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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-37924

BlackLine, Inc.

(Exact name of Registrant as specified in its charter)

Delaware	**46-3354276**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

21300 Victory Boulevard, 12th Floor
Woodland Hills, CA 91367
(818) 223-9008
(Address of principal executive offices, including zip code)

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's common stock outstanding as of November 30, 2016 was 51,268,844.

BlackLine Inc

Quarterly Report on Form 10-Q

For the Quarterly Period Ended September 30, 2016

TABLE OF CONTENTS

Part I. Financial Information

Part II. Other Information

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expect," "plan," anticipate," "believe," "estimate," "predict," "intend," "potential," "would," "continue," "ongoing" or the negative of these terms or other comparable terminology. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including, but not limited to, statements regarding future financial and operational performance; statements concerning growth strategies including extension of distribution channels and strategic relationships, product innovation, international expansion, customer growth, expectations for hiring new talent and expanding our sales organization; our ability to accurately forecast revenue and appropriately plan expenses and investments; the demand for and benefits from the use of our current and future solutions; market acceptance of our solutions; and changes in the competitive environment in our industry and the markets in which we operate. These statements are based upon our historical performance and our current plans, estimates and expectations and are not a representation that such plans, estimates, or expectations will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith beliefs and assumptions as of that time with respect to future events, and are subject to risks and uncertainties. If any of these risks or uncertainties materialize or if any assumptions prove incorrect, actual performance or results may differ materially from those expressed in or suggested by the forward looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict, including those identified below, under "Part II—Other Information, Item 1A. Risk Factors" and elsewhere herein. Forward-looking statements should not be read as a guarantee of future performance or results, and you should not place undue reliance on such statements. Furthermore, we undertake no obligation to revise or update any forward-looking statements for any reason.

Throughout this document "Silver Lake Sumeru" refers to either or both of Silver Lake Sumeru Fund, L.P. and Silver Lake Technology Investors Sumeru, L.P., and references to "Iconiq" refer to any or all of Iconiq Strategic Partners, L.P., ICONIQ Strategic Partners-B, L.P. and Iconiq Strategic Partners Co-Invest, L.P., BL Series. We refer to Silver Lake Sumeru, Iconiq, Therese Tucker and Mario Spanicciati collectively as our Principal Stockholders.

Item 1. Financial Statements

BLACKLINE, INC

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in thousands, except shares and par values)

	September 30, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 19,586	$ 15,205
Accounts receivable, net	36,761	24,235
Deferred sales commissions	7,229	6,246
Prepaid expenses and other current assets	4,456	2,801
Total current assets	68,032	48,487
Capitalized software development costs, net	4,113	2,967
Property and equipment, net	11,857	12,419
Intangible assets, net	57,434	56,828
Goodwill	185,052	163,154
Other assets	4,747	2,895
Total assets	$ 331,235	$ 286,750
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 8,456	$ 4,648
Accrued expenses and other current liabilities	17,485	15,012
Deferred revenue	69,774	52,750
Short-term portion of contingent consideration	2,008	2,008
Total current liabilities	97,723	74,418
Term loan, net	64,836	28,267
Common stock warrant liability	5,200	5,500
Contingent consideration	3,137	2,859
Deferred tax liabilities	3,874	5,907
Other long-term liabilities	3,917	3,631
Total liabilities	178,687	120,582
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Common stock, $0.01 par value, 500,000,000 shares authorized, 41,316,829 issued and outstanding as of September 30, 2016 and 40,720,327 issued and 40,673,327 outstanding as of December 31, 2015	413	407
Treasury stock, 0 shares and 47,000 shares at cost at September 30, 2016 and December 31, 2015, respectively	—	(254)
Additional paid-in capital	223,805	214,171
Accumulated deficit	(71,670)	(48,156)
Total stockholders' equity	152,548	166,168
Total liabilities and stockholders' equity	$ 331,235	$ 286,750

The accompanying notes are an integral part of these condensed consolidated financial statements

BLACKLINE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	**2015**	**2016**	**2015**
Revenues				
Subscription and support	$ 30,853	$ 20,786	$ 83,830	$ 56,666
Professional services	1,343	875	3,953	2,467
Total revenues	32,196	21,661	87,783	59,133
Cost of revenues				
Subscription and support	6,440	5,119	18,515	14,220
Professional services	1,101	824	3,029	2,162
Total cost of revenues	7,541	5,943	21,544	16,382
Gross profit	24,655	15,718	66,239	42,751
Operating expenses				
Sales and marketing	19,037	14,740	56,279	39,694
Research and development	5,087	4,904	15,552	12,938
General and administrative	7,698	5,916	19,633	14,968
Total operating expenses	31,822	25,560	91,464	67,600
Loss from operations	(7,167)	(9,842)	(25,225)	(24,849)
Other expense				
Interest expense, net	(1,294)	(822)	(3,134)	(2,466)
Change in fair value of the common stock warrant liability	—	80	300	(170)
Other expense, net	(1,294)	(742)	(2,834)	(2,636)
Loss before income taxes	(8,461)	(10,584)	(28,059)	(27,485)
Benefit from income taxes	(1,842)	(3,849)	(4,564)	(9,958)
Net loss	$ (6,619)	$ (6,735)	$ (23,495)	$ (17,527)
Net loss per share, basic and diluted	$ (0.16)	$ (0.17)	$ (0.58)	$ (0.43)
Weighted average common shares outstanding, basic and diluted	40,824,314	40,655,741	40,746,481	40,550,742

The accompanying notes are an integral part of these condensed consolidated financial statements

BLACKLINE, INC.

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)

(in thousands, except shares)

	Common Stock			Additional		
	Shares Outstanding	Amount	Treasury Stock, at cost	Paid-in Capital	Accumulated Deficit	Total
Balance at December 31, 2015	40,673,327	$ 407	$ (254)	$ 214,171	$ (48,156)	$ 166,168
Stock option exercises	451,315	4	—	2,192	—	2,196
Common Stock Issuance	192,187	2		3,073		3,075
Retirement of treasury stock	—	—	254	(235)	(19)	—
Stock-based compensation	—	—	—	4,604	—	4,604
Net Loss	—	—	—	—	(23,495)	(23,495)
Balance at September 30, 2016	41,316,829	$ 413	$ —	$ 223,805	$ (71,670)	$ 152,548

The accompanying notes are an integral part of these condensed consolidated financial statements

BLACKLINE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in thousands)

	Nine Months Ended September 30,	
	2016	**2015**
Cash flows from operating activities		
Net loss	$ (23,495)	$ (17,527)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	12,690	10,630
Accretion of debt discount and paid in kind interest	2,083	2,008
Change in fair value of common stock warrant liability	(300)	170
Change in fair value of contingent consideration	278	39
Stock-based compensation	4,534	3,870
Deferred income taxes	(4,820)	(10,018)
Changes in operating assets and liabilities, net of effects of the acquisition:		
Accounts receivable	(9,933)	(6,939)
Deferred sales commissions	(983)	(2,560)
Prepaid expenses and other current assets	(936)	110
Other assets	(150)	(220)
Accounts payable	3,250	1,220
Accrued expenses and other current liabilities	1,886	4,558
Deferred revenue	17,535	12,467
Other long-term liabilities	(590)	2,042
Net cash provided by (used in) operating activities	1,049	(150)
Cash flows from investing activities		
Acquisition, net of cash acquired	(31,488)	—
Capitalized software development costs	(2,326)	(1,506)
Purchase of property and equipment	(1,308)	(7,346)
Net cash used in investing activities	(35,122)	(8,852)
Cash flows from financing activities		
Proceeds from term loan, net of issuance costs	34,469	—
Principal payments on capital lease obligations	(124)	—
Proceeds from issuance of common stock	3,075	—
Payments of deferred offering costs	(1,162)	—
Repurchase of common stock	—	(29)
Proceeds from exercise of stock options	2,196	1,339
Net cash provided by financing activities	38,454	1,310
Net increase (decrease) in cash and cash equivalents	4,381	(7,692)
Cash and cash equivalents, beginning of period	15,205	25,707
Cash and cash equivalents, end of period	$ 19,586	$ 18,015

The accompanying notes are an integral part of these condensed consolidated financial statements

BLACKLINE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

SUPPLEMENTAL CASH FLOW DISCLOSURE

(in thousands)

	Nine Months Ended September 30,	
	2016	**2015**
Supplemental disclosures of cash flow information		
Cash paid for interest	$ 924	$ 404
Cash paid for income taxes	$ 176	$ 13
Non-cash financing and investing activities		
Capitalized software developed costs included in accounts payable and accrued expenses and other current liabilities	$ 107	$ 75
Purchases of property and equipment included in accounts payable and accrued expenses and other current liabilities	$ 149	$ 1,557
Stock-based compensation capitalized for software development	$ 70	$ 46
Deferred offering costs included in accounts payable and accrued expenses and other current liabilities	$ 2,186	$ 203
Term loan issuance costs included in accounts payable and accrued expenses and other current liabilities	$ 143	$ —

The accompanying notes are an integral part of these condensed consolidated financial statements

Note 1 – Company overview

BlackLine, Inc. and its subsidiaries (the "Company" or "BlackLine") provide financial accounting close solutions delivered as Software as a Service ("SaaS"). The Company's solutions enable its customers to address various aspects of their financial closing process including account reconciliations, variance analysis of account balances, journal entry capabilities and certain types of data matching capabilities.

