscal year 2020.

As required under applicable Nasdaq listing standards, our independent directors periodically meet in executive session at which only they are present.

Policy Regarding Board Member Attendance at Annual Meetings

It is the policy of our Board to invite directors and nominees for director to attend annual meetings of our stockholders. We held one annual meeting of stockholders in fiscal year 2020, and all of the members of our Board as of such date attended the meeting.

Information Regarding Committees of the Board of Directors

Our Board has established a standing Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. The following table provides membership information as of the date hereof and meetings held in 2020 for each of these committees of our Board:

Name	Audit	Compensation	Nominating and Corporate Governance
Greg B. Petersen ⁽¹⁾	X*		X
Amy von Walter ⁽²⁾	X	X*	
Bari A. Harlam ⁽³⁾		X	X
Yaniv Sarig			
William Kurtz	X	X	X*
Total meetings in 2020	7	5	0

* Current Committee Chairperson.

(1) Mr. Petersen served on the Compensation Committee until February 19, 2020.

(2) Ms. von Walter served on the Nominating and Corporate Governance Committee until February 19, 2020.

(3) Ms. Harlam joined the Compensation Committee and the Nominating and Corporate Governance Committee, effective February 19, 2020.

Below is a description of each primary committee of our Board. Members serve on these committees until their resignation, disqualification or removal or until otherwise determined by our Board. Each of these committees has authority to engage legal counsel or other experts or consultants, as it deems appropriate to carry out its responsibilities. Our Board has determined that each member of each of these committees meets the applicable Nasdaq rules and regulations regarding “independence” and that each member is free of any relationship that would impair his or her individual exercise of independent judgment with regard to us.

Audit Committee

We have a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. Our Audit Committee is comprised of Mr. Petersen, Mr. Kurtz and Ms. von Walter, with Mr. Petersen serving as Chairperson of the committee. Each member of the Audit Committee must be independent as defined under the applicable Nasdaq Rules and SEC rules and financially literate under the Nasdaq Rules. Our Board has determined that each member of the Audit Committee is “independent” and “financially literate” under the Nasdaq Rules and the SEC rules and that Mr. Petersen is an “audit committee financial expert” under the rules of the SEC. The responsibilities of the Audit Committee are included in a written charter. The Audit Committee acts on behalf of our Board in fulfilling our Board’s oversight responsibilities with respect to our accounting and financial reporting processes, the systems of internal control over financial reporting and audits of financial statements and reports, and also assists our Board in its oversight of the quality and integrity of our financial statements and reports and the qualifications, independence and performance of our independent registered public accounting firm. For this purpose, the Audit Committee performs several functions. The Audit Committee’s responsibilities include, among others:

- appointing, determining the compensation of, retaining, overseeing and evaluating our independent registered public accounting firm and any other registered public accounting firm engaged for the purpose of performing other review or attest services for us;
- prior to commencement of the audit engagement, reviewing and discussing with the independent registered public accounting firm a written disclosure by the prospective independent registered public accounting firm of all relationships between us, or persons in financial oversight roles with us, and such independent registered public accounting firm or their affiliates;
- determining and approving engagements of the independent registered public accounting firm, prior to commencement of the engagement, and the scope of and plans for the audit;
- monitoring the rotation of partners of the independent registered public accounting firm on our audit engagement;

- reviewing with management and the independent registered public accounting firm any fraud that includes management or other employees who have a significant role in our internal control over financial reporting and any significant changes in internal controls;
- establishing and overseeing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- reviewing the results of management’s efforts to monitor compliance with our programs and policies designed to ensure compliance with laws and rules; and
- reviewing and discussing with management and the independent registered public accounting firm the results of the annual audit and the independent registered public accounting firm’s assessment of the quality and acceptability of our accounting principles and practices and all other matters required to be communicated to the Audit Committee by the independent registered public accounting firm under generally accepted accounting standards, the results of the independent registered public accounting firm’s review of our quarterly financial information prior to public disclosure and our disclosures in our periodic reports filed with the SEC.

The Audit Committee reviews, discusses and assesses its own performance and composition at least annually. The Audit Committee also periodically reviews and assesses the adequacy of its charter, including its role and responsibilities as outlined in its charter, and recommends any proposed changes to our Board for its consideration and approval.

Typically, the Audit Committee meets at least quarterly and with greater frequency if necessary. Our Board has adopted a written charter of the Audit Committee that is available to stockholders on our internet website at <https://ir.aterian.io/corporate-governance/governance-highlights> under “Governance Charters”.

Compensation Committee

Our Compensation Committee is comprised of Ms. von Walter, Ms. Harlam and Mr. Kurtz, with Ms. von Walter serving as Chairperson of the committee. Our Board has determined that each member of the Compensation Committee is “independent” under the Nasdaq Rules and SEC rules. Each of the members of the Compensation Committee is also a “non-employee director” as that term is defined under Rule 16b-3 of the Exchange Act. The Compensation Committee acts on behalf of our Board to fulfill our Board’s responsibilities in overseeing our compensation policies, plans and programs; and in reviewing and determining the compensation to be paid to our executive officers and non-employee directors. The responsibilities of the compensation committee are included in its written charter. The responsibilities of the Compensation Committee include:

- reviewing, modifying and approving (or, if the Compensation Committee deems appropriate, making recommendations to our Board regarding) our overall compensation strategy and policies, and reviewing, modifying and approving corporate performance goals and objectives relevant to the compensation of our executive officers and other senior management;
- determining and approving (or, if the Compensation Committee deems appropriate, recommending to our Board for determination and approval) the compensation and terms of employment of our Chief Executive Officer, including seeking to achieve an appropriate level of risk and reward in determining the long-term incentive component of the Chief Executive Officer’s compensation;
- determining and approving (or, if the Compensation Committee deems appropriate, recommending to our Board for determination and approval) the compensation and terms of employment of our executive officers and other members of senior management;
- reviewing and approving (or, if it deems appropriate, making recommendations to our Board regarding) the terms of employment agreements, severance agreements, change-of-control protections and other compensatory arrangements for our executive officers and other senior management;
- conducting periodic reviews of the base compensation levels of all of our employees generally;
- reviewing and approving the type and amount of compensation to be paid or awarded to non-employee directors;

- reviewing and approving the adoption, amendment and termination of our stock option plans, stock appreciation rights plans, pension and profit sharing plans, incentive plans, stock bonus plans, stock purchase plans, bonus plans, deferred compensation plans, 401(k) plans, supplemental retirement plans and similar programs, if any; and administering all such plans, establishing guidelines, interpreting plan documents, selecting participants, approving grants and awards and exercising such other power and authority as may be permitted or required under such plans; and
- reviewing our incentive compensation arrangements to determine whether such arrangements encourage excessive risk-taking, reviewing and discussing at least annually the relationship between our risk management policies and practices and compensation, and evaluating compensation policies and practices that could mitigate any such risk.

In addition, once we cease to be an “emerging growth company”, as defined in the Jumpstart Our Business Startups Act of 2012, the responsibilities of the Compensation Committee will also include:

- reviewing and recommending to our Board for approval the frequency with which we conduct a vote on executive compensation, taking into account the results of the most recent stockholder advisory vote on the frequency of the vote on executive compensation, and reviewing and approving the proposals regarding the frequency of the vote on executive compensation to be included in our annual meeting proxy statements; and
- reviewing and discussing with management our Compensation Discussion and Analysis, and recommending to our Board that the Compensation Discussion and Analysis be approved for inclusion in our annual reports on Form 10-K, registration statements and our annual meeting proxy statements.

Our Board has adopted a written charter of the Compensation Committee that is available to stockholders on our internet website at <https://ir.aterian.io/corporate-governance/governance-highlights> under “Governance Charters”. The Compensation Committee meets from time to time during the year. Under its charter, the Compensation Committee may form, and delegate authority to, subcommittees as appropriate. The Compensation Committee reviews, discusses and assesses its own performance and composition at least annually. The Compensation Committee also periodically reviews and assesses the adequacy of its charter, including its role and responsibilities as outlined in its charter, and recommends any proposed changes to our Board for its consideration and approval.

The Compensation Committee is authorized to retain the services of independent advisers to assist it in carrying out its responsibilities. Since July 2019, Semler Brossy Consulting Group LLC (“Semler Brossy”) has provided compensation consulting services to assist management and the Compensation Committee in assessing our equity compensation plans and the compensation for our executive officers and other senior management. Semler Brossy is independent from Aterian, was engaged directly by the Compensation Committee and has received compensation from Aterian only for services provided to the Compensation Committee. The Compensation Committee meets outside the presence of all of our executive officers, including the named executive officers, in order to consider appropriate compensation for our Chief Executive Officer and Chief Financial Officer. For all other named executive officers, the Compensation Committee meets outside the presence of all executive officers except our Chief Executive Officer and Chief Financial Officer. The annual performance of our executive officers is considered by the Compensation Committee when making decisions on setting base salary, targets for and payments under any bonus plan and grants of equity incentive awards. When making decisions on executive officers, the Compensation Committee considers the importance of the position to us, the past salary history of the executive officer and the contributions we expect the executive officer to make to the success of our business going forward.

