

SITESTAR CORP
Form DEF 14A
April 21, 2017

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

SCHEDULE 14A

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

**SITESTAR
CORPORATION**

(Name of
Registrant as
Specified In Its
Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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- (3) Filing Party:
- (4) Date Filed:

SITESTAR CORPORATION

4026 Wards Road, Suite G1 #271

Lynchburg, VA 24502

(434) 382-7366

Dear Stockholder:

You are cordially invited to the Annual Meeting of Stockholders (the “Annual Meeting”) of Sitestar Corporation, a Nevada corporation (the “Company”), to be held at 10:00 a.m. local time, on Monday, May 22, 2017, at the offices of our legal counsel, Alston & Bird LLP, located at 101 South Tryon Street, Suite 4000, Charlotte, NC 28280. At the meeting, the stockholders will be asked to consider and act on the following items:

1. The re-election of five members of the board of directors of the Company, each for a term of one year;
2. Ratification of the appointment of Cherry Bekaert, LLP as our independent registered public accounting firm for the year ending December 31, 2017; and
3. The transaction of any other business that may properly come before the Annual Meeting or any adjournment of the Annual Meeting.

You will also have the opportunity to ask questions and make comments at the meeting.

In accordance with the rules and regulations of the Securities and Exchange Commission, we are furnishing our Proxy Statement and Annual Report to stockholders for the year ended December 31, 2016. If you are receiving this notice electronically, you can also receive paper copies of our Proxy Statement and Annual Report upon request by writing to our President, Chief Executive Officer and Chief Financial Officer, Steven L. Kiel at 4026 Wards Road, Suite G1 #271, Lynchburg, VA 24502, or by email at investorrelations@sitestar.com.

It is important that your stock be represented at the meeting regardless of the number of shares you hold. You are encouraged to specify your voting preferences by marking our proxy card and returning it as directed. If you do attend the meeting and wish to vote in person, you may revoke your proxy at the meeting.

If you have any questions about the Proxy Statement or the accompanying 2016 Annual Report, please contact Steven L. Kiel, our President, Chief Executive Officer and Chief Financial Officer at (434) 382-7366.

We look forward to seeing you at the Annual Meeting.

Sincerely,

Steven L. Kiel
President, Chief Executive Officer and Chief Financial Officer

April 21, 2017

SITESTAR CORPORATION

4026 Wards Road, Suite G1 #271

Lynchburg, VA 24502

(434) 382-7366

NOTICE OF Annual Meeting OF STOCKHOLDERS

The Annual Meeting of Stockholders (the “Annual Meeting”) of Sitestar Corporation, a Nevada corporation (the “Company”) will be held at the offices of our legal counsel, Alston & Bird LLP, located at 101 South Tryon Street, Suite 4000, Charlotte, NC 28280, on Monday, May 22, 2017, at 10:00 a.m., local time. At the meeting, stockholders will consider and act on the following items:

1. The re-election of five members of the board of directors of the Company, each for a term of one year;
2. Ratification of the appointment of Cherry Bekaert, LLP as our independent registered public accounting firm for the year ending December 31, 2017; and
3. The transaction of any other business that may properly come before the Annual Meeting or any adjournment of the Annual Meeting.

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

Only those stockholders of record as of the close of business on April 17, 2017, are entitled to vote at the Annual Meeting or any postponements or adjournments thereof. A complete list of stockholders entitled to vote at the Annual Meeting will be available for your inspection beginning April 21, 2017 and may be provided electronically.

YOUR VOTE IS IMPORTANT!

Instructions on how to vote your shares are contained in the Proxy Statement and your proxy card. You may obtain, free of charge, a paper copy of our Annual Report on Form 10-K, including financial statements and exhibits, by writing to our President, Chief Executive Officer and Chief Financial Officer, Steven L. Kiel at 4026 Wards Road, Suite G1 #271, Lynchburg, VA 24502, or by email at investorrelations@sitestar.com. As of the date of the Notice of Annual Meeting of Stockholders and the Proxy Statement, such materials are also available online at www.sitestar.com.

Submitting your proxy does not affect your right to vote in person if you decide to attend the Annual Meeting. You are urged to submit your proxy as soon as possible, regardless of whether or not you expect to attend the Annual Meeting. You may revoke your proxy at any time before it is exercised at the Annual Meeting by (i) delivering written notice to our President, Chief Executive Officer and Chief Financial Officer, Steven L. Kiel, at Sitestar's address above, (ii) submitting a later dated proxy card, (iii) voting again via the Internet as described on your proxy card, or (iv) attending the Annual Meeting and voting in person. No revocation under (i) or (ii) will be effective unless written notice or the proxy card is received by our President, Chief Executive Officer and Chief Financial Officer, Steven L. Kiel, at or before the Annual Meeting.

When you submit your proxy, you authorize Steven L. Kiel to vote your shares at the Annual Meeting and on any adjournments of the Annual Meeting in accordance with your instructions.

By Order of the Board of Directors,

Steven L. Kiel
President, Chief Executive Officer and Chief Financial Officer

April 21, 2017

SITESTAR CORPORATION

4026 Wards Road, Suite G1 #271

Lynchburg, VA 24502

(434) 382-7366

PROXY STATEMENT

This Proxy Statement and the accompanying proxy card are being made available via Internet access, beginning on or about April 21, 2017, to the owners of shares of common stock of Sitestar Corporation, a Nevada corporation (the “Company,” “our,” “we” or “Sitestar”) as of April 17, 2017, in connection with the solicitation of proxies by our Board of Directors (“Board” or “Board of Directors”) for our 2017 Annual Meeting of Stockholders (the “Annual Meeting”). On or about April 21, 2017, we made available the Notice of Annual Meeting of Stockholders. If you received the Notice electronically and not by mail, you will not automatically receive by mail this Proxy Statement or our Annual Report to stockholders for the year ended December 31, 2016. If you would like to receive a printed copy of our Proxy Statement, Annual Report and proxy card, please follow the instructions for requesting such materials in the Notice. Upon request, we will promptly mail you paper copies of such materials free of charge.