The Company is headquartered in Los Angeles, California and has offices in Chicago, Atlanta, New York, Vancouver, London, Paris, Frankfurt, Johannesburg, Sydney, Melbourne, Kuala Lumpur, the Netherlands and Singapore.

Note 2 – Basis of presentation and summary of significant accounting policies

The accompanying condensed consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information. Certain information and disclosures normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. Accordingly, these condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes for the year ended December 31, 2015 included in the Company's prospectus related to the Company's initial public offering, dated October 27, 2016 (the "Prospectus"), pursuant to Rule 424 (b) under the Securities Act of 1933. The accompanying condensed consolidated balance sheet as of September 30, 2016, the condensed consolidated statements of operations for the three and nine months ended September 30, 2016 and 2015, the condensed consolidated statement of cash flows for the nine months ended September 30, 2016 and 2015, and the condensed consolidated statement of stockholders' equity for the nine months ended September 30, 2016 are unaudited. The unaudited interim condensed consolidated financial statements have been prepared on a basis consistent with that used to prepare the audited annual consolidated financial statements and include, in the opinion of management, all adjustments, consisting of normal and recurring items, necessary for the fair statement of the condensed consolidated financial statements. The operating results for the nine months ended September 30, 2016 are not necessarily indicative of the results expected for the full year ending December 31, 2016.

There have been no significant changes in the accounting policies from those disclosed in the audited consolidated financial statements and the related notes presented in the Prospectus.

Reverse stock split

On October 12, 2016, the Company effected a 1-for-5 reverse stock split of its outstanding common stock. All share and per share amounts for all periods presented in these unaudited condensed consolidated financial statements and notes thereto, have been adjusted retrospectively, where applicable, to reflect this reverse stock split.

Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Business combinations

The results of businesses acquired in a business combination are included in the Company's consolidated financial statements from the date of the acquisition. Purchase accounting results in assets and liabilities of an acquired business generally being recorded at their estimated fair values on the acquisition date. Any excess consideration over the fair value of assets acquired and liabilities assumed is recognized as goodwill.

Transaction costs associated with business combinations are expensed as incurred, and are included in general and administrative expense in the consolidated statements of operations.

The Company performs valuations of assets acquired and liabilities assumed and allocates the purchase price to its respective assets and liabilities. Determining the fair value of assets acquired and liabilities assumed requires

management to use significant judgment and estimates including the selection of valuation methodologies, estimates of future revenue, costs and cash flows, discount rates and selection of comparable companies. The Company engages the assistance of valuation specialists in concluding on fair value measurements in connection with determining fair values of assets acquired and liabilities assumed in a business combination.

Intangible assets

Intangible assets primarily consist of acquired developed technology, customer relationships, trade name and non-complete agreements which were acquired as part of the Company's acquisitions of BlackLine Systems, Inc in September 2013 and Runbook Company B.V. ("Runbook") in August 2016. The Company determines the appropriate useful life of its intangible assets by performing an analysis of expected cash flows of the acquired assets. Intangible assets are amortized over their estimated useful lives using the straight-line method, which approximates the pattern in which the economic benefits are consumed. The estimated useful lives of the Company's finite-lived intangible assets are as follows:

	Useful Lives
Trade name	1 - 10 years
Developed technology	6 - 8 years
Non-compete agreements	2 - 5 years
Customer relationships	8 - 10 years

Segments

Management has determined that the Company has one operating segment. The Company's chief executive officer, who is the Company's chief operating decision maker, reviews financial information on a consolidated and aggregate basis, together with certain operating metrics principally to make decisions about how to allocate resources and to measure the Company's performance.

Fair value of financial instruments

ASC 820, *Fair Value Measurements* ("ASC 820") require entities to disclose the fair value of financial instruments, both assets and liabilities recognized and not recognized on the balance sheet, for which it is practicable to estimate fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820 describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value, which are the following:

Level 1: Quoted prices in active markets for identical or similar assets and liabilities.

Level 2: Quoted prices for identical or similar assets and liabilities in markets that are not active or observable inputs other than quoted prices in active markets for identical or similar assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

As of September 30, 2016 and December 31, 2015, the carrying value of cash equivalents, accounts receivable, accounts payable and accrued expenses, approximates fair value due to the short-term nature of such instruments. The carry value of long-term debt, excluding related debt discounts, approximates its fair value based on rates available to the Company for debt with similar terms and maturities.

The following table summarizes the Company's financial assets and liabilities measured at fair value on a recurring basis as of September 30, 2016 and December 31, 2015 by level within the fair value hierarchy. Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement (in thousands):

	September 30, 2016			
	Level 1	Level 2	Level 3	Total
Cash equivalents				
Money market funds	$ 14,470	$ —	$ —	$ 14,470
Total Assets	$ 14,470	$ —	$ —	$ 14,470
Liabilities				
Common stock warrant liability	$ —	$ —	$ 5,200	$ 5,200
Contingent consideration	—	—	5,145	5,145
Total Liabilities	$ —	$ —	$ 10,345	$ 10,345

	December 31, 2015			
	Level 1	Level 2	Level 3	Total
Cash equivalents				
Money market funds	$ 15,990	$ —	$ —	$ 15,990
Total Assets	15,990	$ —	$ —	$ 15,990
Liabilities				
Common stock warrant liability	$ —	$ —	$ 5,500	$ 5,500
Contingent consideration	—	—	4,867	4,867
Total Liabilities	$ —	$ —	$ 10,367	$ 10,367

There were no changes to the valuation techniques used to measure asset and liability fair values on a recurring basis during the nine months ended September 30, 2016.

The following table summarizes the changes in the common stock warrant liability and contingent consideration liability (in thousands) for the three and nine months ended September 30, 2016 and 2015:

	Contingent Consideration	Common Stock Warrant Liability
Fair value as of June 30, 2016	$ 5,010	$ 5,200
Change in fair value	135	—
Fair value as of September 30, 2016	$ 5,145	$ 5,200

	Contingent Consideration	Common Stock Warrant Liability
Fair value as of June 30, 2015	$ 4,852	$ 5,330
Change in fair value	13	(80)
Fair value as of September 30, 2015	$ 4,865	$ 5,250

	Contingent Consideration	Common Stock Warrant Liability
Fair value as of December 31, 2015	$ 4,867	$ 5,500
Change in fair value	278	(300)
Fair value as of September 30, 2016	$ 5,145	$ 5,200

	Contingent Consideration	Common Stock Warrant Liability
Fair value as of December 31, 2014	$ 4,826	$ 5,080
Change in fair value	39	170
Fair value as of September 30, 2015	$ 4,865	$ 5,250

Net loss per share

Basic and diluted loss per share is calculated by dividing net loss by the weighted average number of shares of common stock outstanding. As the Company has net losses for the periods presented all potentially dilutive common stock, which are comprised of stock options and warrants, are antidilutive.