The specific determinations of the Compensation Committee with respect to executive compensation for fiscal year 2020 are described in greater detail in the “Executive Compensation” section of this Proxy Statement.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee is comprised of Mr. Kurtz, Mr. Petersen and Ms. Harlam, with Mr. Kurtz serving as Chairperson of the committee. Our Board has determined that each member of the Nominating and Corporate Governance Committee is “independent” under the Nasdaq Rules and all applicable laws. The responsibilities of the Nominating and Corporate Governance Committee are included in its written charter. The Nominating and Corporate Governance Committee acts on behalf of our Board to fulfill our Board’s

responsibilities in overseeing all aspects of our nominating and corporate governance functions. The responsibilities of the Nominating and Corporate Governance Committee include, among others:

- making recommendations to our Board regarding corporate governance issues;
- identifying, reviewing and evaluating candidates to serve as directors (consistent with criteria approved by our Board);
- determining the minimum qualifications for service on our Board;
- reviewing and evaluating incumbent directors;
- instituting and overseeing director orientation and director continuing education programs;
- serving as a focal point for communication between candidates, non-committee directors and our management;
- recommending to our Board for selection candidates to serve as nominees for director for the annual meeting of stockholders;
- making other recommendations to our Board regarding matters relating to the directors;
- reviewing succession plans for our Chief Executive Officer and our other executive officers; and
- considering any recommendations for nominees and proposals submitted by stockholders.

Our Board has adopted a written charter of the Nominating and Corporate Governance Committee that is available to stockholders on our internet website at <https://ir.aterian.io/corporate-governance/governance-highlights> under “Governance Charters”. The Nominating and Corporate Governance Committee meets from time to time as it deems appropriate or necessary.

The Nominating and Corporate Governance Committee periodically reviews, discusses and assesses the performance of our Board and the committees of our Board. In fulfilling this responsibility, the Nominating and Corporate Governance Committee will seek input from senior management, our Board and others. In assessing our Board, the Nominating and Corporate Governance Committee evaluates the overall composition of our Board, our Board’s contribution as a whole and its effectiveness in serving our best interests and the best interests of our stockholders. The Nominating and Corporate Governance Committee reviews, discusses and assesses its own performance and composition at least annually. The Nominating and Corporate Governance Committee also periodically reviews and assesses the adequacy of its charter, including its roles and responsibilities as outlined in its charter, and recommends any proposed changes to our Board for its consideration and approval.

Consideration of Director Nominees

Director Qualifications

There are no specific minimum qualifications that our Board requires to be met by a director nominee recommended for a position on our Board, nor are there any specific qualities or skills that are necessary for one or more members of our Board to possess, other than as are necessary to meet the requirements of the rules and regulations applicable to us. The Nominating and Corporate Governance Committee may consider a potential director candidate’s integrity, experience, judgment, commitment, skills, diversity, age, gender, race, background, place of residence, areas of expertise, experience serving as a board member or executive officer of other companies, relevant academic expertise and other factors relative to the overall composition of our Board and Board committees, including the following characteristics and factors:

- the highest ethical standards and integrity and a strong personal reputation;
- a background that demonstrates experience and achievement in business, finance, ecommerce, artificial intelligence, regulatory, governance or other matters relevant to our business and activities;
- a sound understanding of business strategy, corporate governance and the operations and role of our Board;
- a willingness to act on and be accountable for Board and, as applicable, committee decisions;
- a willingness to act in the best interests of our Company and our stockholders;

- a willingness to assist and support our management;
- an ability to provide reasoned, informed and thoughtful counsel to management on a range of issues affecting us and our stockholders;
- an ability to work effectively and collegially with other individuals;
- loyalty and commitment to driving our success and increasing long-term value for our stockholders;
- no material personal, financial, professional or familial interest in any of our present or potential competitors;
- sufficient time to devote to Board and, as applicable, committee membership and matters; and
- meeting the independence requirements imposed by the SEC and Nasdaq with respect to the Board and Board committee service.

The Nominating and Corporate Governance Committee retains the right to modify these criteria from time to time.

Securityholder Nominations

The Nominating and Corporate Governance Committee will consider director candidates recommended by our securityholders. The Nominating and Corporate Governance Committee does not intend to alter the manner in which it evaluates candidates, including the criteria set forth above, based on whether a candidate was recommended by a securityholder or not. Securityholders who wish to recommend individuals for consideration by the Nominating and Corporate Governance Committee to become nominees for election to our Board at the 2022 Annual Meeting of Stockholders must do so by delivering a written recommendation to the Nominating and Corporate Governance Committee, c/o Aterian, Inc., 37 East 18th Street, 7th Floor, New York, NY 10003, Attn: Secretary, no earlier than the close of business on March 31, 2022, but no later than April 30, 2022, unless the meeting date is more than 30 days before or after July 29, 2022, in which case the written recommendation must be received by our Secretary no later than the close of business not earlier than the close of business on the 120th day prior to the date of the 2022 Annual Meeting of Stockholders, and no later than the close of business on the later of (1) the 90th day before the date of the 2022 Annual Meeting of Stockholders, or (2) the 10th day following the day on which we first publicly announce (by press release or a filing with the SEC) the date of the 2022 Annual Meeting of Stockholders. Each written recommendation must set forth, among other information:

- the name and address of the securityholder(s) on whose behalf the recommendation is being made (the “Recommending Securityholder”);
- the class, series and number of shares of our capital stock that are, directly or indirectly, owned beneficially and of record by the Recommending Securityholder made as of the date of the written recommendation, and the time period for which such shares have been held;
- a statement from the Recommending Securityholder as to whether such Recommending Securityholder has a good faith intention to continue to hold the reported shares through the date of our next annual meeting of stockholders;
- the proposed director candidate’s full legal name, age, business address and residential address;
- a description of the proposed director candidate’s principal occupation or employment and business experience for at least the previous five years;
- complete biographical information for the proposed director candidate;
- a description of the proposed director candidate’s qualifications as a director;
- the class, series and number of shares of our capital stock which are, directly or indirectly, owned of record and beneficially by the proposed director candidate, and the date or dates on which such shares were acquired and the investment intent of such acquisition;
- a description of all relationships between the Recommending Securityholder and the proposed director candidate, and of all arrangements or understandings between such Recommending Securityholder and the proposed director candidate;

- any other information relating to the proposed director candidate that is required to be disclosed in solicitations for proxies for election of directors in an election contest or that is otherwise required pursuant to Regulation 14A promulgated under the Exchange Act;
- a statement from the Recommending Securityholder supporting such Recommending Securityholder's view that the proposed director nominee possesses the minimum qualifications prescribed by us for nominees, and briefly describing the contributions that the proposed director nominee would be expected to make to our Board and to the governance of Aterian; and
- a statement from the Recommending Securityholder whether, in the view of such Recommending Securityholder, the nominee, if elected, would represent all of our stockholders and not serve for the purpose of advancing or favoring any particular stockholder or other constituency of Aterian.

Director candidate nominations from stockholders must include a written statement of each proposed nominee (1) consenting to be named as a nominee for election to our Board, (2) consenting to serve as a director, if elected, and (3) consenting to be interviewed by the Nominating and Corporate Governance Committee, if the Nominating and Corporate Governance Committee chooses to do so in its discretion. If a proposed director candidate is recommended by a stockholder in accordance with the procedural requirements discussed above, our Secretary will provide the foregoing information to the Nominating and Corporate Governance Committee.

Evaluating Nominees for Director

Our Nominating and Corporate Governance Committee will consider director candidates who are suggested by members of the committee, other members of our Board, members of management, advisors and our securityholders who submit recommendations in accordance with the requirements set forth above. The Nominating and Corporate Governance Committee may, in the future, also retain a third-party search firm to identify candidates on terms and conditions acceptable to the Nominating and Corporate Governance Committee, but to date it has not paid a fee to any third party to assist in the process of identifying or evaluating director candidates. The Nominating and Corporate Governance Committee will evaluate all nominees for director under the same approach whether they are recommended by securityholders or other sources.

The Nominating and Corporate Governance Committee will review candidates for director nominees in the context of the current composition of our Board and committees, our operating requirements and the long-term interests of our stockholders. In conducting this assessment, the Nominating and Corporate Governance Committee may consider the director nominee's qualifications, diversity, age, skills and such other factors as it deems appropriate given the current needs of our Board, the committees and our Company, to maintain a balance of knowledge, experience, diversity and capability in various areas. In the case of an incumbent director whose term of office is set to expire, the Nominating and Corporate Governance Committee may review such director's overall service to our Board, the committees and our Company during his or her term, including the number of meetings attended, level of participation, quality of performance and any other relationships and transactions that might impair such director's independence, and the director's contribution as a whole and effectiveness in serving the best interests of the Company and our stockholders. In the case of new director candidates, the Nominating and Corporate Governance Committee will also determine whether the nominee must be independent for Nasdaq and SEC purposes, which determination will be based upon applicable Nasdaq listing standards and applicable SEC rules and regulations. Although we do not have a formal diversity policy, when considering diversity in evaluating director nominees, the Nominating and Corporate Governance Committee will focus on whether the nominees can contribute varied perspectives, skills, experiences and expertise to our Board.