The Annual Meeting will take place at the offices of our legal counsel, Alston & Bird LLP, located at 101 South Tryon Street, Suite 4000, Charlotte, NC 28280 on Monday, May 22, 2017, at 10:00 a.m., local time. Our Board of Directors encourages you to read this document thoroughly and take this opportunity to vote, via proxy, on the matters to be decided at the Annual Meeting. As discussed below, you may revoke your proxy at any time before your shares are voted at the Annual Meeting.

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QUESTIONS AND ANSWERS

Q. How will proxy materials be delivered?

Stockholders who hold certificated shares of the Company's common stock entitled to vote at the Annual Meeting will receive a printed copy of our proxy materials via mail. For stockholders who hold such shares electronically through a broker, proxy materials will be delivered to such stockholders electronically in accordance with Securities and Exchange Commission rules. However, all stockholders will have the ability to access the proxy materials on a website referred to on the proxy card or to request a printed set of these materials at no charge.

Q. What is the purpose of the Annual Meeting?

At the Annual Meeting, our stockholders will act upon the matters outlined in the Notice of Annual Meeting of Stockholders accompanying this Proxy Statement, which are to (i) re-elect five members of the board of directors of the Company, each for a term of one year, (ii) consider the ratification of the appointment of Cherry Bekaert, LLP as our independent registered public accounting firm for the year ending December 31, 2017, and (iii) to transact any other business that may properly come before the 2017 Annual Meeting or any adjournment thereof.

Q. Who is entitled to vote at our Annual Meeting?

The record holders of our common stock at the close of business on the record date, April 17, 2017, may vote at the Annual Meeting. Each share of Common Stock is entitled to one vote. There were 282,830,163 shares of common A. stock outstanding on the record date and entitled to vote at the Annual Meeting. A complete list of stockholders entitled to vote at the Annual Meeting will be available for your inspection beginning April 21, 2017 and may be provided electronically.

Q. How do I vote?

A. You may vote in person at the Annual Meeting, by use of a proxy card if you receive a printed copy of our proxy materials, or via Internet or telephone as indicated on the proxy card.

Q. *What is a proxy?*

A proxy is a person you appoint to vote your shares on your behalf. If you are unable to attend the Annual Meeting, our Board of Directors is seeking your appointment of a proxy so that your shares may be voted. If you vote by A. proxy, you will be designating our President, Chief Executive Officer and Chief Financial Officer, Steven L. Kiel, as your proxy. Such person may act on your behalf and have the authority to appoint a substitute to act as your proxy.

Q. *How will my shares be voted if I vote by proxy?*

Your proxy will be voted according to the instructions you provide. **If you complete and submit your proxy but do not otherwise provide instructions on how to vote your shares, your shares will be voted (i) “FOR” the individuals nominated to serve as members of our Board of Directors, (ii) “FOR” the ratification of the A. appointment of Cherry Bekaert, LLP as our independent registered public accounting firm for the year ending December 31, 2017. Presently, our Board does not know of any other matter that may come before the Annual Meeting. However, your proxies are authorized to vote on your behalf, using their discretion, on any other business that properly comes before the Annual Meeting.**

Q. *How do I revoke my proxy?*

A. You may revoke your proxy at any time before your shares are voted at the Annual Meeting by:

delivering written notice to our President, Chief Executive Officer and Chief Financial Officer, Steven L. Kiel, at our address above;*

submitting a later dated proxy card;*

voting again via the Internet as described on the proxy card; or

attending the Annual Meeting and voting in person.

* Your revocation will be effective unless written notice or the proxy card is received by our President, Chief Executive Officer and Chief Financial Officer, Steven L. Kiel at or before the Annual Meeting.

Q. *Is my vote confidential?*

A. Yes. All votes remain confidential, unless you provide otherwise.

Q. *How is voting conducted?*

Before the Annual Meeting, our Board of Directors will appoint one or more inspectors of election for the meeting. The inspector(s) will determine the number of shares represented at the meeting, the existence of a quorum and the validity and effect of proxies. The inspector(s) will also receive, count, and tabulate ballots and votes and determine the results of the voting on each matter that comes before the Annual Meeting.

A.

See “Q. What vote is required to elect our directors for a one-year term?”, for how abstentions, votes withheld and broker or nominee non-votes are treated by the Company during the Annual Meeting.

Q. *What constitutes a quorum at the Annual Meeting?*

A. In accordance with Nevada law (the law under which we are incorporated) and our bylaws, as the same may be amended or restated from time to time (“Bylaws”), the presence at the Annual Meeting, by proxy or in person, of the holders of a majority of the outstanding shares of the capital stock entitled to vote at the Annual Meeting constitutes a quorum, thereby permitting the stockholders to conduct business at the Annual Meeting.

Abstentions and votes withheld, and shares represented by proxies reflecting abstentions or votes withheld, will be treated as present for purposes of determining the existence of a quorum at the Annual Meeting. Broker or nominee non-votes, which occur when shares held in "street name" by brokers or nominees who indicate that they do not have discretionary authority to vote on a particular matter, will be treated as present for purposes of determining the existence of a quorum, and may be entitled to vote on certain matters at the Annual Meeting.

If a quorum is not present at the Annual Meeting, a majority of the stockholders present in person and by proxy may adjourn the meeting to another date. At any adjourned meeting at which a quorum is present, any business may be transacted that might have been transacted at the originally called meeting.

Q. What vote is required to elect our directors for a one-year term?

The affirmative vote of a majority of the votes cast, by the holders of common stock present in person or by proxy, entitled to vote in the election. Abstentions, votes withheld, and broker or nominee non-votes will not affect the outcome of director elections.

Q. How will the outcome of the ratification of the appointment of Cherry Bekaert, LLP as our independent registered public accounting firm for the year ending December 31, 2017 be determined?

The affirmative vote of a majority of the votes cast, by the holders of common stock present in person or by proxy, entitled to vote at the Annual Meeting is required to ratify the appointment of Cherry Bekaert, LLP as our independent registered public accounting firm for the year ending December 31, 2017. Abstentions and votes withheld will have the same effect as a negative vote. However, broker or nominee non-votes, and shares represented by proxies reflecting broker or nominee non-votes, will not have the effect of a vote "for" or "against" this proposal.