As of September 30, 2016 and 2015, the following potentially dilutive shares have been excluded from the calculation of diluted net loss per share attributable to common stockholders because they are anti-dilutive:

	September 30,	
	2016	**2015**
Options to purchase common stock	5,246,516	5,797,676
Common stock warrants	499,999	499,999
Total shares excluded from net loss per share	5,746,515	6,297,675

Comprehensive income or loss

ASC 220, *Comprehensive Income*, establishes standards for the reporting and display of comprehensive income or loss and its components in the financial statements. For the three and nine months ended September 30, 2016 and 2015, the Company had no other comprehensive income (loss) items and therefore, comprehensive loss equaled net loss. Accordingly, a separate statement of comprehensive loss has not been presented.

Recently issued accounting standards

Under the Jumpstart Our Business Startups Act, or the JOBS Act, the Company meets the definition of an emerging growth company. The Company has irrevocably elected to opt out of the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act.

In May 2014, the Financial Accounting Standards Board (“FASB”) issued guidance related to revenue from contracts with customers. Under this guidance, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. The updated standard will replace all existing revenue recognition guidance under GAAP when it becomes effective and this guidance can be applied either retrospectively to each prior reporting period presented (i.e., full retrospective adoption) or with the cumulative effect of initially applying the update recognized at the date of the initial application (i.e., modified retrospective adoption) along with additional disclosures. In July 2015, the FASB voted to defer the effective date to January 1, 2018, with early adoption beginning January 1, 2017. In March, April and May 2016, the FASB issued additional amendments to the new revenue guidance relating to reporting revenue on a gross versus net basis, identifying performance obligations and licensing arrangements, and other narrow scope improvements. The Company is evaluating the impact of adopting this guidance on its consolidated financial statements and has not selected the method of adoption.

In April 2015, the FASB issued new guidance related to the customer’s accounting for fees paid in a cloud computing arrangement, which provides guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. This guidance was effective for annual reporting periods beginning after December 15, 2015. The adoption of this guidance did not have a material impact on the Company’s consolidated financial statements.

In February 2016, the FASB issued new guidance which significantly changes the accounting for leases. The new guidance requires a lessee recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. If a lessee makes this election, it should recognize lease expense for such leases generally on a straight-line basis over the lease term. For income statement purposes, the new guidance retained a dual model, requiring leases to be classified as either operating or financing. Operating leases will result in straight-line expense while finance leases will result in a front-loaded expense pattern similar to existing capital lease guidance. For statement of cash flow purposes, the new guidance also retained the existing dual method, where cash payments for operating leases are reflected in cash flows from operating activities and principal and interest payments for finance leases are reflected in

cash flows from financing activities and cash flows from operating activities, respectively. The new guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. The new guidance requires the recognition and measurement of leases at the beginning of the earliest period presented using a modified retrospective approach. The use of the modified retrospective approach allows an entity to use a number of practical expedients in the application of this new guidance. The Company is evaluating the impact of adopting this guidance on its consolidated financial statements.

In March 2016, the FASB issued new guidance to simplify various aspects relating to accounting for stock-based compensation and related tax impacts, the classification of excess tax benefits on the statement of cash flows, statutory tax withholding requirements and other stock based compensation classification matters. The guidance is effective for annual reporting periods beginning after December 15, 2016, and interim periods within those annual periods. Early adoption is permitted in any interim or annual period. All of the amendments in the new guidance must be adopted in the same period. The Company plans to adopt this guidance during the first quarter ended March 31, 2017, and the Company is evaluating the impact of this guidance on its consolidated financial statements.

In August 2016, the FASB issued cash flow guidance which addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice, including presentation of cash flows relating to contingent consideration payments, debt prepayment and debt extinguishment costs, among other matters. This guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. If adopted in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes the interim period. The adoption of this guidance should be applied using a retrospective transition method to each period presented, unless impracticable to do so. The Company's planned adoption of this guidance during the fourth quarter ended December 31, 2016 is not expected to impact previously reported cash flows. In November 2016, the Company paid debt prepayment costs of $0.7 million associated with the termination of its credit facility which will be presented as a financing cash outflow in the statement of cash flows for the fourth quarter ended December 31, 2016.

In November 2016, the FASB issued guidance which requires that restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning and ending total amounts shown on the statement of cash flows. This guidance is effective for fiscal years beginning after December 15, 2017, and interim periods within those years and should be applied using a retrospective transition method to each period presented. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The Company has not yet determined the timing of adoption.

Note 3 – Business combination

On August 31, 2016, the Company acquired all the issued and outstanding capital stock of Runbook, a Netherlands-based provider of financial close automation software and integration solutions for SAP. The purpose of the acquisition was to enhance the Company's position as a leading provider of software solutions to automate the financial close process for SAP customers and supports the Company's European expansion strategy. The acquisition has been accounted for as a business combination under GAAP.

The total purchase consideration was approximately $34.1 million, subject to a final working capital adjustment, which was paid in cash. Upon the finalization of the working capital adjustment, the amount of the purchase price allocated to goodwill may change. A portion of the purchase price of $3.1 million was paid into escrow for indemnification obligations relating to potential breach of representations and warranties of the sellers and any amounts remaining in escrow after satisfaction of any resolved claims, will be released from escrow on the one-year anniversary of the acquisition. Acquisition related costs incurred by the Company of approximately $1.4 million were expensed as incurred.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as of the date of the acquisition (in thousands):

Total consideration to selling shareholders	$ 34,052
Assets acquired and liabilities assumed	
Cash and cash equivalents	2,564
Accounts receivable	2,593
Prepaid expenses and other current assets	718
Property and equipment	427
Intangible assets	9,790
Accounts payable	(285)
Accrued expenses and other current liabilities	(376)
Deferred revenues	(489)
Net deferred income tax liabilities	(2,787)
Net assets	12,155
Goodwill	$ 21,897

The Company believes the amount of goodwill resulting from the acquisition is primarily attributable to expected synergies from assembled workforce, an increase in development capabilities, increased offerings to customers, and enhanced opportunities for growth and innovation. The goodwill resulting from the acquisition is not tax deductible.

To determine the estimated fair value of intangible assets acquired, the Company engaged a third-party valuation specialist to assist management. The fair value measurements of the intangible assets were based primarily on significant unobservable inputs and thus represent a Level 3 measurement as defined in ASC 820. The acquired intangible asset categories, fair value and amortization periods, are as follows (in thousands):

	Amortization Period	Fair Value
Trade name	1 year	20
Developed technology	8 years	5,710
Non-compete agreements	2 years	180
Customer relationships	10 years	3,880
Total		9,790

The weighted average lives of intangible assets at the acquisition date was 8.7 years.

Pro forma information

The following table presents the Company's pro forma total revenues, pro forma net loss and pro forma net loss per share, basic and diluted for the three and nine months ended September 30, 2016 and 2015 as if the acquisition occurred on January 1, 2015 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Pro forma total revenues	$ 33,808	$ 22,656	$ 92,856	$ 62,117
Pro forma net loss	(5,535)	(7,337)	(23,391)	(19,314)
Pro forma net loss per share, basic and diluted	(0.14)	(0.18)	(0.57)	(0.48)

The pro forma results reflect certain adjustments for the depreciation and amortization of the fair values of the intangible assets acquired, adjustments to revenue resulting from the fair value adjustment to deferred revenue, acquisition related costs, and related tax adjustments. Such pro forma amounts are not necessarily indicative of the results that actually would have occurred had the acquisition been completed on the date indicated, nor is it indicative of the future operating results of the Company.

Note 4 – Accrued expenses and other current liabilities

As of September 30, 2016 and December 31, 2015, accrued expenses and other current liabilities comprise the following (in thousands):

	September 30, 2016	December 31, 2015
Accrued salary and employee benefits	$ 9,016	$ 9,716
Accrued income and other taxes payable	2,173	1,047
Short-term portion of capital lease	558	558
Accrued commissions to third party partners	1,074	2,305
Deferred IPO costs	583	419
Accrued professional services costs	1,813	16
Short-term portion of deferred rent	340	—
Other accrued expenses	1,928	951
	$ 17,485	$ 15,012

Note 5 – Other long-term liabilities

As of September 30, 2016 and December 31, 2015, accrued expenses and other current liabilities comprise the following (in thousands):

	September 30, 2016	December 31, 2015
Deferred rent	$ 2,483	$ 3,073
Capital lease, net of current portion	434	558
Deferred revenue, net of current portion	1,000	—
	$ 3,917	$ 3,631

Note 6 – Term loan, net

In March 2016, the Company amended its credit facility to add an additional $5.0 million term loan (the “2016 Term Loan”) and provide for a $5.0 million revolving line of credit. In August 2016, the Company entered into a third amendment to its credit facility to add an additional $30.0 million term loan (the “2016 Acquisition Term Loan”) to fund the acquisition of Runbook. The additional $5.0 million borrowing under the 2016 Term Loan, $30.0 million under the 2016 Acquisition Term Loan and the revolving line of credit each mature in September 2018. The 2016 Term Loan and 2016 Acquisition Term Loan each bears interest at (i) the greater of LIBOR or 1.5% plus (ii) 8% and can be paid in varying amounts in cash or in kind. The revolving line of credit bears interest at (i) the greater of LIBOR or 0.5% plus (ii) 6%. The Company is also required to pay a commitment fee equal to 0.5% per annum of the unused portion of the revolving line of credit. No amounts were outstanding under the revolving line of credit at September 30, 2016.