The Nominating and Corporate Governance Committee will evaluate the proposed director's candidacy, including proposed candidates recommended by securityholders, and recommend whether our Board should nominate the proposed director candidate for election by our stockholders.

Securityholder Communications with the Board of Directors

Our Board has adopted a formal process by which securityholders may communicate with our Board or any of its directors. Securityholders of Aterian wishing to communicate with our Board or an individual director may send a written communication to our Board or such director, c/o Aterian, Inc., 37 East 18th Street, 7th Floor, New York, NY 10003, Attn.: Secretary. Each communication must set forth:

- the name and address of the Aterian securityholder(s) on whose behalf the communication is sent; and
- the class, series and number of shares of capital stock of Aterian that are owned beneficially and of record by the securityholder(s) as of the date of the communication.

Each communication will be reviewed by Aterian's Secretary to determine whether it is appropriate for presentation to our Board or the individual director. Examples of inappropriate communications include junk mail, spam, mass mailings, product complaints, product inquiries, new product suggestions, resumes, job inquiries, surveys, business solicitations and advertisements, as well as unduly hostile, threatening, illegal, unsuitable, frivolous, patently offensive or otherwise inappropriate material. These screening procedures have been approved by a majority of the independent members of our Board.

Communications determined by our Secretary to be appropriate for presentation to our Board or such director will be submitted to our Board or the individual director on a periodic basis. All communications directed to the Audit Committee in accordance with our "Open Door" Reporting and Non-Retaliation Policy Regarding Accounting and Auditing Matters (the "Open Door Policy") that relate to questionable accounting, internal accounting controls or auditing matters involving the Company generally will be forwarded to a compliance officer designated by the Audit Committee to receive and review these communications and to the chairperson of the Audit Committee, in accordance with the terms of the Open Door Policy. All communications directed to the Board in accordance with our Code of Conduct and Ethics that relate to non-financial matters (including without limitation purported or suspected violations of any law or regulation, our Code of Conduct and Ethics or other policies) will generally be forwarded to a compliance officer designated by the Board to receive and review these communications and then promptly and directly forwarded by a compliance officer to the Audit Committee or our Board, as appropriate, in accordance with the terms of the Code of Conduct and Ethics.

Code of Conduct and Ethics

Our Board has adopted a Code of Conduct and Ethics that applies to all of our employees, officers and directors, including our Chief Executive Officer and other employees. We have posted the Code of Conduct and Ethics on our website at <https://ir.aterian.io/corporate-governance/governance-highlights> under "Governance Documents". The Code of Conduct and Ethics can only be amended by the approval of the Audit Committee and any waiver to the Code of Conduct and Ethics for an executive officer or director may only be granted by our Audit Committee and must be timely disclosed as required by applicable law. We expect that any amendments to the Code of Conduct and Ethics, or any waivers of its requirements, will be disclosed on our website.

Hedging and Pledging Policies

As part of our insider trading policy, our executives and directors are prohibited from engaging in short sales of our securities and from engaging in hedging and monetization transactions involving our securities. Our insider trading policy does not restrict pledges of securities, but requires that pledges of securities be pre-cleared by an insider trading compliance officer.

EXECUTIVE COMPENSATION

Our named executive officers for the year ended December 31, 2020 (“Named Executive Officers”), which consist of our principal executive officer, up to two other most highly compensated executive officers who were serving as executive officers as of December 31, 2020 and up to two additional individuals who would have been another most highly compensated executive officer but for the fact that such individual was not serving as an executive officer as of December 31, 2020, are:

- Yaniv Sarig, our President and Chief Executive Officer;
- Fabrice Hamaide, our former Chief Financial Officer*; and
- Tomer Pascal, our Chief Revenue Officer.

* Mr. Hamaide ceased to be an executive officer and resigned from our Board effective March 8, 2021.

Summary Compensation Table

The following table sets forth certain information with respect to the compensation paid to our Named Executive Officers for the fiscal years ended December 31, 2020 and 2019:

Name and principal position	Year	Salary/ Fees (\$)	Bonus (\$)	Option awards (\$) ⁽¹⁾	Stock awards (\$) ⁽²⁾	All Other Compensation (\$)	Total (\$)
Yaniv Sarig <i>President and Chief Executive Officer</i>	2020	266,252	30,000	—	2,139,003	14,712 ⁽⁴⁾	2,449,967
	2019	300,000	30,000	—	9,039,709	12,837	9,382,546
Fabrice Hamaide⁽³⁾ <i>Chief Financial Officer</i>	2020	283,125	30,000	—	1,106,671	20,509 ⁽⁴⁾	1,440,305
	2019	300,000	30,000	—	12,203,611	57,983	12,591,594
Tomer Pascal <i>Chief Revenue Officer</i>	2020	295,395	30,000	—	1,117,849	12,000 ⁽⁴⁾	1,455,244
	2019	300,000	31,750	—	4,519,854	5,169	4,856,773

(1) The amounts in this column represent the aggregate grant date fair value of the option awards computed in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standard Codification (“ASC”) Topic 718. Assumptions used in the calculation of these amounts are included in Note 11 to our consolidated financial statements included in our Annual Report on Form 10-K, filed with the SEC on March 16, 2021. These amounts do not reflect the actual economic value that will be realized by the Named Executive Officer upon the vesting of the stock options, the exercise of the stock options or the sale of the Common Stock underlying such stock options.

(2) The amounts in this column represent the aggregate grant date fair value of the restricted stock awards computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 11 to our consolidated financial statements included in our Annual Report on Form 10-K, filed with the SEC on March 16, 2021. These amounts do not reflect the actual economic value that will be realized by the Named Executive Officer upon the vesting of the restricted stock awards or the sale of the Common Stock underlying such restricted stock awards.

(3) Mr. Hamaide ceased to be an executive officer and resigned from our Board effective March 8, 2021.

(4) Consists solely of medical benefits.

Narrative Disclosure to Summary Compensation Table

Employment and Severance Agreements

Yaniv Sarig—We entered into an offer letter with Mr. Sarig, dated April 1, 2015. Pursuant to the offer letter, Mr. Sarig’s base salary was initially \$120,000 per year. During his employment, Mr. Sarig has received various base salary adjustments and his current base salary is \$300,000 per year. In May 2020, we and Mr. Sarig agreed to reduce his salary to \$210,000 per year until October 1, 2020, when we and Mr. Sarig agreed to revert his salary back to the original amount of \$300,000. Mr. Sarig’s employment is at will and may be terminated at any time by us or Mr. Sarig, with or without cause.

Fabrice Hamaide—We entered into a contractor agreement with Mr. Hamaide, dated July 1, 2017. Pursuant to this agreement, Mr. Hamaide’s compensation was initially set at \$300,000 per year, and his current compensation is \$300,000 per year. In May 2020, we and Mr. Hamaide agreed to reduce his compensation to \$255,000 per year until October 1, 2020, when we and Mr. Hamaide agreed to revert his compensation back to the original amount of \$300,000. If Mr. Hamaide’s agreement is terminated without cause, Mr. Hamaide will be entitled to six months of compensation. Mr. Hamaide ceased to be an executive officer and resigned from our Board effective March 8, 2021.

Tomer Pascal—We entered into a contractor agreement with Mr. Pascal, dated August 14, 2017. Pursuant to this agreement, Mr. Pascal’s compensation was initially set at \$16,666.60 per month, and his current compensation is \$300,000 per year. In May 2020, we and Mr. Pascal agreed to reduce his compensation to \$285,000 per year until October 1, 2020, when we and Mr. Pascal agreed to revert his compensation back to the original amount of \$300,000. Mr. Pascal’s consulting services may be terminated by us at any time, with or without cause, by providing Mr. Pascal with two weeks prior written notice.

Base Salaries/Compensation

We use base salaries to recognize the experience, skills, knowledge and responsibilities required of all our employees, including our Named Executive Officers. Base salaries and base compensation are reviewed annually, typically in connection with our annual performance review process, and adjusted from time to time to realign salaries and compensation with market levels after taking into account individual responsibilities, performance and experience. For the year ended December 31, 2020, the annual base salaries or base compensation for each of Mr. Sarig, Mr. Hamaide and Mr. Pascal were \$300,000, \$300,000 and \$300,000, respectively, subject to the salary and compensation reductions that were effected between May 2020 to October 1, 2020 as discussed under “Employment and Severance Agreements” above.