Q. What percentage of our outstanding common stock do our directors and executive officers own?

As of April 17, 2017, our directors and executive officers owned, or have the right to acquire, approximately 53.04% of our outstanding common stock. See the discussion under the heading "Stock Ownership of Our Directors, Executive Officers, and 5% Beneficial Owners" on page 13 for more details.

Q. How can I obtain a copy of our Annual Report on Form 10-K?

A. We have filed our Annual Report on Form 10-K for the year ended December 31, 2016, with the Securities and Exchange Commission ("SEC"). The Annual Report on Form 10-K is also included in the 2016 Annual Report to

Stockholders. **You may obtain, free of charge, a paper copy of our Annual Report on Form 10-K, including financial statements and exhibits, by writing to our President, Chief Executive Officer and Chief Financial Officer, Steven L. Kiel, or by email at investorrelations@sitestar.com.**

CORPORATE GOVERNANCE

Our Board of Directors

The Company approved the appointment of the Governance, Compensation, and Nomination Committee on September 19, 2016. The Governance, Compensation, and Nomination Committee Charter was approved by the Board of Directors on September 19, 2016.

Our Bylaws provide that the business and affairs of the Company shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors. Our Bylaws provide further that the Board of Directors shall consist of not less than one and not more than nine members unless changed by a duly adopted amendment to the articles of incorporation or by an amendment to the Bylaws adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote. Our Board of Directors has passed a resolution setting the number of members at five, which is the current number of members. Our Bylaws allow for the Board to appoint a Chairman of the Board. On February 17, 2016, the Board elected Jeffrey I. Moore as Chairman of the Board.

The following individuals are being nominated for re-election to the Board (See “Election of Directors; Nominees”):

Name	Age ⁽¹⁾	Position	Director Since	Current	
				Independent	Committee Membership ⁽²⁾
Jeffrey I. Moore	31	Chairman of the Board	2013	Yes	AC, GCN
Steven L. Kiel ⁽³⁾	38	President, Chief Executive Officer, Chief Financial Officer and Director	2015	No	
Jeremy K. Gold	24	Director	2015	Yes	AC
Christopher T. Payne ⁽⁴⁾	46	Director	2016	Yes	AC, GCN
Keith D. Smith ⁽⁵⁾	53	Director	2016	Yes	GCN

(1) As of the 2017 Annual Meeting.

(2) AC = Audit Committee GCN = Governance, Compensation and Nominating Committee

On February 17, 2016, the Board elected Steven L. Kiel as the President and Chief Executive Officer of the (3) Company. Mr. Kiel had served as the interim President and Chief Executive Officer of the Company since December 14, 2015. On March 3, 2016, the Board elected Mr. Kiel as the Chief Financial Officer.

On February 23, 2016, the Company announced that it appointed Christopher T. Payne as a member of the Board. (4) Mr. Payne was appointed by the Board at its meeting on February 17, 2016 and the appointment was effective on February 22, 2016.

(5) On September 19, 2016, Keith D. Smith was elected by shareholders as a member of the Board.

The following biographies set forth the names of our director nominees, their ages, their principal occupations and employers for at least the past five years, any other directorships held by them during the past five years in companies that are subject to the reporting requirements of the Securities Exchange Act of 1934 (the “Exchange Act”), or any company registered as an investment company under the Investment Company Act of 1940, as well as additional information, all of which we believe sets forth each director nominee’s qualifications to serve on the Board.

Jeffrey I. Moore, 31, was appointed as the Chairman of the Board on February 17, 2016. He has served as a Director since 2013. Mr. Moore is a founder and Presiding Partner of M & M Investments, a value based investment partnership investing in common stocks. He is also owner and operator of Mt Melrose LLC, a company investing in real estate in Central Kentucky. Mr. Moore earned a Bachelor of Arts in General Studies at Eastern Kentucky University. The Company believes that Mr. Moore's experience in real estate investment and management, his experience with other investments, as well as his familiarity with Sitestar's holdings, make him qualified to serve on the Board.

Steven L. Kiel, 38, was appointed as President and Chief Executive Officer of the Company on December 14, 2015. He has served as a Director since 2015. Mr. Kiel is the President of Arquitos Capital Management LLC and portfolio manager of Arquitos Capital Partners, LP. He is also a co-portfolio manager to Santa Monica Partners, L.P. a New York-based investment partnership. Mr. Kiel is a judge advocate in the Army Reserves, a veteran of Operation Iraqi Freedom, and currently holds the rank of Major. Previously, Steven was an attorney in private practice. He is a graduate of George Mason School of Law and Illinois State University and is a member of the bar in Illinois (inactive) and Washington, DC. The Company believes that Mr. Kiel's financial, leadership, and legal experience makes him qualified to serve on the Board.

Jeremy K. Gold, 24, has been a Director since 2015. Mr. Gold has served as the Chairman of Sitestar's Audit Committee since 2015. Mr. Gold is a Research Analyst at Oberndorf Enterprises LLC. He has previously worked at Alesia Asset Management, CloudPlus Inc, Western Asset Management and Camden Asset Management. Mr. Gold holds a Bachelor of Arts in Physics from Williams College. The Company believes that Mr. Gold's experience in evaluating investment decisions, as well as his familiarity with the Company's holdings, make him qualified to serve on the Board.

Christopher T. Payne, 46, has been a Director since 2016. Mr. Payne is a financial professional with more than 15 years of consulting, corporate finance and Big Four experience. In his current role, Mr. Payne manages and performs valuations involving various classes of equity and debt securities. He advises clients in both private and public companies and provides valuation and corporate advisory services for purposes including mergers and acquisitions, fairness opinions, buy-sell agreements, Internal Revenue Service and Securities and Exchange Commission compliance matters, and corporate planning and reorganizations. Mr. Payne is a graduate from the George Mason University's School of Business (MBA) and holds a Bachelor's degree from the University of North Carolina at Charlotte. The Company believes that Mr. Payne's experience in evaluating investment decisions and dedication to improving the corporate governance at Sitestar make him qualified to be a member of the Board.

