

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Marchex, Inc.		2 Issuer's employer identification number (EIN) 35-2194038	
3 Name of contact for additional information Investor Relations	4 Telephone No. of contact (206)-331-3600	5 Email address of contact IR@marchex.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 520 Pike Street, Suite 2000		7 City, town, or post office, state, and Zip code of contact Seattle, WA 98101	
8 Date of action May 18, 2015		9 Classification and description Cash distribution to holders of Class A Common Stock and Class B Common Stock	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol MCHX	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶

On May 18, 2015, Marchex, Inc. paid a cash distribution of two cents (\$.02) per Class A Common Stock and Class B Common Stock to shareholders of record on May 7, 2015. The Company's Board of Directors declared the regular quarterly dividend on April 15, 2015, payable to the holders of record as of the close of business on May 7, 2015. The aggregate amount of the cash distribution to both classes was \$846,138.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶

The cash distribution of two cents (\$.02) per Class A Common Stock is a return of capital distribution to the extent of the shareholder's basis in the stock. The shareholder should reduce the tax basis in each Class A Common Stock by two cents (\$.02) but not below zero.

The cash distribution of two cents (\$.02) per Class B Common Stock is a return of capital distribution to the extent of the shareholder's basis in the stock. The shareholder should reduce the tax basis in each Class B common Stock by two cents (\$.02) but not below zero.

Distributions to shareholders in excess of current and accumulated earnings and profits of a corporation reduce the basis of the shares of the corporation pursuant to Internal Revenue Code section 301(c)(2) and section 316(a).

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶

The Company determined that its current and accumulated earnings and profits were deficits as of May 18, 2015.

See the description in section 15 above.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

The taxation of distributions to shareholders of a corporation is determined under Internal Revenue Code (IRC) section 301.

Specifically, IRC section 301(c)(2) provides that distributions by a corporation from other than current earnings and profits or accumulated earnings and profits is a return of capital distribution to the extent of the shareholder's basis in the stock.

IRC section 301(c)(3) provides that distributions in excess of the shareholder's basis in the stock is a gain from the sale or exchange.

IRC section 316(a)(1) provides that a corporation is to determine current earnings and profits and section 316(a)(2) provides that a corporation is to determine accumulated earnings and profits.

As of the date of the distribution to shareholders on May 18, 2015, Marchex, Inc. did not have current earnings and profits or accumulated earnings and profits.

18 Can any resulting loss be recognized? ▶

No loss can be recognized by the shareholder as a result of the cash distributions made on May 18, 2015.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶

Shareholders should take this information into consideration when preparing income tax returns for the 2015 calendar tax year or a fiscal tax year that includes the date of May 18, 2015.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶  Date ▶ 5-18-2015

Print your name ▶ DIVINA R STEEN Title ▶ VP, Financial Reporting, Tax and Compl.

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	