Bonuses

For the year ended December 31, 2020, bonuses in the amount of \$30,000, \$30,000 and \$30,000 were paid to Mr. Sarig, Mr. Hamaide and Mr. Pascal, respectively, in recognition of their performance and our results of operations during the year ended December 31, 2020. For the year ended December 31, 2019, bonuses in the amount of \$30,000, \$30,000 and \$31,750 were paid to Mr. Sarig, Mr. Hamaide and Mr. Pascal, respectively, in recognition of the completion of our initial public offering (“IPO”) and our results of operations during the year ended December 31, 2019. None of our Named Executive Officers received any non-equity incentive compensation in 2019 or 2020.

Equity Compensation

Although we do not have a formal policy with respect to the grant of equity incentive awards to our executive officers, we believe that equity grants provide our executives with a strong link to our long-term performance, create an ownership culture and help to align the interests of our executives and our stockholders. In addition, we believe that equity grants with a time-based vesting feature promote executive retention because this feature incentivizes our executive officers to remain in our employment during the vesting period. Accordingly, our Board periodically reviews the equity incentive compensation of our Named Executive Officers and from time to time may grant equity incentive awards to them.

During the year ended December 31, 2020, we granted restricted stock awards to Mr. Sarig, Mr. Hamaide and Mr. Pascal pursuant to the Aterian, Inc. 2018 Equity Incentive Plan (the “2018 Plan”), as described in more detail in the “Outstanding Equity Awards at December 31, 2020” table below.

During the year ended December 31, 2019, we granted restricted stock awards to Mr. Sarig, Mr. Hamaide and Mr. Pascal in connection with the replacement of the Mohawk Group, Inc. Transaction Bonus Plan (the “Transaction Bonus Plan”). Effective July 9, 2018, we established the Transaction Bonus Plan to provide a means by which select employees may be given incentives to remain with Aterian through a liquidity transaction. Under the Transaction Bonus Plan, our Board could, by unanimous approval, grant contractual rights to receive payments (each right, a “Participation Unit”) to any full-time employees or independent contractors that had at least three months of service with us. Each Participation Unit represented a proportional interest in the amount set aside for participants of the Transaction Bonus Plan (the “Plan Pool”). Participation Units were deemed vested (meaning the units were then eligible to vest upon, or following, a subsequent liquidity event) in nine monthly installments on each of the nine monthly anniversaries of the date of grant, subject to continued employment with us or a subsidiary of ours. Upon the closing of a Sale of the Company (as defined in the Transaction Bonus Plan), the Participation Units would immediately and fully vest, subject to continued employment with us or a subsidiary of ours. Upon the closing of a Qualified IPO (as defined in the Transaction Bonus Plan), the Participation Units would immediately vest in full. Following a Qualified IPO, on each of the first four six-month anniversaries of the Qualified IPO, a participant was entitled to payments and distributions equal to 25% of the participant’s proportional interest of the Plan Pool, subject to continued service with us, but

subject to earlier payment in the event of certain terminations of employment. If payments were triggered by the occurrence of a Qualified IPO, the Plan Pool would have been deemed funded one-third in cash and two-thirds in our Common Stock. The Transaction Bonus Plan was replaced by the Aterian, Inc. 2019 Equity Plan (the “2019 Plan”) and, effective March 20, 2019, all awards previously allocated under the Transaction Bonus Plan were replaced with grants under the 2019 Plan.

Potential Payments Upon Termination or Change in Control

Mr. Hamaide’s independent contractor agreement provides that if Mr. Hamaide’s contractor agreement is terminated without cause, Mr. Hamaide will be entitled to six months of compensation. Mr. Hamaide ceased to be an executive officer and resigned from our Board effective March 8, 2021.

During the years ended December 31, 2020 and December 31, 2019, our Board approved certain restricted stock awards pursuant to the 2019 Plan. Additional information regarding these restricted stock awards can be found above under “Narrative Disclosure to Summary Compensation Table—Equity Compensation” and in the “Outstanding Equity Awards at December 31, 2020” table below. Pursuant to the 2019 Plan, the restricted stock awards granted to Mr. Sarig, Mr. Hamaide and Mr. Pascal thereunder will fully vest upon the occurrence of a “Change in Control” of the Company, which is defined as (i) any person (other than persons who are employees or service providers at any time more than one year before a transaction) becoming the beneficial owner (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of our securities representing 50% or more of the combined voting power of our then outstanding securities; however, the foregoing shall exclude any bona fide sale of our securities by us to one or more third parties for purposes of raising capital; (ii) during any consecutive one-year period commencing after our IPO, individuals who constituted the Board at the beginning of the period (or their approved replacements, if the election of such replacement director (or nomination for election) was approved by a vote of at least a majority of the Board then still in office who either were members of the Board at the beginning of the period or were themselves approved replacements, but in either case excluding any director whose initial assumption of office occurred as a result of an actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board) cease for any reason to constitute a majority of the Board; (iii) we consummate a merger or consolidation with any other corporation unless: (a) our voting securities outstanding immediately before the merger or consolidation would continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 50% of the combined voting power of our voting securities or such surviving entity outstanding immediately after such merger or consolidation; and (b) no person (other than persons who are employees or service providers at any time more than one year before the transaction) becomes the beneficial owner, directly or indirectly, of our securities representing 50% or more of the combined voting power of our then outstanding securities; (iv) we sell or dispose of all, or substantially all, of our assets; or (v) our stockholders approve a plan or proposal for our liquidation or dissolution.

Perquisites, Health, Welfare and Retirement Plans and Benefits

We provide healthcare coverage to our employees. In addition, we have adopted a 401(k) plan for eligible employees. However, we do not currently match any portion of the contributions made by our employees to the 401(k) plan.

Outstanding Equity Awards at December 31, 2020

The following table presents the outstanding option and stock awards held by each of the Named Executive Officers as of December 31, 2020.

Name	Grant Date	Option Awards				Stock Awards	
		Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Option exercise price per share (\$)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested ⁽¹⁾ (\$)
Yaniv Sarig	12/28/2018 ⁽²⁾⁽³⁾	203,664	78,387	\$9.72	12/27/2028		
	3/20/2019 ⁽¹⁵⁾⁽⁵⁾					230,473 ⁽⁶⁾	3,966,440
	11/27/2019 ⁽¹⁵⁾⁽⁵⁾					4,703	80,938
	5/9/2020 ⁽⁵⁾⁽¹⁶⁾					16,101	277,098
	10/23/2020 ⁽⁵⁾⁽¹⁴⁾					1,282	22,063
	12/14/2020 ⁽¹³⁾					210,000	3,614,100
Fabrice Hamaide	11/21/2017 ⁽⁸⁾⁽⁹⁾	166,062	28,353	\$6.79	11/20/2027		
	12/28/2018 ⁽²⁾⁽³⁾	166,634	64,135	\$9.72	12/27/2028		
	3/20/2019 ⁽⁴⁾⁽⁵⁾					311,139	5,354,702
	11/27/2019 ⁽⁴⁾⁽⁵⁾					6,349	109,266
	3/12/2020 ⁽⁴⁾⁽⁵⁾					125,326	2,156,860
	5/9/2020 ⁽⁵⁾⁽¹¹⁾					30,316	521,738
	10/23/2020 ⁽⁵⁾⁽¹²⁾					2,414	41,544
	12/14/2020 ⁽¹³⁾					20,000	344,200
Tomer Pascal	11/21/2017 ⁽⁹⁾⁽¹⁰⁾	13,045	2,610	\$6.79	11/21/2027		
	12/28/2018 ⁽²⁾⁽³⁾	120,346	46,320	\$9.72	12/27/2028		
	3/20/2019 ⁽⁴⁾⁽⁵⁾					115,237	1,983,228
	11/27/2019 ⁽⁴⁾⁽⁵⁾					2,351	40,460
	5/9/2020 ⁽⁵⁾⁽¹¹⁾					8,051	138,557
	10/23/2020 ⁽⁵⁾⁽¹²⁾					641	11,031
	12/14/2020 ⁽¹³⁾					110,000	1,893,100