Keith D. Smith, 53, has been a Director since 2016. Mr. Smith has been the Chairman of the Company's Governance, Compensation and Nominating Committee since 2016. Mr. Smith is a managing director at a private business valuation / consulting firm in Rochester, New York. He is a valuation professional with more than 20 years of consulting, corporate finance and "Big Four" accounting and auditing experience. Mr. Smith originates, manages and performs valuations involving equity, debt, derivatives, liabilities, intangible assets, intellectual property and net operating losses of publicly and privately held businesses for acquisitions, divestitures, estate & gift tax reporting, liquidation, financial reporting, and general corporate planning. Previously, Mr. Smith worked in the valuation practice of a Big Four accounting firm and was an Air Force officer involved in the acquisition of space systems for the federal government. Mr. Smith holds an MBA from University California - Los Angeles and a Bachelor of Science in Electrical Engineering from the Union College. The Company believes that Mr. Smith's experience in evaluating investment decisions make him qualified to serve on the Board.

There is no family relationship between and among any of our executive officers or directors.

There are no legal or regulatory proceedings involving any director, director nominee or officer of the Company for the past ten years, except for the complaint filed by Sitestar on April 12, 2016 against its former President and Chief Executive Officer and current stockholder, Frank Erhartic, Jr., alleging monetary damages in excess of \$350,000. This matter is currently pending with the Circuit Court for the City of Lynchburg.

During 2016, the Board held six meetings, our audit committee held four meetings, and our governance, compensation and nominating committee did not hold a meeting. During the period served, no Director attended fewer than 75% of the total number of meetings of the Board held during the year with the exception of former director Daniel A. Judd. Our directors are expected to attend each annual meeting of Stockholders, and it is our expectation that all director nominees will attend this year's Annual Meeting. All directors attended the Annual Meeting of Shareholders in 2016, which was held on September 19, 2016.

Group and Voting Agreement. In connection with a private placement of our common stock on August 10, 2016, Arquitos Capital Partners, LP, Santa Monica Partners, L.P. and Steven L. Kiel entered into a Group and Voting Agreement, pursuant to which Mr. Kiel will until August 10, 2018, have sole and exclusive authority to vote the shares acquired by Arquitos Capital Partners, LP and Santa Monica Partners, L.P. through such private placement.

Communicating with the Board of Directors

Our Board has established a process by which stockholders can send communications to the Board. You may communicate with the Board as a group, or to specific directors, by writing to Steven L. Kiel, our President, Chief Executive Officer and Chief Financial Officer, at our offices located at 4026 Wards Road, Suite G1 #271, Lynchburg, VA 24502. Mr. Kiel will review all such correspondence and regularly forward to the Board a summary of all correspondence and copies of all correspondence that deals with the functions of the Board or committees thereof or that otherwise requires their attention. Directors may at any time review a log of all correspondence we receive that is addressed to members of our Board and request copies of any such correspondence. Concerns relating to accounting, internal controls, or auditing matters may be communicated in this manner, or may be submitted on an anonymous basis via e-mail investorrelations@sitestar.com. These concerns will be immediately brought to the attention of our Audit Committee and resolved in accordance with procedures established by our Audit Committee.

Risk Oversight

Sitestar has a risk management program overseen by Steven L. Kiel, our President, Chief Executive Officer, Chief Financial Officer and Director. Mr. Kiel identifies material risks and prioritizes them for our Board. Our Board regularly reviews information regarding our credit, liquidity, cybersecurity, operations, as well as the risks associated with each.

Code of Ethics

The Company has adopted a code of ethics and it is available on the Company's website www.sitestar.com under Investor Relations.

Audit Committee

The Company approved the creation of an Audit Committee on December 14, 2015. The Audit Committee Charter was approved by the Board of Directors on January 5, 2016. The Audit Committee assists the Board of Directors in fulfilling its responsibility to the shareholders, potential shareholders, and investment community relating to corporate accounting, reporting practices of the Company and the quality and integrity of the Company's financial reporting. To fulfill its purposes, the Committee's duties include the following:

Appoint, evaluate, compensate, oversee the work of and, if appropriate, terminate, the independent auditor, who shall report directly to the Committee.

Approve in advance all audit engagement fees and terms of engagement as well as all audit and non-audit services to be provided by the independent auditor.

Engage independent counsel and other advisors, as it deems necessary to carry out its duties.

In performing these functions, the Audit Committee meets periodically with the independent auditors and management to review their work and confirm that they are properly discharging their respective responsibilities.

The Audit Committee currently consists of Jeremy K. Gold (Chairman of the Audit Committee), Jeffrey I. Moore, and Christopher T. Payne. Each member is considered to be independent as defined by the Securities and Exchange Commission. Mr. Payne is considered to be an audit committee financial expert. Please see Mr. Payne's biography on page 6 for a description of his relevant experience.

The Audit Committee has reviewed and discussed the audited financial statements for the year ended December 31, 2016 with the Company's management and the Company's independent registered public accounting firm. The Audit Committee has also discussed with the Company's independent registered public accounting firm the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board (United States) in Rule 3200T regarding "Communication with Audit Committees."

The Audit Committee also has received and reviewed the written disclosures and the letter from the Company's independent registered public accounting firm required by applicable requirements of the Public Company Accounting Oversight Board regarding the Company's independent registered public accounting firm's communications with the Audit Committee concerning independence, and has discussed with the Company's independent registered public accounting firm its independence from the Company.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board that the financial statements referred to above be included in the Annual Report.

Governance, Compensation, and Nominating Committee

The Company approved the appointment of the Governance, Compensation, and Nomination Committee on September 19, 2016. The Governance, Compensation, and Nomination Committee Charter was approved by the Board of Directors on September 19, 2016. A copy of the Governance, Compensation, and Nomination Committee Charter is available on the Company's website www.sitestar.com under the Corporate Governance tab. The Governance, Compensation, and Nomination Committee assists the Board of Directors in fulfilling its responsibility to the shareholders, potential shareholders, and investment community relating to corporate governance, compensation and nomination oversight and Director effectiveness and performance. To fulfill its purposes, the committee's duties include the following:

Recommending to the Board corporate governance guidelines applicable to the Company.