The net carrying value of the Company’s borrowings under its term loans as of September 30, 2016 and December 31, 2015 consists of the following (in thousands):

	September 30, 2016	December 31, 2015
Principal amount (including interest paid in kind)	$ 66,418	$ 29,648
Unamortized debt issuance costs and debt discount	(1,035)	(627)
Unamortized common stock warrant liability discount	(547)	(754)
Net carrying value	$ 64,836	$ 28,267

The credit facility is collateralized against all of the Company’s assets. In connection with certain events, including a change in control, or if the Company elects to repay the amounts outstanding under the term loans, the Company is required to pay a prepayment penalty.

In November 2016, the Company repaid the entire amounts owed under the credit facility, including prepayment penalty, and terminated the credit facility. See Note 10, “Subsequent events.”

Note 7 – Commitments and contingencies

Operating Leases - The Company has various non-cancelable operating leases for its corporate and international offices. These leases expire at various times through 2023. Certain lease agreements contain renewal options, rent abatement, and escalation clauses and entitle the Company to receive a tenant allowance from the landlord. The Company records tenant allowances as a deferred rent credit, which the Company amortizes on a straight-line basis, as a reduction of rent expense, over the term of the underlying lease.

Contingent Consideration - On September 3, 2013, BlackLine Systems, Inc. was acquired by BlackLine, Inc. (the “Acquisition”). In conjunction with the Acquisition, option holders of BlackLine Systems, Inc. were allowed to cancel their stock option rights and receive a cash payment equal to the amount of calculated gain (less applicable expense and other items) had they exercised their stock options and then sold their common shares as part of the Acquisition. As a condition of the Acquisition, the Company is required to pay additional cash consideration to certain equity holders if the Company realizes a tax benefit from the use of net operating losses generated from the stock option exercises concurrent with the Acquisition. The maximum contingent cash consideration to be distributed is $8.0 million. The fair value of the contingent consideration was $5.1 and $4.9 million as of September 30, 2016 and December 31, 2015, respectively.

Litigation - From time to time, the Company may become subject to legal proceedings, claims and litigation arising in the ordinary course of business. The Company is not currently a party to any legal proceedings, nor is it aware of any pending or threatened litigation, that would have a material adverse effect on the Company’s business, operating results, cash flows or financial condition should such litigation be resolved unfavorably.

Indemnification - In the ordinary course of business, the Company may provide indemnification of varying scope and terms to customers, vendors, investors, directors and officers with respect to certain matters, including, but not limited to, losses arising out of our breach of such agreements, services to be provided by the Company, or from intellectual property infringement claims made by third parties. These indemnification provisions may survive termination of the underlying agreement and the maximum potential amount of future payments we could be required to make under these indemnification provisions may not be subject to maximum loss clauses. The maximum potential amount of future payments the Company could be required to make under these indemnification provisions is indeterminable. The Company has never paid a material claim, nor have it been sued in connection with these indemnification arrangements. As of September 30, 2016 and December 31, 2015, the Company has not accrued a liability for these indemnification arrangements because the likelihood of incurring a payment obligation, if any, in connection with these indemnification arrangements is not probable or reasonably estimable.

Note 8 – Stock options

A summary of the Company’s stock option activity and related information for the nine months ended September 30, 2016 is as follows:

	Shares	Weighted Average Exercise Price
Outstanding, December 31, 2015	5,904,376	$ 8.62
Granted	332,400	15.29
Exercised	(451,315)	5.29
Forfeited	(538,945)	7.13
Outstanding, September 30, 2016	5,246,516	$ 9.49
Exercisable at September 30, 2016	1,642,934	$ 8.21
Vested and expected to vest at September 30, 2016	4,727,612	$ 9.52

Stock-based compensation expense for stock option awards for the three and nine months ended September 30, 2016 and 2015 were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Cost of revenues	$ 150	$ 126	$ 425	$ 351
Sales and marketing	501	602	1,834	1,747
Research and development	198	160	532	420
General and administrative	511	672	1,743	1,352
	$ 1,360	$ 1,560	$ 4,534	$ 3,870

Note 9 – Income taxes

The Company uses an effective tax rate approach for calculating its tax benefit for the three and nine months ended September 30, 2016 and 2015. The effective tax rate for the three and nine months ended September 30, 2016 differs from the U.S. Federal statutory rate of 34% primarily because of state taxes, net of federal benefit, and valuation allowance for U.S. federal and state income taxes. The effective tax rate for the nine months ended September 30, 2015 differs from the U.S. federal statutory rate of 34% primarily as a result of state taxes, net of federal benefit, foreign taxes and a valuation allowance on State of California net deferred tax assets.

The Company records a valuation allowance against its deferred tax assets to the extent that realization of the deferred tax assets, including consideration of its deferred tax liabilities, is not more likely than not. For the year ending December 31, 2016, for both federal and state income taxes, the Company's deferred assets are estimated to exceed its deferred tax liabilities and because of the Company's recent history of operating losses the Company believes that the realization of the deferred tax assets is currently not more likely than not. Accordingly, the Company has recorded a valuation allowance against its federal and state deferred tax assets. Taxes for international operations are not material for the nine months ended September 30, 2016 and 2015.

As a result of the acquisition of Runbook, the Company recorded $0.4 million of federal and state deferred tax liabilities and released a corresponding amount of its valuation allowance on federal and state deferred tax assets for the three and nine months ended September 30, 2016.

Note 10 – Subsequent events

On October 17, 2016 and November 7, 2016, the Company granted stock options to purchase 1,394,345 shares and 28,975 shares, respectively, of common stock at an exercise price of $14.00 per share and $23.42 per share, respectively. A portion of the awards granted on October 17, 2016 will vest based on the achievement of certain performance metrics, and a portion of these awards will vest over a vesting period of 4 years. All awards granted on November 7, 2016 will vest over a vesting period of 4 years.

On November 2, 2016, the Company completed its initial public offering in which it issued and sold 9,890,000 shares of its common stock, which included the exercise in full of the underwriters' option to purchase an additional 1,290,000 shares, at an initial offering price of $17.00 per share. The Company received proceeds from the offering of approximately $151.7 million after deducting underwriting discounts and commissions and other offering expenses.

On November 3, 2016, in connection with the completion of the Company's initial public offering, the Company repaid in full all outstanding debt under the Company's credit facility and terminated the entire credit arrangement. In connection with the termination of the credit arrangement, the Company paid a total of approximately $67.7 million, which included outstanding principal, interest, and prepayment penalties. Upon the repayment and termination of the credit arrangement, all unamortized discounts were recorded as interest expense.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with the consolidated financial statements and related notes that are included elsewhere in this Quarterly Report on Form 10-Q and our final prospectus, dated October 27, 2016 (the "Prospectus"), pursuant to Rule 424(b) under the Securities Act of 1933, as amended (the "Securities Act"). This discussion contains forward-looking statements based upon current plans, expectations and beliefs that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to, those discussed in the section entitled "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q.

Overview

We have created a comprehensive cloud-based software platform designed to transform and modernize accounting and finance operations for organizations of all types and sizes. Our secure, scalable platform supports critical accounting processes such as the financial close, account reconciliations, intercompany accounting and controls assurance. By introducing software to automate these processes and to enable them to function continuously, we empower our customers to improve the integrity of their financial reporting, increase efficiency in their accounting and finance processes and enhance real-time visibility into their operations.