- (1) Represents the market value of the unvested shares underlying the restricted stock awards as of December 31, 2020, based on the closing price of our Common Stock on such date, as reported on the Nasdaq Capital Market, which was \$17.21 per share. These amounts do not reflect the actual economic value that will be realized by the Named Executive Officer upon the vesting of the restricted stock awards or the sale of the Common Stock underlying such restricted stock awards.
- (2) One-third of the shares subject to each stock option shall vest on the date that is one year after the vesting commencement date (October 11, 2018). The remaining shares subject to each stock option shall vest in a series of 24 successive, equal monthly installments measured from the first anniversary of the vesting commencement date, subject to the option holder's continuous service as of each such date, inclusive.
- (3) The shares subject to each stock option shall immediately and fully vest upon the occurrence of the closing of a sale of the Company, which is defined as (i) the accumulation, whether directly or indirectly, beneficially or of record, by an individual and/or entity of more than 50% of the outstanding shares of our Common Stock or (ii) a sale of all or substantially all of our assets, which may include a license transaction, subject to the option holder's continuous service as of each such event.
- (4) The shares of restricted Common Stock vest in four equal installments on March 13, 2020, June 14, 2020, December 14, 2020 and July 1, 2021. Mr. Pascal forfeited the right to receive any shares that would have otherwise vested on March 13, 2020.
- (5) The shares of restricted Common Stock were granted pursuant to the 2019 Plan and shall fully vest upon the occurrence of a Change in Control.
- (6) On October 30, 2019, Mr. Sarig gifted 460,946 shares of restricted Common Stock to the Sarig-Bulow Family Trust. Mr. Sarig's minor children are the beneficiaries of the Sarig-Bulow Family Trust.
- (7) Mr. Hamaide ceased to be an executive officer and resigned from our Board effective March 8, 2021.
- (8) One-fourth of the shares subject to the stock option vested on the date that was one year after the vesting commencement date (July 1, 2017). The remaining shares subject to the stock option shall vest in a series of 36 successive, equal monthly installments measured from the first anniversary of the vesting commencement date, subject to the option holder's continuous service as of each such date, inclusive.
- (9) Pursuant to that certain Agreement and Plan of Merger and Reorganization, by and among Aterian Opco, MGH Merger Sub, Inc. and Aterian, as amended by Amendment No. 1, dated as of April 1, 2018, whereby MGH Merger Sub, Inc. merged with and into Aterian

Opco, with Aterian Opco remaining as the surviving entity and becoming a wholly-owned operating subsidiary of Aterian (the “Merger”), options to purchase shares of Aterian Opco’s Common Stock issued and outstanding immediately prior to the closing of the Merger were assumed and exchanged for options to purchase our Common Stock on September 4, 2018. This grant date reflects the historical date such options were granted by Aterian Opco.

- (10) One-fourth of the shares subject to the stock option vested on the date that was one year after the vesting commencement date (August 14, 2017). The remaining shares subject to the stock option shall vest in a series of 36 successive, equal monthly installments measured from the first anniversary of the vesting commencement date, subject to the option holder’s continuous service as of each such date, inclusive.
- (11) The shares of restricted Common Stock shall vest in three equal installments on June 14, 2020, December 14, 2020 and July 1, 2021.
- (12) The shares of restricted Common Stock shall vest in two equal installments on December 14, 2020 and July 1, 2021.
- (13) The shares of restricted Common Stock shall vest on January 1, 2022.
- (14) The shares of restricted Common Stock shall vest in two equal installments on December 14, 2020 and January 1, 2022.
- (15) The shares of restricted Common Stock vest in four equal installments on March 13, 2020, June 14, 2020, December 14, 2020 and January 1, 2022. Mr. Sarig forfeited the right to receive any shares that would have otherwise vested on March 13, 2020.
- (16) The shares of restricted Common Stock shall vest in three equal installments on June 14, 2020, December 14, 2020 and January 1, 2022.

Non-Employee Director Compensation

While we did not have a formal non-employee director compensation policy in place for 2020, our non-employee directors, were paid the following amounts for the year ended December 31, 2020 (prorated for service for a partial year), which was payable one-third in shares of restricted Common Stock and two-thirds in cash: (i) \$50,000 per year; (ii) \$15,000 per year to the chairperson of the Audit Committee; and (iii) \$7,500 to the chairperson of the Compensation Committee and the Nominating and Corporate Governance Committee. No compensation was paid to other members of the Audit Committee, Compensation Committee or the Nominating and Corporate Governance Committee. We may adopt a formal compensation program for our non-employee directors in the future.

The following table sets forth summary information concerning compensation paid or accrued to the members of our Board for services rendered to us for the fiscal year ended December 31, 2020.

Name ⁽¹⁾	Fees Earned or Paid in Cash (\$)	Option awards (\$) ⁽²⁾	Stock Awards (\$) ⁽³⁾	All Other Compensation (\$)	Total (\$)
Bari A. Harlam ⁽⁴⁾	33,466	—	144,200	—	56,566
William Kurtz	46,137	—	25,574	—	71,711
Stephen Liu, M.D. ⁽⁵⁾	25,000 ⁽⁶⁾	—	—	—	25,000
Greg B. Petersen	50,075	—	27,244	—	77,299
Amy von Walter	44,487	—	24,749	—	69,236

- (1) Yaniv Sarig, our President and Chief Executive Officer, and Fabrice Hamaide, our former Chief Financial Officer, and two of our Named Executive Officers, are not included in this table as they are employees of ours and therefore receive no compensation for their service as a director. Mr. Sarig’s and Mr. Hamaide’s compensation is included in the section entitled “Summary Compensation Table” on page 22 of this Proxy Statement.
- (2) The amounts in this column represent the aggregate grant date fair value of the option awards computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 11 to our consolidated financial statements included in our Annual Report on Form 10-K, filed with the SEC on March 16, 2021. These amounts do not reflect the actual economic value that will be realized by the director upon the vesting of the stock options, the exercise of the stock options or the sale of the Common Stock underlying such stock options. As of December 31, 2020, none of our non-employee directors held options to purchase shares of Common Stock.
- (3) The amounts in this column represent the aggregate grant date fair value of the restricted stock awards computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts are included in Note 11 to our consolidated financial statements included in our Annual Report on Form 10-K, filed with the SEC on March 16, 2021. These amounts do not reflect the actual economic value that will be realized by the director upon the vesting of the restricted stock awards or the sale of the Common Stock underlying such restricted stock awards. As of December 31, 2020, our non-employee directors held the following number of shares of restricted Common Stock: Ms. Harlam—28,325 shares; Mr. Kurtz—15,744 shares; Mr. Petersen—14,170 shares; and Ms. von Walter—14,170 shares.
- (4) Ms. Harlam was appointed to our Board on February 19, 2020.
- (5) Dr. Liu’s service on our Board ceased on June 29, 2020.
- (6) Prorated amount of \$50,000 annual retainer we agreed to pay Dr. Liu pursuant to a letter agreement with IFG Health, Inc., dated as of April 2, 2018.

AUDIT RELATED MATTERS

Audit Committee Report

The following is the Audit Committee's report submitted to our Board for fiscal year 2020.

The Audit Committee has:

- reviewed and discussed our audited financial statements with management and Deloitte & Touche LLP, our independent registered public accounting firm;
- discussed with Deloitte & Touche LLP the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board and the SEC; and
- received from Deloitte & Touche LLP the written disclosures and the letter regarding their communications with the Audit Committee concerning independence as required by the Public Company Accounting Oversight Board and discussed the auditors' independence with them.

In addition, the Audit Committee has met separately with management and with Deloitte & Touche LLP as part of the Audit Committee's quarterly meetings.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2020 for filing with the SEC.

Audit Committee

Greg B. Petersen
Amy von Walter
William Kurtz

This foregoing audit committee report is not "soliciting material," is not deemed "filed" with the SEC, and shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing of ours under the Securities Act of 1933, as amended, or under the Exchange Act, except to the extent we specifically incorporate this report by reference.

Audit Committee's Pre-Approval Policies and Procedures

The Audit Committee has adopted a policy for the pre-approval of audit and non-audit services rendered by our independent registered public accounting firm, Deloitte & Touche LLP. The policy generally allows for pre-approval of specified services in the defined categories of audit services, audit-related services and tax services up to specified amounts. Pre-approval may also be given as part of the Audit Committee's approval of the scope of the engagement of the independent registered public accounting firm or on an individual case-by-case basis before the independent registered public accounting firm is engaged to provide each service. The pre-approval of services may be delegated to one or more of the Audit Committee's members, but the decision must be reported to the full Audit Committee at its next scheduled meeting. By the adoption of this policy, the Audit Committee has delegated the authority to pre-approve services to the Chairperson of the Audit Committee, subject to certain limitations.

The Audit Committee has determined that the rendering of the services other than audit services by Deloitte & Touche LLP is compatible with maintaining the independent registered public accounting firm's independence.

Principal Accountant Fees and Services

The following table represents aggregate fees billed to us for the fiscal years ended December 31, 2020 and December 31, 2019 by Deloitte & Touche LLP, our independent registered public accounting firm for such periods. All fees described below were approved by the Audit Committee.

	Fiscal Year Ended December 31,	
	2020	2019
Audit Fees ⁽¹⁾	\$799,472	\$ 959,514
Audit-Related Fees ⁽²⁾	—	—
Tax Fees ⁽³⁾	49,825	46,500
All Other Fees ⁽⁴⁾	5,600	3,700
Total Fees	<u>\$854,897</u>	<u>\$1,009,714</u>

(1) Audit Fees consist of actual fees for professional services performed by Deloitte & Touche LLP for the audit of our 2020 and 2019 annual financial statements and the review of quarterly financial statements for 2020 and 2019. Audit fees also include \$222,000 of 2020 fees and \$260,000 of 2019 fees for professional services performed by Deloitte & Touche LLP for reviews of registration statements and issuances of consents, comfort letters and services that are normally provided in connection with regulatory filings or engagements.