Identifying, reviewing, evaluating, and recommending individuals qualified to become members of the Board and its committees.

Evaluating and recommending to the Board the compensation of the Board and its committees.

Reviewing the effectiveness and performance of the Board and its members.

Assessing and reviewing risks associated with the Company and if necessary recommending mitigation actions to the Board.

Setting the compensation of the Chief Executive Officer and performing other compensation and oversight.

We believe that our Board of Directors as a whole should encompass a range of talent, skill, and expertise enabling it to provide sound guidance with respect to our operations and interests. The committee evaluates all candidates to our Board of Directors by reviewing their biographical information and qualifications. If the independent directors determine that a candidate is qualified to serve on our Board of Directors, such candidate is interviewed by at least one

of the independent directors and our Chief Executive Officer. Other members of the Board of Directors also have an opportunity to interview qualified candidates. The independent directors then determine, based on the background information and the information obtained in the interviews, whether to recommend to the Board of Directors that the candidate be nominated for approval by the stockholders to fill a directorship. With respect to an incumbent director whom the independent directors are considering as a potential nominee for reelection, the independent directors review and consider the incumbent director's service during his or her term, including the number of meetings attended, level of participation, and overall contribution to the Board of Directors. The manner in which the independent directors evaluate a potential nominee will not differ based on whether the candidate is recommended by our directors or stockholders.

Nasdaq has established rules and regulations regarding the composition of nominating committees and the qualifications of the committee's members. Our Board of Directors has examined the composition of our Governance, Compensation, and Nominating Committee and the qualifications of the committee members in light of the current rules and regulations governing nominating committees. Based upon this examination, our Board of Directors has determined that each member of our Governance, Compensation, and Nominating Committee is independent and is otherwise qualified to be a member of our Governance, Compensation, and Nominating Committee in accordance with such rules.

We do not have a formal policy in place with regard to the consideration of diversity in considering candidates for our Board of Directors, but the Board of Directors strives to nominate candidates with a variety of complementary skills so that, as a group, the Board of Directors will possess the appropriate talent, skills and expertise to oversee our business.

The Governance, Compensation, and Nominating Committee currently consists of Keith D. Smith (Chairman of the Governance, Compensation and Nomination Committee), Jeffrey I. Moore and Christopher T. Payne. Each member is considered to be independent as defined by the Securities and Exchange Commission.

Nominating Process

Until the charter for the Governance, Compensation, and Nominating Committee is created and approved, all nomination decisions are discussed and approved among the entire the entire Board of Directors.

With respect to an incumbent director whom the other directors are considering as a potential nominee for re-election, such directors review and consider the incumbent director's service during his or her term, including the number of meetings attended, level of participation, and overall contribution to the Board.

Our Board will also consider candidates recommended by stockholders for nomination to our Board of Directors. A stockholder who wishes to recommend a candidate for nomination to our Board of Directors must submit such recommendation to our Corporate Secretary, Rodney Lake, at Sitestar Corporation, 4026 Wards Road, Suite G1 #271, Lynchburg, VA 24502. Any recommendation must be received not less than 90 calendar days nor more than 120 calendar days before the anniversary date of the previous year's annual meeting. All stockholder recommendations of candidates for nomination for election to our Board of Directors must be in writing and must set forth the following: (i) the candidate's name, age, business address, and other contact information, (ii) the number of shares of the Company's common stock beneficially owned by the candidate, (iii) a complete description of the candidate's qualifications, experience, background and affiliations, as would be required to be disclosed in the proxy statement pursuant to Schedule 14A under the Exchange Act, (iv) a sworn or certified statement by the candidate in which he or she consents to being named in the proxy statement as a nominee and to serve as director if elected, and (v) the name and address of the stockholder(s) of record making such a recommendation and the number of shares owned by the recommending stockholders.

Vacancies in the Board may be filled by a majority of the remaining directors, though less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with Nevada corporations law, or (3) a sole

remaining director. Each director so elected shall hold office until the next annual meeting of the stockholders and until a successor has been elected and qualified, or until such director resigns or is removed from office. A vacancy in the Board of Directors created by the removal of a director may only be filled by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of the holders of a majority of the outstanding shares.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES AND OTHER MATTERS

Cherry Bekaert, LLP, the independent registered public accounting firm that audited our financial statements for the years ended December 31, 2016 and December 31, 2015, has served as our independent registered public accounting firm since 2016.

Our Board of Directors has asked the stockholders to ratify the selection of Cherry Bekaert, LLP as our independent registered public accounting firm. See Proposal Two: Ratification of Appointment of Cherry Bekaert, LLP as Our Independent Registered Public Accounting Firm on page [18] of this proxy statement. The Audit Committee has reviewed the fees described below and concluded that the payment of such fees is compatible with maintaining Cherry Bekaert, LLP's independence. All proposed engagements of Cherry Bekaert, LLP, whether for audit services, audit related services, tax services, or permissible non audit services, were pre-approved by our Audit Committee.

Registered Public Accounting Firm Fees and Other Matters

The following table summarizes the fees of Cherry Bekaert, LLP, our current registered public accounting firm, for 2016 and 2015:

	2016	2015
Audit fees ⁽¹⁾	\$167,125	\$54,712
Audit related fees ⁽²⁾	—	—
Tax fees ⁽³⁾	3,222	—
All other fees	—	—
Total	\$170,347	\$54,712

(1) Consists of fees for services provided in connection with the audit of the Company's financial statements and review of the Company's quarterly financial statements.

(2) Consists of fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees."

(3) Consists of fees for preparation of Federal and state income tax returns.