As of September 30, 2016, we had more than 1,600 customers with over 156,000 users in approximately 120 countries. We continue to build strategic relationships with technology vendors, professional services firms, business process outsourcers and resellers.

We are a holding company and conduct our operations through our wholly-owned subsidiary, BlackLine Systems, Inc. BlackLine Systems, Inc. funded its business with investments from our founder and cash flows from operations until September 3, 2013. On September 3, 2013, we acquired BlackLine Systems, Inc., and Silver Lake Sumeru and Iconiq acquired a controlling interest in us, which we refer to as the "Acquisition." The Acquisition was accounted for as a business combination under GAAP and resulted in a change in accounting basis as of the date of the Acquisition.

Our platform consists of seven core cloud-based products, including Account Reconciliation, Task Management, Transaction Matching, Journal Entry, Variance Analysis, Consolidation Integrity Manager and Daily Reconciliation. Customers typically purchase these products in packages that we refer to as solutions, but they have the option to purchase these products individually. Current solutions include Reconciliation Management and Financial Close Management, as well as Intercompany Hub and Insights, which were introduced in November 2015.

We sell our platform primarily through our direct sales force, which leverages our relationships with technology vendors, professional services firms and business process outsourcers. In particular, we have a strategic relationship with SAP. Our solution is an SAP endorsed business solution that integrates with SAP's ERP solutions. Under our agreement with SAP, which we entered into in 2013, we pay SAP a fee based on a percentage of revenues from our new customers that use an SAP ERP system. We continue to pay SAP a fee for these customers over the term of their subscription agreements. For the three and nine months ended September 30, 2016, revenues from our customers under this agreement accounted for $5.5 million, or approximately 17%, and $14.4 million, or approximately 16%, respectively, of our total revenues. Additionally, we are expanding our channel of resellers, particularly in markets outside of the United States.

We target our sales and marketing efforts at both enterprise and mid-market businesses. We define the enterprise market as companies with greater than $500 million in annual revenue, and we define mid-market as companies with between $50 and $500 million in annual revenue. For both the three and nine months ended September 30, 2016, sales to enterprise and mid-market customers represented 83% and 17% of our revenues, respectively. Additionally, we target our efforts at both new customers and existing customers. Existing customers may renew their subscriptions and broaden the deployment of our platform across their organizations by increasing the number of users accessing our platform or by adding additional products. We have historically signed a higher percentage of agreements with new customers, as well as renewal agreements with existing customers, in the fourth quarter of each year and usually during the last month of the quarter. This can be attributed to buying patterns typical in the software industry. As the terms of most of our customer agreements are measured in full year increments, agreements initially entered into the fourth quarter or last month of any quarter will generally come up for renewal at that same time in subsequent years. This seasonality is reflected in our revenues, though the impact to overall annual or quarterly revenues is minimal due to the fact that we recognize subscription revenue ratably over the term of the customer contract.

For the three months ended September 30, 2016 and 2015, we had revenues of $32.2 million and $21.7 million, respectively, and we incurred net losses of $6.6 million and $6.7 million, respectively.

For the nine months ended September 30, 2016 and 2015, we had revenues of $87.8 million and $59.1 million, respectively, and we incurred net losses of $23.5 million and $17.5 million, respectively.

On November 2, 2016, we completed our initial public offering and raised net proceeds of approximately $151.7 million and used $67.7 million of the proceeds to repay all amounts outstanding under our credit facility.

Runbook Acquisition

On August 31, 2016, we completed our acquisition of Runbook Company B.V., or Runbook, a Netherlands-based provider of financial close automation software and integration solutions for SAP customers. We acquired Runbook to enhance the connectivity and integration of our platform to SAP and other systems. We believe this acquisition enhances our position as a leading provider of software solutions to automate the financial close process for SAP customers and supports our European expansion strategy.

The aggregate purchase consideration of $34.1 million for the Runbook acquisition, which is subject to final working capital working adjustments, was paid in cash on the acquisition date. The estimated purchased working capital includes approximately $2.6 million in cash. We amended our credit facility to add an additional term loan pursuant to which we borrowed $30.0 million and used the proceeds and cash on hand to fund the acquisition. We incurred $1.4 million in transaction costs and fees to complete the acquisition of Runbook.

Runbook's revenues consist of license fees associated with the sale of its on-premise software, post-contract support, and professional services required to implement its solutions and train its customers.

Key Metrics

We regularly review a number of metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projects and make strategic decisions.

	Mar 31, 2015	Jun 30, 2015	Sep 30, 2015	Dec 31, 2015	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016
Dollar-based net revenue retention rate	120%	120%	120%	120%	120%	119%	118%
Number of customers (as of end of period)	1,067	1,145	1,219	1,338	1,411	1,523	1,625
Number of users (as of end of period)	102,903	111,383	119,912	128,726	137,341	147,466	156,774

Dollar-based net revenue retention rate. We believe that dollar-based net revenue retention rate is an important metric to measure the long-term value of customer agreements and our ability to retain and grow our relationships with existing customers over time. We calculate dollar-based net revenue retention rate as the implied monthly subscription and support revenue at the end of a period for the base set of customers from which we generated subscription revenue in the year prior to the calculation, divided by the implied monthly subscription and support revenue one year prior to the date of calculation for that same customer base. This calculation does not reflect implied monthly subscription and support revenue for new customers added during the one year period but does include the effect of customers who terminated during the period. We define implied monthly subscription and support revenue as the total amount of minimum subscription and support revenue contractually committed to, under each of our customer agreements over the entire term of the agreement, divided by the number of months in the term of the agreement.

Number of customers. We believe that our ability to expand our customer base is an indicator of our market penetration and the growth of our business. We define a customer as an entity with an active subscription agreement as of the measurement date. In situations where an organization has multiple subsidiaries or divisions, each entity that is invoiced as a separate entity is treated as a separate customer. However, where an existing customer requests its invoice be divided for the sole purpose of restructuring its internal billing arrangement without any incremental increase in revenue, such customer continues to be treated as a single customer. For the nine months ended September 30, 2016 and 2015, no single customer accounted for more than 10% of our total revenues.

Number of users. Since our customers generally pay fees based on the number of users of our platform within their organization, we believe the total number of users is an indicator of the growth of our business.

Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, we believe the non-GAAP measures below are useful to us and our investors in evaluating our business. These non-GAAP financial measures are useful because they provide consistency and comparability with our past performance, facilitate period-to-period comparisons of operations and facilitate comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Non-GAAP Revenues	$ 32,375	$ 21,661	$ 87,962	$ 59,133
Non-GAAP Gross Profit	$ 26,579	$ 17,379	$ 71,507	$ 47,706
Non-GAAP Gross Margin	82.1%	80.2%	81.3%	80.7%
Non-GAAP Net Loss	$ (2,196)	$ (5,917)	$ (12,620)	$ (13,976)

Non-GAAP Revenues. Non-GAAP revenues are defined as GAAP revenues adjusted for the impact of purchase accounting resulting from the Runbook Acquisition. We believe that presenting non-GAAP revenues is useful to investors as it more fully reflects its core revenue growth rate for the three and nine months ended September 30, 2016.

Non-GAAP Gross Profit and Non-GAAP Gross Margin. Non-GAAP gross profit is defined as non-GAAP revenues less GAAP cost of revenue adjusted for the impact of purchase accounting resulting from the Runbook Acquisition, the amortization of acquired developed technology resulting from the acquisition of the Company by its principal stockholders in 2013, or the 2013 Acquisition, and the Runbook Acquisition, and stock-based compensation. Non-GAAP gross margin is defined as non-GAAP gross profit divided by non-GAAP revenues. We believe that presenting non-GAAP gross margin is useful to investors as it eliminates the impact of certain non-cash expenses and allows a direct comparison of gross margin between periods.