(2) Audit-Related Fees consist of fees for other audit-related professional services.

(3) Consists of fees for tax compliance and consulting.

(4) Consists of fees for an accounting research tool.

We have not selected a principal accountant for fiscal year ending December 31, 2021. In following best governance practices, the Audit Committee periodically seeks proposals from accounting firms to audit our annual financial statements and provide other audit-related professional services.

We are not currently seeking the ratification by the stockholders of our principal registered public accounting firm for the fiscal year ending December 31, 2021. The Audit Committee is currently in discussion with Deloitte & Touche LLP about its fees for the annual audit and has not yet selected an independent registered public accounting firm for fiscal year 2021.

Deloitte & Touche LLP was our principal registered public accounting firm for the fiscal year ended December 31, 2020. Representatives of Deloitte & Touche LLP may be present at the Annual Meeting and, if present, will be available to respond to appropriate questions from stockholders and make a statement at the Annual Meeting if they wish.

PROPOSAL NO. 1

ELECTION OF CLASS II DIRECTORS

Overview

The term of office of the Class II directors expires in 2021. Based on the recommendation of our Nominating and Corporate Governance Committee, our Board has nominated Greg B. Petersen and Amy von Walter for election to our Board as Class II directors. If elected at the Annual Meeting, each of Mr. Petersen and Ms. Von Walter would serve until the 2024 Annual Meeting of Stockholders and until his or her successor is elected and qualified or, if sooner, until his or her death, resignation or removal. Under this standard, a “plurality” means the two nominees receiving the most “For” votes will be elected to our Board.

Nominee

The Nominating and Corporate Governance Committee recommended, and our Board nominated, the following individual for election for a three-year term expiring at the 2024 Annual Meeting of Stockholders:

Nominee	Term in Office
Greg B. Petersen	Continuing in Office Until the 2024 Annual Meeting of the Stockholders
Amy von Walter	Continuing in Office Until the 2024 Annual Meeting of the Stockholders

Each of the nominees has consented to be named in this Proxy Statement and to serve as a director if elected. We have no reason to believe that the nominee will be unable to serve. The section titled “Board of Directors” beginning on page [10](#) of this Proxy Statement contains the Class II nominees’ biographies.

**THE BOARD OF DIRECTORS RECOMMENDS
A VOTE FOR THE ELECTION OF THE NOMINEES NAMED ABOVE.**

PROPOSAL NO. 2

ELECTION OF CLASS I DIRECTOR

Overview

The term of office of the Class I directors expires in 2023 and the term of office of the Class II directors expires in 2021. Based on the recommendation of our Nominating and Corporate Governance Committee, our Board has nominated Bari A. Harlam, a Class II director as of the Record Date, for election to our Board as a Class I director. If elected at the Annual Meeting, Ms. Harlam would serve until the 2023 Annual Meeting of Stockholders and until her successor is elected and qualified or, if sooner, until her death, resignation or removal. Under this standard, a “plurality” means the nominee receiving the most “For” votes will be elected to our Board.

Nominee

The Nominating and Corporate Governance Committee recommended, and our Board nominated, the following individual for election for a two-year term expiring at the 2023 Annual Meeting of Stockholders:

Nominee	Term in Office
Bari A. Harlam	Continuing in Office Until the 2023 Annual Meeting of the Stockholders

Ms. Harlam has consented to be named in this Proxy Statement and to serve as a director if elected. We have no reason to believe that the nominee will be unable to serve. The section titled “Board of Directors” beginning on page [10](#) of this Proxy Statement contains the Class I director nominee’s biography.

**THE BOARD OF DIRECTORS RECOMMENDS
A VOTE FOR THE ELECTION OF THE NOMINEE NAMED ABOVE.**

The following directors will remain in office until the date specified below:

Current Directors	Class and Remaining Term in Office
Yaniv Sarig	Class III—Continuing in Office Until the 2022 Annual Meeting of the Stockholders
William Kurtz	Class I—Continuing in Office Until the 2023 Annual Meeting of the Stockholders

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of June 25, 2021, with respect to the beneficial ownership of shares of our Common Stock by:

- each of our directors;
- each of our Named Executive Officers;
- all of our current directors and executive officers as a group; and
- each person, or group of affiliated persons, known to us to be the beneficial owner of more than five percent of our Common Stock.

This table is based upon information supplied by officers, directors and principal stockholders and a review of Schedules 13D and 13G, if any, filed with the SEC. Other than as set forth below, we are not aware of any other beneficial owner of more than five percent of our Common Stock as of June 25, 2021. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of Common Stock that they beneficially own, subject to applicable community property laws.

We have determined beneficial ownership in accordance with the rules of the SEC. We have deemed shares of our Common Stock subject to warrants and options that are currently exercisable or exercisable within 60 days of June 25, 2021 to be outstanding and to be beneficially owned by the person holding the option for the purpose of computing the percentage ownership of that person but have not treated them as outstanding for the purpose of computing the percentage ownership of any other person. Percentage ownership of our Common Stock is based on 34,098,096 shares of our Common Stock outstanding as of June 25, 2021.

Unless otherwise noted below, the address of each beneficial owner listed in the table is c/o Aterian, Inc., 37 East 18th Street, 7th Floor, New York, NY 10003.

	Beneficial Ownership of Common Stock	
	Number of Shares	%(1)
Greater than 5% Stockholders:		
9830 Macarthur LLC	4,972,507 ⁽²⁾	14.6%
MV II, LLC	2,123,078 ⁽³⁾⁽⁴⁾	6.2%
Asher Delug	2,503,608	7.3%
Named Executive Officers, Directors and Director Nominees:		
Yaniv Sarig	250,894 ⁽⁶⁾	*
Fabrice Hamaide	293,532 ⁽⁷⁾	*
Tomer Pascal	262,146 ⁽⁸⁾	*
William Kurtz	51,863 ⁽⁹⁾	*
Greg B. Petersen	48,625 ⁽¹⁰⁾	*
Amy von Walter	34,825 ⁽¹¹⁾	*
Bari A. Harlam	36,125 ⁽¹²⁾	*
All current executive officers and directors as a group (10 persons)	1,653,912 ⁽¹³⁾	4.8%

* Denotes less than 1%.

(1) For each person and group included in this table, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of the number of shares of Common Stock outstanding as of June 25, 2021, plus the number of shares of Common Stock that such person or group had the right to acquire within 60 days after June 25, 2021.

(2) Comprised of 4,972,507 shares of common stock held directly by 9830 Macarthur LLC (“9830”), a Wyoming limited liability company. The address of 9830 Macarthur LLC is 30 N. Gould St., Suite R Sheridan, WY 82801. Nijor Children’s Trust UA 1/2/2017 (the “Trust”) is the Manager of 9830 Macarthur LLC. Jelena Puzovic is the Trustee of the Trust. Ownership information is based solely on a Form 4 filed by 9830 MacArthur LLC, the Trust and Jelena Puzovic with the SEC on March 8, 2021. In such Form 4, each of 9830 Macarthur LLC, the Trust and Jelena Puzovic disclaimed beneficial ownership of these securities reported therein, except to the extent of their pecuniary interest therein, if any. On December 1, 2020, 9830, one of the sellers of the assets of leading e-commerce business brands Mueller, Pursteam, Pohl and Schmitt, and Spiralizer purchased by us on December 1, 2020, entered into a lock-up, voting and standstill agreement (the “9830 Lock-Up”) with us, pursuant to which 9830 agreed that until December 1, 2025, 9830 will,

among other things, vote at each annual or special meeting of our stockholders all shares of Common Stock held by 9830 in accordance with the recommendations of our Board on each matter presented to our stockholders at such meeting. As of June 25, 2021, 9830 held 4,972,507 shares of our Common Stock, or 14.6% of our shares outstanding.