Management notes that all audit fees paid during the year ended December 31, 2016 were paid to Cherry Bekaert, LLP and were related to audit services for the years ended December 31, 2016, December 31, 2015, and December 31, 2014. All audit fees paid during the year ended December 31, 2015 were paid to Ciro E. Adams, CPA, LLC. All tax

fees paid during the year ended December 31, 2016 were paid to Davidson, Doyle, & Hilton, LLP.

The engagement of Cherry Bekaert, LLP for the 2016 and 2015 fiscal years and the scope of audit-related services, including the audits and reviews described above, were all pre-approved by the Audit Committee.

The policy of the Audit Committee is to pre-approve the engagement of the Company's independent auditors and the furnishings of all audit and non-audit services.

Pre-Approval of Services

Our Audit Committee sets forth the procedures under which services provided by our independent registered public accounting firm will be pre-approved by our Audit Committee. The potential services that might be provided by our independent registered public accounting firm fall into two categories:

Services that are permitted, including the audit of our annual financial statements, the review of our quarterly financial statements, related attestations, benefit plan audits and similar audit reports, financial and other due diligence on acquisitions, and federal, state, and non US tax services; and

Services that may be permitted, subject to individual pre approval, including compliance and internal control reviews, indirect tax services such as transfer pricing and customs and duties, and forensic auditing.

Services that our independent registered public accounting firm may not legally provide include such services as bookkeeping, certain human resources services, internal audit outsourcing, and investment or investment banking advice.

All proposed engagements of our independent registered public accounting firm, whether for audit services or permissible non audit services, are pre-approved by the Audit Committee. We jointly prepare a schedule with our independent registered public accounting firm that outlines services that we reasonably expect we will need from our independent registered public accounting firm, and categorize them according to the classifications described above. Each service identified is reviewed and approved or rejected by the Audit Committee.

OUR EXECUTIVE OFFICER

Executive Officer

Our only current executive officer is:

Name	Age	Position
Steven L. Kiel ⁽¹⁾	38	President, Chief Executive Officer, Chief Financial Officer and Director

On February 17, 2016, the Board elected Steven L. Kiel as the President and Chief Executive Officer of the (1) Company. Mr. Kiel had served as the interim President and Chief Executive Officer of the Company since December 14, 2015. On March 3, 2016, the Board elected Mr. Kiel as the Chief Financial Officer.

Mr. Kiel is not related by blood, marriage or adoption to any other director or executive officer. The biography of Mr. Kiel is presented in connection with "Corporate Governance" beginning on page 6 of this Proxy Statement.

EXECUTIVE COMPENSATION

Compensation Philosophy and Objectives

Our compensation programs are designed to motivate our employees to work toward achievement of our corporate mission to create sustained stockholder value by generating attractive returns, when measured over the long term. In order to achieve our key business and strategic goals, we must be able to attract, retain and motivate quality employees in an exceptionally competitive environment. Our industry is highly regulated, scrutinized and dynamic, and as a result, we require employees that are highly educated, dedicated and experienced. The primary objectives of our executive compensation program are to:

attract, retain and motivate experienced and talented executives;

ensure executive compensation is aligned with our corporate strategies, research and development programs and business goals;

recognize the individual contributions of executives while fostering a shared commitment among executives;

promote the achievement of key strategic, development and operational performance measures by linking compensation to the achievement of measurable corporate performance goals; and

align the interests of our executives with our stockholders by rewarding performance that leads to the creation of stockholder value.

Summary Compensation Table

The following table sets forth the cash and other compensation that we paid to the named executive officers (“NEOs”) below or that was otherwise earned by such NEOs for their services in all capacities for the two fiscal years ended December 31st.

Name and Principal Position	Year	Salary	Bonus	Option Awards	All Other	Total
		(\$)	(\$)	(\$)	Compensation (\$)	(\$)
Steven L. Kiel, Chief Executive Officer, Chief Financial Officer ⁽¹⁾	2016	82,308				82,308
	2015					
Rodney Lake, Chief Operating Officer, Corporate Secretary ⁽²⁾	2016	10,000				10,000
	2015					
Daniel A. Judd, Chief Financial Officer ⁽³⁾	2016	9,084				9,084
	2015	48,200				48,200
Frank R. Erhartic, Jr., Chief Executive Officer ⁽⁴⁾	2016					
	2015	48,269				48,269

(1) Appointed Chief Executive Officer on December 14, 2015 and Chief Financial Officer on March 3, 2016. As previously reported in our Current Report on Form 8-K filed with the SEC on January 26, 2017, on January 20, 2017 the Company entered into an employment agreement with Steven L. Kiel. Pursuant to the terms of the employment agreement, Mr. Kiel will be entitled to a base salary at the annualized rate of \$100,000 (\$8,333.33 monthly) and will be eligible to receive an annual performance bonus, in cash, upon meeting certain requirements and to participate in employee benefit plans as the Company may maintain from time to time. The annual performance bonus that Mr. Kiel will be eligible to receive is based on the percentage growth in the Company’s book value per share during each calendar year, subject to a 5% hurdle.

(2) Appointed Chief Operating Officer and Corporate Secretary on November 1, 2016. Mr. Lake is compensated through a consulting agreement with The Bental Group.

(3) Terminated as Chief Financial Officer on March 3, 2016

(4) Terminated as Chief Executive Officer on December 14, 2015

Employment Agreements

There is currently no employment agreement or arrangement, written or unwritten, with any NEO.

DIRECTOR COMPENSATION

The following table sets forth the cash and other compensation paid by the Company to the non-employee members of the Board for all services in all capacities during 2016.

Summary Director Compensation Table

Directors receive \$1,000 for each board and committee meeting attended up to \$10,000 annually.

Name	Fees earned or paid in cash (\$)	Stock awards (\$)	Option awards (\$)	Non-equity incentive plan compensation (\$)	Nonqualified deferred compensation earnings (\$)	All other compensation (\$)	Total (\$)
Jeffrey I. Moore	10,000						10,000
Jeremy K. Gold	10,000						10,000
Christopher T. Payne	6,000						6,000
Keith D. Smith	2,000						2,000
Roger D. Malouf	2,000						2,000

(1) Mr. Gold was personally compensated in the amount of \$5,000 for meeting attendance and Alesia Value Fund LLC was compensated in the amount of \$5,000 for Mr. Gold's meeting attendance.