Non-GAAP Net Loss. Non-GAAP net loss is defined as GAAP net loss adjusted for the impact of the benefit from income taxes that we were able to recognize as a result of the deferred tax liabilities associated with the intangible assets established upon the 2013 Acquisition and the Runbook Acquisition, the impact of purchase accounting to revenues resulting from the Runbook Acquisition, amortization of acquired intangible assets resulting from the 2013 Acquisition and the Runbook Acquisition, stock-based compensation, accretion of debt discount pertaining to the 2013 Term Loan, accretion of warrant discount relating to warrants issued in connection with the 2013 Term Loan, the change in the fair value of contingent consideration, the change in fair value of the common stock warrant liability and costs related to the Runbook Acquisition. The Company believes that presenting non-GAAP net loss is useful to investors as it eliminates the impact of items that have been impacted by the 2013 Acquisition and the Runbook Acquisition, purchase accounting and other related costs in order to allow a direct comparison of net loss between all periods presented.

Reconciliation of Non-GAAP Financial Measures

The following table presents a reconciliation of revenues, gross profit, gross margin and net loss, the most comparable GAAP measures, to non-GAAP revenues, non-GAAP gross profit, non-GAAP gross margin and non-GAAP net loss:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Non-GAAP Revenues				
Revenues	$ 32,196	$ 21,661	$ 87,783	$ 59,133
Purchase accounting adjustment to revenues	179	—	179	—
Total Non-GAAP Revenues	$ 32,375	$ 21,661	$ 87,962	$ 59,133
Non-GAAP Gross Profit:				
Gross profit	$ 24,655	$ 15,718	$ 66,239	$ 42,751
Purchase accounting adjustment to revenues	179	—	179	—
Amortization of developed technology	1,595	1,535	4,664	4,604
Stock-based compensation expense	150	126	425	351
Total Non-GAAP Gross Profit	$ 26,579	$ 17,379	$ 71,507	$ 47,706
Gross Margin	76.6%	72.6%	75.5%	72.3%
Non-GAAP Gross Margin	82.1%	80.2%	81.3%	80.7%
Non-GAAP Net Loss:				
Net Loss	$ (6,619)	$ (6,735)	$ (23,495)	$ (17,527)
Benefit from income taxes	(1,926)	(3,824)	(4,821)	(9,975)
Purchase accounting adjustment to revenues	179	—	179	—
Amortization of intangibles	3,138	3,023	9,184	9,069
Stock-based compensation expense	1,360	1,560	4,534	3,870
Accretion of debt discount	96	57	242	171
Accretion of warrant discount	69	69	207	207
Change in fair value of contingent consideration	135	13	278	39
Change in fair value of the common stock warrant liability	—	(80)	(300)	170
Acquisition related costs	1,372	—	1,372	—
Total Non-GAAP Net Loss	$ (2,196)	$ (5,917)	$ (12,620)	$ (13,976)

Results of Operations

The following table sets forth our statements of operations for each of the periods indicated (in thousands).

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenues				
Subscription and support	$ 30,853	$ 20,786	$ 83,830	$ 56,666
Professional services	1,343	875	3,953	2,467
Total revenues	32,196	21,661	87,783	59,133
Cost of revenues				
Subscription and support	6,440	5,119	18,515	14,220
Professional services	1,101	824	3,029	2,162
Total cost of revenues	7,541	5,943	21,544	16,382
Gross profit	24,655	15,718	66,239	42,751
Operating expenses				
Sales and marketing	19,037	14,740	56,279	39,694
Research and development	5,087	4,904	15,552	12,938
General and administrative	7,698	5,916	19,633	14,968
Total operating expenses	31,822	25,560	91,464	67,600
Loss from operations	(7,167)	(9,842)	(25,225)	(24,849)
Other expense				
Interest expense, net	(1,294)	(822)	(3,134)	(2,466)
Change in fair value of the common stock warrant liability	—	80	300	(170)
Other expense, net	(1,294)	(742)	(2,834)	(2,636)
Loss before income taxes	(8,461)	(10,584)	(28,059)	(27,485)
Benefit from income taxes	(1,842)	(3,849)	(4,564)	(9,958)
Net loss	$ (6,619)	$ (6,735)	$ (23,495)	$ (17,527)

Comparison of Three Months and Nine Months Ended September 30, 2016 and 2015

Total revenues

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(in thousands)			
Subscription and support	$ 30,853	$ 20,786	$ 83,830	$ 56,666
Professional services	1,343	875	3,953	2,467
Total revenues	$ 32,196	$ 21,661	$ 87,783	$ 59,133

Total revenues increased by $10.5 million, or 49%, and $28.7 million, or 48%, for the three and nine months ended September 30, 2016, respectively, as compared to the corresponding 2015 periods primarily due to an increase in the number of customers, an increase in the number of users added by existing customers and an increase in the number of products purchased by existing customers. The total number of customers increased by 33% or 406 from 1,219 as of September 30, 2015 to 1,625 as of September 30, 2016 while the total number of users increased by 31% or 36,862 from 119,912 as of September 30, 2015 to 156,774 as of September 30, 2016.

Total cost of revenues

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(in thousands, except percentages)			
Subscription and support	$ 6,440	$ 5,119	$ 18,515	$ 14,220
Professional services	1,101	824	3,029	2,162
Total cost of revenues	$ 7,541	$ 5,943	$ 21,544	$ 16,382
Gross Margin	76.6%	72.6%	75.5%	72.3%

Total cost of revenues increased by $1.6 million, or 27%, and $5.2 million, or 32%, during the three and nine months ended September 30, 2016, respectively, as compared to the corresponding 2015 periods primarily due to a $1.2 million and $3.7 million increase, respectively, in salaries, benefits and stock-based compensation and a $0.2 million and $0.7 increase, respectively, in amortization of capitalized software costs. Salaries, benefits and stock-based compensation increased primarily due to growth in headcount, which increased by 53% between September 30, 2015 and 2016. Amortization of our capitalized software development costs increased due to larger total capitalized costs as we expanded the functionality of our solutions.

The improvement in gross margin during the three and nine months ended September 30, 2016 was primarily the result of amortization of developed technology included in our cost of revenues which is a fixed cost each period. Accordingly, an increase in revenues resulted in an improvement in our gross margin.

Sales and marketing

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(in thousands, except percentages)			
Sales and marketing	$ 19,037	$ 14,740	$ 56,279	$ 39,694
Percentage of revenue	59.1%	68.0%	64.1%	67.1%

Sales and marketing expense increased by $4.3 million, or 29%, and $16.6 million, or 42%, during the three and nine months ended September 30, 2016, respectively, as compared to the corresponding 2015 periods primarily due to a $2.7 million and $10.7 million increase, respectively, in salaries, sales commissions and incentives and stock-based compensation, a $0.8 million and $2.2 million increase, respectively, in commissions payable to third parties that refer customers to us, a $0.2 million and $1.0 million increase, respectively, in travel and related costs, and a $0.1 million and $0.5 million increase, respectively, in advertising and trade shows. The increase in salaries, sales commissions and incentives and stock-based compensation was primarily driven by an increase in headcount and revenue growth. Our sales and marketing headcount increased by 40% between September 30, 2015 and 2016. The increase in commissions payable to third parties was primarily driven by the expansion of our relationships with technology vendors, including SAP. Travel and related costs have increased due to expansion of our sales organization. The increase in advertising and trade shows was primarily due to an increase in our marketing efforts.

Research and development

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(in thousands, except percentages)			
Research and development	$ 5,087	$ 4,904	$ 15,552	$ 12,938
Percentage of revenue	15.8%	22.6%	17.7%	21.9%

Research and development expense increased by $0.2 million, or 4%, and $2.6 million, or 20%, during the three and nine months ended September 30, 2016, respectively, as compared to the corresponding 2015 periods primarily due to a $0.4 million and $2.2 million increase, respectively, in salaries, benefits and stock-based compensation and a $0.2 million and $1.1 million increase, respectively, in services provided by third-party contractors. These increases were partially offset by an increase in capitalized costs related to software development of $0.3 million and $0.8 million, respectively. Our research and development headcount increased by 28% between September 30, 2015 and 2016. The additional headcount and number of third-party contractors were used to further maintain, enhance and develop our platform.

General and administrative

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(in thousands, except percentages)			
General and administrative	$ 7,698	$ 5,916	$ 19,633	$ 14,968
Percentage of revenue	23.9%	27.3%	22.4%	25.3%

General and administrative expense increased by $1.8 million, or 30%, and $4.7 million, or 31%, during the three and nine months ended September 30, 2016, respectively, as compared to the 2015 corresponding periods primarily due to a $1.4 million increase in acquisition related costs in each respective period and a $0.5 million and $2.8 million increase, respectively, in salaries, benefits and stock-based compensation. The acquisition related costs comprised primarily of legal, accounting, and consulting fees incurred in conjunction with our acquisition of Runbook Company B.V. The increase in salaries, benefits and stock-based compensation was primarily driven by an increase in headcount. Our general and administrative headcount increased by 41% between September 30, 2015 and 2016.