- (3) MV II, LLC, Dr. Larisa Storozhenko and Mr. Maximus Yaney have entered into a voting agreement (the “Voting Agreement”) with us on March 13, 2019, pursuant to which our Board has the sole right to vote their shares of our capital stock, and any of our other equity interests (the “Voting Interests”) as each of MV II, LLC, Dr. Larisa Storozhenko and Mr. Yaney (collectively, the “Designating Parties”) proxyholder. Pursuant to the proxy granted by the Designating Parties, our Board is required to vote all of the Voting Interests in direct proportion to the voting of the shares and equity interests voted by all holders other than the Designating Parties. The proxy granted by the Designating Parties under the Voting Agreement is irrevocable. In addition, the Voting Agreement proxyholder may not be changed unless we receive the prior approval of The Nasdaq Stock Market LLC. The Voting Agreement became effective June 12, 2019 and will continue until the earlier to occur of (i) a Deemed Liquidation Event (as defined below) unless, immediately upon such Deemed Liquidation Event, our Common Stock is and remains listed on The Nasdaq Stock Market LLC, or (ii) Mr. Yaney’s death. Through the Restated Voting Agreement, our Board has voting power over an aggregate of 3,748,616 shares of our Common Stock through shares of Common Stock held by the Designating Parties. As of June 25, 2021, the Designating Parties held 3,748,616 shares of our Common Stock, or 11% of our shares outstanding. For purposes of the Voting Agreement, a “Deemed Liquidation Event” means (i) the acquisition of us by another entity by means of any transaction or series of related transactions to which we are party other than a transaction or series of transactions in which the holders of our voting securities outstanding immediately prior to such transaction or series of transactions retain, immediately after such transaction or series of transactions, as a result of our shares held by such holders prior to such transaction or series of transactions, a majority of the total voting power represented by our outstanding voting securities or such other surviving or resulting entity; (ii) a sale, lease or other disposition of all or substantially all of our or our subsidiaries’ assets taken as a whole by means of any transaction or series of related transactions, except where such sale, lease or other disposition is to a wholly-owned subsidiary of us; or (iii) any liquidation, dissolution or winding up of us, whether voluntary or involuntary; however, a Deemed Liquidation Event shall not include any transaction effected primarily to raise capital for us or a spin-off or similar divestiture of our product or SaaS business as part of reorganization of us approved by our Board. In addition, the rights and obligations under the agreement will terminate with respect to shares of capital stock sold by a Designating Party in connection with any arm’s length transaction to a third party that is not a Designating Party, an affiliate of a Designating Party or any other individual or party that has a direct or indirect familial relationship with any Designating Party.
- (4) Comprised of 2,123,078 shares of Common Stock held directly. Lucile Yaney is the control person of MV II, LLC and has dispositive power over the shares held by MV II, LLC. The address of MV II, LLC is 1013 Centre Road, STE 403-A, Wilmington, DE 19805. The Designating Parties have entered into the Voting Agreement with us, as more fully described in footnote 3.
- (6) Mr. Sarig’s holdings consist of (i) 29,052 shares of Common Stock held directly, (ii) 11,842 shares of restricted Common Stock granted pursuant to the 2019 Plan that are subject to vesting, and (iii) 210,000 shares of restricted Common Stock granted pursuant to the 2018 Plan that are subject to vesting. The shares of restricted Common Stock granted pursuant to the 2019 Plan and the 2018 Plan have voting rights irrespective of any vesting requirements.
- (7) Mr. Hamaide’s holdings consist of (i) 34,561 shares of Common Stock issuable pursuant to stock options exercisable within 60 days after June 25, 2021, (ii) 238,971 shares of restricted Common Stock granted pursuant to the 2019 Plan that are subject to vesting and (iii) 20,000 shares of restricted Common Stock granted pursuant to the 2018 Plan that are subject to vesting. The shares of restricted Common Stock granted pursuant to the 2019 Plan and the 2018 Plan have voting rights irrespective of any vesting requirements. Mr. Hamaide ceased to be an executive officer and resigned from our Board effective March 8, 2021.
- (8) Mr. Pascal’s holdings consist of (i) 0 shares of Common Stock held directly, (ii) 88,607 shares of Common Stock issuable pursuant to stock options that are exercisable within 60 days after June 25, 2021, (iii) 63,539 shares of restricted Common Stock that were granted pursuant to the 2019 Plan that are subject to vesting, and (iv) 110,000 shares of restricted Common Stock granted pursuant to the 2018 Plan that are subject to vesting. The shares of restricted Common Stock granted pursuant to the 2019 Plan and the 2018 Plan have voting rights irrespective of any vesting requirements.
- (9) Comprised of: (i) 40,842 shares of Common Stock held directly, and (ii) 11,021 shares of restricted Common Stock granted pursuant to the 2018 Plan that are subject to vesting. The shares of restricted Common Stock granted pursuant to the 2018 Plan have voting rights irrespective of any vesting requirements.
- (10) Comprised of: (i) 39,178 shares of Common Stock held directly, and (ii) 9,447 shares of restricted Common Stock granted pursuant to the 2018 Plan that are subject to vesting. The shares of restricted Common Stock granted pursuant to the 2018 Plan have voting rights irrespective of any vesting requirements.
- (11) Comprised of: (i) 25,378 shares of Common Stock held directly, and (ii) 9,447 shares of restricted Common Stock granted pursuant to the 2018 Plan that are subject to vesting. The shares of restricted Common Stock granted pursuant to the 2018 Plan have voting rights irrespective of any vesting requirements.
- (12) Comprised of: (i) 20,381 shares of Common Stock held directly, and (ii) 15,744 shares of restricted Common Stock granted pursuant to the 2018 Plan that are subject to vesting. The shares of restricted Common Stock granted pursuant to the 2018 Plan have voting rights irrespective of any vesting requirements.
- (13) Comprised of shares included under “Named Executive Officers and Directors”, other than Mr. Hamaide, who ceased to be an executive officer and resigned from our Board effective March 8, 2021, and an aggregate of 265,667 shares of Common Stock, 775,659 shares of restricted Common Stock granted pursuant to the 2018 Plan that are subject to vesting, 242,588 shares of restricted Common Stock granted pursuant to the 2019 Plan that are subject to vesting, and 369,998 shares of Common Stock issuable pursuant to stock options exercisable within 60 days after June 25, 2021 held by four of our other executive officers. The shares of restricted Common Stock granted pursuant to the 2018 Plan and the 2019 Plan have voting rights irrespective of any vesting requirements.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth additional information as of December 31, 2020 with respect to the shares of Common Stock that may be issued upon the exercise of options and other rights under our existing equity compensation plans and arrangements in effect as of December 31, 2020. The information includes the number of shares covered by, and the weighted average exercise price of, outstanding options and the number of shares remaining available for future grant, excluding the shares to be issued upon exercise of outstanding options.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights(a)	Weighted- average exercise price of outstanding options, warrants and rights(b)(1)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column(a))(c)(2)
Equity compensation plans approved by security holders ⁽³⁾ (4)	1,268,485	\$9.72	93,615
Equity compensation plans not approved by security holders ⁽⁵⁾	<u>302,243</u>	<u>\$6.41</u>	<u>56,458</u>
Total	<u>1,570,728</u>	<u>\$9.09</u>	<u>150,073</u>

(1) Consists of the weighted average exercise price of outstanding options as of December 31, 2020.

(2) Consists entirely of shares of Common Stock that remain available for future issuance under the 2018 Plan as of December 31, 2020.

(3) Consists of options outstanding as of December 31, 2020 under the 2018 Plan.

(4) The number of shares of our Common Stock available for issuance under the 2018 Plan will automatically increase on January 1st of each year, for a period of not more than nine years, beginning January 1, 2020 and ending on (and including) January 1, 2028 by the lesser of (i) 15% of the shares deemed outstanding as of the preceding December 31, minus the number of shares in the share reserve (which for this purpose includes shares issued and issuable pursuant to the Mohawk Group, Inc. Amended and Restated 2014 Equity Incentive Plan (the "2014 Plan")) as of immediately prior to the increase, or (ii) such number of shares as determined by our Board.

(5) Consists of options outstanding as of December 31, 2020 under the 2014 Plan.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires our officers and directors, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership and changes in ownership with the SEC. Officers, directors, and greater than 10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based solely upon a review of the copies of such forms and amendments thereto, we believe that, during 2020, none of our officers, directors, and greater than 10% beneficial owners failed to file on a timely basis the reports required by Section 16(a), with the exception of the following reports:

- a late Form 3 filed by Jelena Puzovic and Nijor Children's Trust UA 1/2/2017 for one transaction;
- a late Form 4 for William Kurtz for three transactions;
- a late Form 4 for 9830 Macarthur LLC for nine transactions;
- three late Form 4s for Yaniv Sarig, each for one transaction;
- three late Form 4s for Fabrice Hamaide, each for one transaction;
- three late Form 4s for Joseph Risico, each for one transaction;
- three late Form 4s for Mihal Chaouat-Fix, each for one transaction;
- three late Form 4s for Roi Zahut, each for one transaction; and
- three late Form 4s for Tomer Pascal, each for one transaction.

TRANSACTIONS WITH RELATED PERSONS, PROMOTERS AND CERTAIN CONTROL PERSONS

Policies and Procedures for Related Party Transactions

Our Board has adopted a written related person transaction policy, effective as of June 14, 2019, to set forth the policies and procedures for the review and approval or ratification of related person transactions. This policy covers, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act of 1933, as amended (the “Securities Act”), any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we were or are to be a participant, the amount involved exceeds \$120,000 and a related person had or will have a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. A related person is any individual who is, or who has been at any time since the beginning of our last fiscal year, one of our directors or executive officers, or a nominee to become one of our directors, any person known to be the beneficial owner of more than 5% of any class of our voting securities or any immediate family member of any of the foregoing persons. Additionally, any firm, corporation or other entity by which any of the foregoing persons is employed or in which such person is a general partner or principal, or in a similar position, or in which such person has a 10% or greater beneficial ownership interest, will also be deemed to be a related person. Transactions involving compensation for services provided to us as an employee, consultant or director are not considered related-person transactions under this policy. As provided by our audit committee charter, our Audit Committee is responsible for reviewing and approving in advance any related party transaction.