(2) Mr. Malouf resigned as a director effective February 22, 2017.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

There were no Equity Incentive Plans, Non-Equity Incentive Plans, or Stock Awards for the years ended December 31, 2016 and 2015.

There were no outstanding equity awards as of December 31, 2016.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) Beneficial Ownership Reporting Compliance Pursuant to Section 16(a) of the Exchange Act, and the rules issued there under, our directors and executive officers are required to file with the Securities and Exchange Commission and the National Association of Securities Dealers, Inc. ownership and changes in ownership of common stock and other equity securities of the Company. Copies of such reports are required to be furnished to us. Based solely on a review of the copies of such reports furnished to us, or written representations that no other reports were required, we believe that, during our fiscal year ended December 31, 2016 all of our executive officers and directors complied with the requirements of Section 16 (a).

RELATED-PERSON TRANSACTIONS

Prior to January 15, 2016, the Company leased its former corporate headquarters located at 7109 Timberlake Road, Lynchburg, Virginia from Frank Erhartic, Jr., a stockholder of the Company and the Company's former CEO. The terms of the lease directed the Company to pay Mr. Erhartic \$48,000 per year. The Company now believes that Mr. Erhartic was not the legal owner of the property. This related party matter is described in more detail in Note 13 to the Company's Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2016.

The Company abandoned the corporate headquarters listed above on January 15, 2016. On April 12, 2016, the Company filed a complaint against Mr. Erhartic alleging, among other things, that at his direction the Company made improper payments involving the property listed above. This litigation matter is described in more detail in Note 10 to the Company's Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2016.

**STOCK OWNERSHIP OF OUR DIRECTORS, EXECUTIVE OFFICERS,
AND 5% BENEFICIAL OWNERS**

The following table sets forth as of April 17, 2017 information regarding the beneficial ownership of the Company's voting securities (i) by each person or group known by the Company to be the owner of record or beneficially of more than five percent of the Company's voting securities; (ii) by each of the Company's Directors and executive officers; and (iii) by all Directors and executive officers of the Company as a group. Except as indicated in the following notes, the owners have sole voting and investment power with respect to the shares. Unless otherwise noted, each owner's mailing address is c/o Sitestar Corporation, 4026 Wards Rd. Suite G1 #271, Lynchburg, VA 24502.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class ⁽¹⁾
Jeffrey I. Moore ⁽²⁾	9,923,373	3.51%
Steven L. Kiel ⁽³⁾	127,080,260	44.93%
Jeremy K. Gold	1,677,251	*
Christopher T. Payne	2,278,000	*
Keith D. Smith	9,000,000	3.18%
Rodney Lake	—	—
Frank R. Erhartic, Jr. ⁽⁴⁾		
7109 Timberlake Road	24,883,980	8.80%
Lynchburg, VA 24502		
All directors and officers	149,958,884	53.02%
As a group (6 persons)		

*Less than 1%

(1) Percent of class is based on 282,830,163 shares of Common Stock outstanding as of April 17, 2017.

(2) Includes 4,110,849 shares owned directly by Mr. Moore, 758,489 shares beneficially owned by Julia H. Moore, 648,675 shares beneficially owned by Jay B. Moore beneficially, 218,000 shares beneficially owned by William T. May, and 4,187,360 shares beneficially owned by M & M Investments. The 9,923,373 shares may be deemed to be owned, beneficially and collectively, by Jeffrey I. Moore, as a “group” within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

(3) Includes 85,413,593 shares owned by Arquitos Capital Partners, LP. Arquitos Capital Management LLC acts as the General Partner to Arquitos Capital Partners, LP. Steven L. Kiel is the Managing Member of Arquitos Capital Management LLC and is deemed to have beneficial ownership over the Common Stock owned. Also includes 41,666,667 shares owned by Santa Monica Partners, L.P. SMP Asset Management, LLC is the general partner of Santa Monica Partners, L.P. and Steven L. Kiel is an advisor of SMP Asset Management, LLC and is deemed to have beneficial ownership over the Issuer’s Common Stock owned by Santa Monica Partners, L.P.

(4) Based on the information contained in a Schedule 13D filed February 13, 2015.

PROPOSAL ONE

ELECTION OF DIRECTORS; NOMINEES

Our Bylaws provide that the Board of Directors shall consist of not less than one and not more than nine members unless changed by a duly adopted amendment to the articles of incorporation or by an amendment to the Bylaws adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote. Our Board of Directors has passed a resolution setting the number of members at five, which is the current number of members. Five directors have been nominated for re-election at the Annual Meeting. Those individuals are Jeffrey I. Moore (Independent), Steven L. Kiel, Jeremy K. Gold (Independent), Christopher T. Payne (Independent) and Keith D. Smith (Independent). For information about each of the nominees and our Board generally, please see “Corporate Governance-Our Board of Directors” beginning on page __. If elected, the nominees will hold office until the next annual meeting and until a respective successor is elected and has been qualified, or until such director resigns or is removed from office. Management expects that each of the nominees will be available for election, but if any of them is unable to serve at the time the election occurs, your proxy will be voted for the election of another nominee to be designated by the available members of our Board.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE ELECTION OF ALL OF THE NOMINEES FOR DIRECTOR. IF A CHOICE IS SPECIFIED ON THE PROXY BY THE STOCKHOLDER, THE SHARES WILL BE VOTED AS SPECIFIED. IF NO SPECIFICATION IS MADE, THE SHARES WILL BE VOTED “FOR” ALL OF THE NOMINEES. THE AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST, BY THE HOLDERS OF COMMON STOCK PRESENT IN PERSON OR BY PROXY, ENTITLED TO VOTE AT THE ANNUAL MEETING AT WHICH A QUORUM IS PRESENT IS REQUIRED FOR THE ELECTION OF THE NOMINEES.

PROPOSAL TWO

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

The Board of Directors (and the Audit Committee of the Board of Directors for fiscal years 2017 and beyond) annually considers and selects our independent registered public accountants. The Board has selected Cherry Bekaert, LLP to act as our independent registered public accountants for fiscal 2017.