Interest expense, net

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(in thousands)			
Interest expense, net	$ (1,294)	$ (822)	$ (3,134)	$ (2,466)

Interest expense, net increased by $0.5 million, or 57%, and $0.7 million, or 27%, during the three and nine months ended September 30, 2016, respectively, as compared to the 2015 corresponding periods primarily due to a $30.0 million term loan issued to fund the acquisition of Runbook in August 2016. During the three and nine months ended September 30, 2016 and 2015, we paid between 20% and 50% of our interest costs in cash and the remainder increased the principal balance.

Change in fair value of common stock warrant liability

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(in thousands)			
Change in fair value of common stock warrant liability	$ —	$ 80	$ 300	$ (170)

We value or common stock warrants using a binomial lattice model. The primary input into the binomial lattice model is the fair value of our common stock. The fair value of common stock did not significantly change between June 30, 2016 and September 30, 2016 and between January 1, 2016 and September 30, 2016. Accordingly, the change in the fair market value of common stock warrant liability during the three and nine months ended September 30, 2016 compared to the same periods in the prior year was minimal.

Income tax benefit

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(in thousands)			
Benefit from income taxes	$ (1,842)	$ (3,849)	$ (4,564)	$ (9,958)

The effective tax rate for the three and nine months ended September 30, 2016 of 21.8% and 16.3%, respectively, differs from the U.S. federal statutory rate of 34% primarily as a result state taxes, net of federal benefit, and valuation allowance for U.S. federal and state income taxes. The effective tax rate for the three and nine months ended September 30, 2015 of 36.4% and 36.2%, respectively, differs from the U.S. federal statutory rate of 34% primarily as a result of state taxes, net of federal benefit, foreign taxes and a valuation allowance on State of California net deferred tax assets. We record a valuation allowance against our deferred tax assets to the extent that realization of the deferred tax assets, including consideration of its deferred tax liabilities, is not more likely than not. For the year ending December 31, 2016, for both federal and state income taxes, our deferred assets are estimated to exceed our deferred tax liabilities and because of our recent history of operating losses we believe that the realization of the deferred tax assets is currently not more likely than not. Accordingly, we have recorded a valuation allowance against our federal and state deferred tax assets. Taxes for international operations are not material for the three and nine months ended September 30, 2016 and 2015.

Liquidity and Capital Resources

To date, our operations and growth have been financed primarily through cash generated from investments from our founder, our Principal Stockholders, our operations, proceeds from the issuance of debt and the sale of common stock.

At September 30, 2016, our principal sources of liquidity were $19.6 million of cash and cash equivalents, which primarily consist of cash deposits and investments in money market funds. In November 2016, we completed our initial public offering and raised proceeds, net of underwriting commissions and discounts and other offering costs, of approximately $151.7 million and used $67.7 million of the proceeds to repay all amounts outstanding under our credit facility. We terminated our credit facility upon repayment of all outstanding amounts (see Note 10 to the condensed consolidated financial statements). We believe our existing cash and cash equivalents and proceeds from our IPO, net of amounts used to repay all amounts under our credit facility, will be sufficient to meet our working capital needs, capital expenditures and financing obligations for at least the next 12 months.

Our future capital requirements will depend on many factors, including our growth rate, the expansion of our direct sales force, strategic relationships and international operations, the timing and extent of spending to support research and development efforts and the continuing market acceptance of our solutions. We may require additional equity or debt financing. Sales of additional equity could result in dilution to our stockholders. If we raise funds by borrowing from third parties, the terms of those financing arrangements would require us to incur interest expense and may include negative covenants or other restrictions on our business that could impair our operating flexibility. We can provide no assurance that financing will be available at all or, if available, that we could be able to obtain financing on terms favorable to us. If we are unable to raise additional capital when needed, we would be required to curtail our operating activities and capital expenditures, and our business operating results and financial condition would be adversely affected.

Historical Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated:

	Nine Months Ended September 30,	
	2016	2015
	(in thousands)	
Net cash provided by (used in) operating activities	1,049	(150)
Net cash used in investing activities	(35,122)	(8,852)
Net cash provided by financing activities	38,454	1,310

Net Cash Provided by (used in) Operating Activities

Our net loss and cash flows from operating activities are significantly influenced by our investments in headcount and infrastructure to support anticipated growth. In addition, our net loss in recent periods has generally been significantly greater than our use of cash for operating activities due to our subscription based revenue model in which billings occur in advance of revenue recognition and a substantial amount of non-cash charges incurred by us, primarily related to depreciation and amortization, stock-based compensation, non-cash interest expense related to accretion of debt discounts and paid in kind interest and deferred taxes.

For the nine months ended September 30, 2016, cash provided by operations was $1.0 million resulting from our net cash flows provided through changes in net non-cash expenses of $14.5 million and net cash flow used through changes in operating assets and liabilities of $10.1 million, offset by our net loss of $23.5 million. The $10.1 million of net cash flows used as a result of changes in our operating assets and liabilities reflected a $17.5 million increase in deferred revenue as a result of the growth of our customer and user base which are billed in advance of our revenue recognition and a $3.3 million increase in accounts payable associated with the growth of our business and professional fees associated with our initial public offering. This change in our operating assets and liabilities was partially offset by a $9.9 million increase in accounts receivable also due to the growth of our customer and user base.

For the nine months ended September 30, 2015, cash used in operations was $0.2 million resulting from our net loss of $17.5 million, largely offset by net cash flows provided through changes in our operating assets and liabilities of $10.7 million and net non-cash expenses of $6.7 million. The $10.7 million of net cash flows provided as a result of changes in our operating assets and liabilities reflected a $12.5 million increase in deferred revenue as a result of the growth of our customer and user base which are billed in advance of our revenue recognition, a $4.6 million increase in accrued expenses primarily associated with increases in employee related accruals as a result of increases in headcount and increases in professional services costs, a $2.0 million increase in other long term liabilities due to the leasehold improvement allowances and free rent periods associated with the expansion of our corporate headquarters, and a $1.2 million increase in accounts payable associated with the growth of our business. The changes in our operating assets and liabilities were partially offset by a $6.9 million increase in accounts receivable due to the growth of our customer and user base, and a $2.6 million increase in deferred sales commissions due to an increase in revenues.

Net Cash Used in Investing Activities

Our investing activities consist primarily of capital expenditures for property and equipment and capitalized software development costs.

For the nine months ended September 30, 2016, we used $35.1 million in cash primarily as a result of the acquisition of Runbook Company B.V. with a total purchase of $34.1 million subject to a final working capital adjustment, offset by cash acquired in the amount of $2.6 million. During the period, we also paid $2.3 million of costs related to capitalized software development costs and $1.3 million in purchases of property and equipment.

For the nine months ended September 30, 2015, we used $8.9 million in cash primarily as a result of $7.3 million in purchases of property and equipment related to the expansion of our global headquarters, and we also paid $1.5 million of costs related to capitalized software development costs.

Net Cash Provided By Financing Activities

For the nine months ended September 30, 2016, financing activities provided $38.5 million in cash primarily as a result of proceeds from our 2016 Acquisition term loan and 2016 Term Loan Amendment in the amount of $34.5 million,

net of issuance costs. During the period, we also issued shares of common stock to former employees of Runbook Company B.V. in the amount of $3.1 million and received $2.2 million in proceeds from exercise of stock options. The net cash provided by financing activities was largely offset by $1.2 million in cash paid on deferred offering costs associated with our initial public offering.

For the nine months ended September 30, 2015, financing activities provided $1.3 million in cash primarily as a result of $1.3 million in proceeds from exercise of stock options.

Contractual Obligations and Commitments

Other than the repayment in full of all outstanding debt under our credit facility on November 3, 2016 in connection with the completion of our initial public offering, there were no material changes in our commitments under contractual obligations disclosed in our Prospectus.

Off-Balance Sheet Arrangements

As part of our ongoing business, we do not have any relationships with other entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities that have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. We are therefore not exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in those types of relationships.