Transactions with Related Persons

Other than the director and executive officer compensation arrangements discussed in the section of this Proxy Statement entitled “Executive Compensation,” there have not been any transactions since January 1, 2020 that we or Aterian Opco have been a party to and in which the amount involved exceeded or will exceed the lesser of \$120,000 or one percent of the average of our total assets at year end for the last two completed fiscal years, and in which any of our directors, executive officers, beneficial owners of more than 5% of our capital stock, or their immediate family members, have had or will have a direct or indirect material interest.

Limitation of Liability and Indemnification of Officers and Directors

Our amended and restated certificate of incorporation and Bylaws contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by the General Corporation Law of the State of Delaware (the “DGCL”). Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

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

Our amended and restated certificate of incorporation also provides that if the DGCL is amended to permit further elimination or limitation of the personal liability of a director, then the liability of our directors will be eliminated to the fullest extent permitted by the DGCL, as so amended.

Our Bylaws provide that we shall indemnify any person who is or was or is made a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative by reason of the fact that such person is or was, or has agreed to become, one of our directors or officers, or while one of our directors or officers, is or was serving, or has agreed to serve, at our request, as a director, officer, partner, employee, or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including, without limitation, any employee benefit plan), against all expenses (including, without limitation, attorneys’ fees), liabilities, losses, judgments,

finances (including, without limitation, excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974), and amounts paid in settlement actually and reasonably incurred by or on behalf of such person in connection therewith, subject to certain conditions. In addition, our Bylaws also provide that we must, to the fullest extent permitted by law, advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to certain exceptions. Our Bylaws also provide that we may purchase and maintain insurance, at our expense, to protect us and any person who is or was a director, officer, employee or agent of ours or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including, without limitation, any employee benefit plan) against any expense, liability or loss, whether or not we would have the power to indemnify such person against such expense, liability or loss under the DGCL. We have a directors' and officers' liability insurance policy, which we believe is necessary to attract and retain qualified directors and officers.

Our Bylaws also provide us with the power to enter into indemnification agreements with any director, officer or other employee or agent of our Company, and such rights may be different or greater than those provided in our Bylaws. We have entered into indemnification agreements with each of our directors and executive officers that are broader than the specific indemnification provisions contained in the DGCL. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding, subject to certain exceptions. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

Certain of our non-employee directors may, through their relationships with their employers, be insured or indemnified against certain liabilities incurred in their capacity as members of our Board.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and Bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. Insofar as indemnification for liabilities under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

HOUSEHOLDING

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy materials with respect to two or more stockholders sharing the same address by delivering a single set of proxy materials addressed to those stockholders. This process, which is commonly referred to as "householding," potentially means extra convenience for stockholders and cost savings for companies.

This year, a number of brokers with account holders who are our stockholders will be "householding" our proxy materials. A single set of proxy materials will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be "householding" communications to your address, "householding" will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in "householding" and would prefer to receive a separate set of proxy materials, please notify your broker or our proxy solicitor, DF King. Direct your written request to DF King at 48 Wall Street, 22 Floor, New York, New York 10005. You may also call DF King at (800) 628-8510. Stockholders who currently receive multiple copies of proxy materials at their addresses and would like to request "householding" of their communications should contact their broker or our Secretary in the same manner described above. In addition, we will promptly deliver, upon written or oral request to the address or telephone number above, a separate copy of the proxy materials to a stockholder at a shared address to which a single copy of the documents was delivered.

ADDITIONAL DOCUMENTS

This Proxy Statement contains summaries of certain agreements that we have filed as exhibits to various SEC filings. The descriptions of these agreements contained in this Proxy Statement do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements.

Any statement contained herein shall be deemed to be modified or superseded for purposes of this Proxy Statement to the extent that a statement contained herein, in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified and superseded, to constitute a part of this Proxy Statement.

A copy of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020, as amended, and copies of the definitive agreements summarized in this Proxy Statement, are available without charge upon written request to: Secretary, c/o Aterian, Inc., 37 East 18th Street, 7th Floor, New York, NY 10003.

OTHER MATTERS

Our Board knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the Annual Meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors

/s/ Yaniv Sarig

Yaniv Sarig

Chief Executive Officer

June 29, 2021

You are cordially invited to attend the annual meeting electronically by visiting www.virtualshareholdermeeting.com/ATER2021. Whether or not you expect to attend the meeting, please complete, date, sign and return the enclosed proxy or submit your proxy through the Internet or by telephone as promptly as possible in order to ensure your representation at the meeting. If you have requested physical materials to be mailed to you, then a return envelope (which is postage prepaid if mailed in the United States) is enclosed for your convenience if you wish to submit your proxy by mail. Even if you have voted by proxy, you may still vote electronically during the meeting if you attend the meeting online. Please note, however, that if your shares are held of record by a broker, bank or other agent and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.

If you have any questions about this Proxy Statement or the Annual Meeting, you may contact DF King at:

**D.F. King & Co., Inc.
48 Wall Street, 22 Floor
New York, New York 10005
Banks and Brokers Call Collect: (212) 269-5550
All Others Call Toll-Free: (800) 628-8510
Email: ATER@dfking.com**

ATERIAN, INC.
 37 EAST 18TH STREET, 7TH FLOOR
 NEW YORK, NY 10003

VOTE BY INTERNET
Before The Meeting - Go to www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information. Vote by 11:59 p.m. Eastern Time on July 28, 2021 for shares held directly and by 11:59 p.m. Eastern Time on July 26, 2021 for shares held in a Plan. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

During The Meeting - Go to www.virtualshareholdermeeting.com/ATER2021

You may attend the meeting via the Internet and vote during the meeting. Have the information that is printed in the box marked by the arrow available and follow the instructions.

VOTE BY PHONE - 1-800-690-6903
 Use any touch-tone telephone to transmit your voting instructions up. Vote by 11:59 p.m. Eastern Time on July 28, 2021 for shares held directly and by 11:59 p.m. Eastern Time on July 26, 2021 for shares held in a Plan. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL
 Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

D57170-P59670

KEEP THIS PORTION FOR YOUR RECORDS
 DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

<p>ATERIAN, INC. The Board of Directors recommends you vote FOR the following:</p> <p>1. To elect Greg B. Petersen and Amy von Walter as Class II directors to serve until our 2024 Annual Meeting of Stockholders</p> <p>Nominees:</p> <p>01) Greg B. Petersen 02) Amy von Walter</p> <p>The Board of Directors recommends you vote FOR the following:</p> <p>2. To elect Bari A. Harlam as a Class I director to serve until our 2023 Annual Meeting of Stockholders</p> <p>Nominee:</p> <p>2a. Bari A. Harlam</p> <p>NOTE: To conduct any other business properly brought before the Annual Meeting and any adjournment or postponement thereof.</p> <p>Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.</p>	<table border="0"> <tr> <td style="padding-right: 10px;">For All</td> <td style="padding-right: 10px;">Withhold All</td> <td style="padding-right: 10px;">For All Except</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	For All	Withhold All	For All Except	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.</p> <p>_____</p>	
For All	Withhold All	For All Except							
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>							
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; height: 20px;"></td> <td style="width: 20%;"></td> </tr> <tr> <td style="font-size: small;">Signature [PLEASE SIGN WITHIN BOX]</td> <td style="font-size: small;">Date</td> </tr> </table>			Signature [PLEASE SIGN WITHIN BOX]	Date	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; height: 20px;"></td> <td style="width: 20%;"></td> </tr> <tr> <td style="font-size: small;">Signature (Joint Owners)</td> <td style="font-size: small;">Date</td> </tr> </table>			Signature (Joint Owners)	Date
Signature [PLEASE SIGN WITHIN BOX]	Date								
Signature (Joint Owners)	Date								

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement and Form 10-K are available at www.proxyvote.com.

D57171-P59670

**ATERIAN, INC.
Annual Meeting of Stockholders
July 29, 2021 10:00 AM
This proxy is solicited by the Board of Directors**

The stockholder(s) hereby appoint(s) Joseph A. Risico and Christopher J. Porcelli, or either of them, as proxies, each with the power to appoint his substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of (Common/Preferred) stock of ATERIAN, INC. that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders. The Annual Meeting will be held virtually, via live webcast at www.virtualshareholdermeeting.com/ATER2021, on Thursday, July 29, 2021, at 10:00 a.m. Eastern Time, and any adjournment or postponement thereof.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.

Continued and to be signed on reverse side