Stockholder ratification of Cherry Bekaert, LLP as our independent registered public accountants is not required by our Bylaws, or otherwise. However, we are submitting the selection of Cherry Bekaert, LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders do not ratify the selection of Cherry Bekaert, LLP as our independent registered public accountants, the Board will reconsider the selection of such independent registered public accountants. Even if the selection is ratified, the Board may, in its discretion, direct the appointment of a different independent registered public accountant at any time during the year if it determines that such a change would be in the best interest of the Company and its stockholders.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” THE RATIFICATION OF THE APPOINTMENT OF CHERRY BEKAERT, LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2017. IF A CHOICE IS SPECIFIED ON THE PROXY BY THE STOCKHOLDER, THE SHARES WILL BE VOTED AS SPECIFIED. IF NO SPECIFICATION IS MADE, THE SHARES WILL BE VOTED “FOR” THE RATIFICATION OF THE APPOINTMENT OF CHERRY BEKAERT, LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2016. THE AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST, BY THE HOLDERS OF COMMON STOCK PRESENT IN PERSON OR BY PROXY, ENTITLED TO VOTE AT THE ANNUAL MEETING AT WHICH A QUORUM IS PRESENT IS REQUIRED TO SUPPORT THE PROPOSAL.

ADDITIONAL INFORMATION

Delivery of Documents to Security Holders Sharing an Address

Only one information statement is being delivered to multiple security holders sharing an address unless the Company has received contrary instructions from one or more of its security holders. The Company undertakes to deliver promptly upon written or oral request a separate copy of the information statement to a security holder at a shared address to which a single copy of the documents was delivered and provide instructions as to how a security holder can notify the Company that the security holder wishes to receive a separate copy of an information statement.

Security holders sharing an address and receiving a single copy may request to receive a separate information statement at Sitestar Corporation, 4026 Wards Road, Suite G1 #271, Lynchburg, VA 24502. Security holders sharing an address can request delivery of a single copy of information statements if they are receiving multiple copies may also request to receive a separate information statement at Sitestar Corporation, 4026 Wards Road, Suite G1 #271, Lynchburg, VA 24502, telephone: (434) 382-7366.

Stockholder Proposals for Our 2018 Annual Meeting

Only proper proposals under Rule 14a-8 of the Exchange Act which are timely received will be included in the proxy materials for our next annual meeting. In order to be considered timely, such proposal must be received by our Corporate Secretary, Rodney Lake, at Sitestar Corporation, 4026 Wards Road, Suite G1 #271, Lynchburg, VA 24502, no later than December 31, 2017. We suggest that stockholders submit any stockholder proposal by certified mail, return receipt requested.

Our Bylaws require stockholders to provide advance notice to the Company of any stockholder director nomination(s) and any other matter a stockholder wishes to present for action at an annual meeting of stockholders (other than matters to be included in our proxy statement, which are discussed in the previous paragraph). In order to properly bring business before an annual meeting, our Bylaws require, among other things, that the stockholder submit written notice thereof complying with our Bylaws to Rodney Lake, our Corporate Secretary, at the above address, not less than 90 days nor more than 120 days prior to the anniversary of the preceding year's annual meeting. Therefore, the Company must receive notice of a stockholder proposal submitted other than pursuant to Rule 14a-8 (as discussed above) no sooner than January 22, 2018, and no later than February 21, 2018. If a stockholder fails to provide timely notice of a proposal to be presented at our 2018 Annual Meeting of Stockholders, the proxy designated by our Board of Directors will have discretionary authority to vote on any such proposal that may come before the meeting.

Other Matters

Our Board does not know of any other matters that may come before the meeting. However, if any other matters are properly presented to the meeting, it is the intention of the person or persons named in the accompanying proxy card to vote, or otherwise act, in accordance with their judgment on such matters.

Solicitation of Proxies

The Company will bear the cost of solicitation of proxies. In addition to the solicitation of proxies by mail, our officers and employees may solicit proxies in person or by telephone. The Company may reimburse brokers or persons holding stock in their names, or in the names of their nominees, for their expenses in sending proxies and proxy material to beneficial owners.

Incorporation of Information by Reference

The Audit Committee Report contained in this Proxy Statement is not deemed filed with the SEC and shall not be deemed incorporated by reference into any prior or future filings made by us under the Securities Act of 1933, as amended or the Exchange Act, except to the extent that we specifically incorporate such information by reference. Our Annual Report on Form 10-K for the year ended December 31, 2016, delivered to you together with this Proxy Statement, is hereby incorporated by reference.

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. 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.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**SITESTAR
CORPORATION
4026 WARDS ROAD,
SUITE G1 #271
LYNCHBURG, VA
24502**

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. 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:

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

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

For Withhold For All

The Board of Directors recommends you vote FOR the following:

Except 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.

1. Election of Directors

Nominees

- | | | | |
|---------------------|-------------------|-------------------|-------------------|
| 01 Jeffrey I. Moore | 02 Steven L. Kiel | 03 Jeremy K. Gold | 04 Christopher T. |
| Payne | 05 Keith D. Smith | | |

The Board of Directors recommends you vote FOR the following proposal:

For Against Abstain

2. RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.

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.

Signature
[PLEASE
SIGN
WITHIN
BOX]

Signature (Joint Owners)

Date

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:
The Notice & Proxy Statement and Form 10-K are available at www.proxyvote.com

SITESTAR CORPORATION
Annual Meeting of Shareholders
May 22, 2017 10:00 AM Local Time

This proxy is solicited by the Board of Directors

The shareholder(s) hereby appoint(s) Steven L. Kiel as proxy, with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of common stock of Sitestar Corporation that the shareholder(s) is/are entitled to vote at the Annual Meeting of shareholder(s) to be held at 10:00 AM, Local Time on May 22, 2017, at the offices of our legal counsel, Alston & Bird LLP, located at 101 South Tryon Street, Suite 4000, Charlotte, NC 28280, 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

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