In the ordinary course of business, we may provide indemnification of varying scope and terms to customers, vendors, investors, directors and officers with respect to certain matters, including, but not limited to, losses arising out of our breach of such agreements, services to be provided by us, or from intellectual property infringement claims made by third parties. These indemnification provisions may survive termination of the underlying agreement and the maximum potential amount of future payments we could be required to make under these indemnification provisions may not be subject to maximum loss clauses. The maximum potential amount of future payments we could be required to make under these indemnification provisions is indeterminable. We have never paid a material claim, nor have we been sued in connection with these indemnification arrangements. As of September 30, 2016, we have not accrued a liability for these indemnification arrangements because the likelihood of incurring a payment obligation, if any, in connection with these indemnification arrangements is not probable or reasonably estimable.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses, and related disclosures. On an ongoing basis, we evaluate our estimates and assumptions. Changes in these estimates and assumptions or conditions could significantly affect our financial condition and results of operations.

During the three months ended September 30, 2016, there were no significant changes to our critical accounting policies and estimates from those previously reported and disclosed in our Prospectus. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in our Prospectus provides a more complete discussion of our critical accounting policies and estimates.

Recent Accounting Pronouncements

See Note 2 - “Basis of presentation and summary of significant accounting policies” contained in the “Notes to Condensed Consolidated Financial Statements” in Item 1 of Part I of this Quarterly Report on Form 10-Q for a full description of the recent accounting pronouncements and our expectation of their impact, if any, on our results of operations and financial condition.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We have operations both within the United States and internationally, and we are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate, foreign exchange and inflation risks, as well as risks relating to changes in the general economic conditions in the countries where we conduct business. To reduce these risks, we monitor the financial condition of our clients and limit credit exposure by collecting in advance and setting credit limits as we deem appropriate. In addition, our investment strategy has historically been to invest in financial instruments

that are highly liquid and readily convertible into cash and that mature within three months from the date of purchase. To date, we have not used derivative instruments to mitigate the impact of our market risk exposures. We have also not used, nor do we intend to use, derivatives for trading or speculative purposes.

Interest Rate Risk

We are exposed to market risk related to changes in interest rates.

Our investments are considered cash equivalents and primarily consist of money market funds. At September 30, 2016, we had cash and cash equivalents of $19.6 million. The carrying amount of our cash equivalents reasonably approximates fair value, due to the short maturities of these instruments. The primary objectives of our investment activities are the preservation of capital, the fulfillment of liquidity needs and the fiduciary control of cash and investments. We do not enter into investments for trading or speculative purposes. Our investments are exposed to market risk due to a fluctuation in interest rates, which may affect our interest income and the fair market value of our investments. Due to the short-term nature of our investment portfolio, however, we do not believe an immediate 10% increase or decrease in interest rates would have a material effect on the fair market value of our portfolio. We therefore do not expect our operating results or cash flows to be materially affected by a sudden change in market interest rates.

We do not believe our cash equivalents have significant risk of default or illiquidity. While we believe our cash equivalents do not contain excessive risk, we cannot provide absolute assurance that in the future our investments will not be subject to adverse changes in market value. In addition, we maintain significant amounts of cash and cash equivalents at one or more financial institutions that are in excess of federally insured limits. We cannot be assured that we will not experience losses on these deposits.

For the three and nine months ended September 30, 2016, we were exposed to market risk from changes in interest rates on our Term Loans, which bore interest at (i) the greater of LIBOR or 1.5% plus (ii) 8%. As of September 30, 2016, we had principal amounts outstanding of $66.4 million under our credit facility. We did not use any derivative financial instruments to manage our interest rate risk exposure. On November 3, 2016, in connection with the completion of our initial public offering, we repaid in full all outstanding debt under our credit facility.

Foreign Currency Risk

We have foreign currency risks related to our revenue and operating expenses denominated in currencies other than the U.S. Dollar. Our historical revenues have primarily been denominated in U.S. Dollars, and a significant portion of our current revenues continue to be denominated in U.S. Dollars. However, we expect an increasing portion of our future revenues to be denominated in currencies other than the U.S. Dollar, primarily the Euro and British pound. The effect of an immediate 10% adverse change in foreign exchange rates on foreign-denominated accounts receivable at September 30, 2016 would not be material to our financial condition or results of operations. Our operating expenses are generally denominated in the currencies of the countries in which our operations are located, primarily the United States and, to a much lesser extent, the United Kingdom, other European Union countries, Canada, Australia, and Singapore. Increases and decreases in our foreign-denominated revenue from movements in foreign exchange rates are partially offset by the corresponding decreases or increases in our foreign-denominated operating expenses.

As our international operations grow, our risks associated with fluctuation in currency rates will become greater, and we will continue to reassess our approach to managing this risk. In addition, currency fluctuations or a weakening U.S. Dollar can increase the costs of our international expansion. To date, we have not entered into any foreign currency hedging contracts, since exchange rate fluctuations have not had a material impact on our operating results and cash flows. Based on our current international structure, we do not plan on engaging in hedging activities in the near future.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. Nonetheless, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as of September 30, 2016. Our disclosure controls and procedures are designed to ensure that information we are required to disclose in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures, and is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms.

As we disclosed in our Prospectus, during 2015, we identified material weaknesses in our internal control over financial reporting. We identified a material weakness related to an insufficient complement of resources with an appropriate level of accounting knowledge, experience and training commensurate with our structure and financial reporting requirements. This lack of an effective control environment contributed to material weaknesses from the lack of controls over the selection of certain accounting policies and procedures and segregation of duties. Specifically, we did not have policies and controls designed to address the accounting for unusual or complex transactions, or the initial selection of, and the ongoing monitoring of changes in, accounting policies. Further, we did not maintain sufficiently designed segregation of duties including controls over journal entries such that there was a reasonable possibility that a material misstatement would not be prevented or detected on a timely basis.

As described in our Prospectus, and as discussed below, we are taking steps to remediate these material weaknesses in internal control over financial reporting; however, we are not yet able to determine whether the steps we are taking will fully remediate these material weaknesses.

Because of material weaknesses in our internal control over financial reporting as previously disclosed, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2016, our disclosure controls and procedures were not effective. Our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that, notwithstanding the material weaknesses in our internal control over financial reporting, the condensed consolidated financial statements in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with U.S. GAAP.

Management's Remediation Efforts

As we disclosed in our Prospectus, we commenced measures to remediate the identified material weaknesses. Those remediation measures are ongoing and include the following:

- Hiring of experienced additional finance and accounting personnel;
- Implementation of financial reporting risk assessment and formalization of accounting policies and procedures;
- Creation of additional internal reporting procedures, including those designed to add depth to our review processes;
- Increased segregation of duties, including controls over journal entries; and
- Additional engagement of third-party assistance to aid in our evaluation of complex transactions as they arise.

While we believe that these efforts will improve our internal control over financial reporting, the implementation of these measures is ongoing and will require validation and testing of the design and operating effectiveness of internal controls over a sustained period of financial reporting cycles.

We believe we are making progress toward achieving the effectiveness of our internal controls and disclosure controls. The actions that we are taking are subject to ongoing senior management review, as well as audit committee oversight. We will not be able to conclude whether the steps we are taking will fully remediate these material weaknesses in our internal control over financial reporting until we have completed our remediation efforts and subsequent evaluation of their effectiveness. We may also conclude that additional measures may be required to remediate the material weaknesses in our internal control over financial reporting, which may necessitate additional implementation and evaluation time. We will continue to assess the effectiveness of our internal control over financial reporting and take steps to remediate the known material weaknesses expeditiously.

Changes in Internal Control over Financial Reporting

We are taking actions to remediate the material weaknesses relating to our internal control over financial reporting, as described above. Except as otherwise described herein, there was no change in our internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Disclosure Controls and Procedures.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be subject to legal proceedings arising in the ordinary course of business. In addition, from time to time, third parties may assert intellectual property infringement claims against us in the form of letters and other forms of communication. As of the date of this Quarterly Report on Form 10-Q, we are not a party to any litigation the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect on our results of operations, prospects, cash flows, financial position or brand.

Item 1A. Risk Factors

You should carefully consider the risks and uncertainties described below, together with all of the other information in this Form 10-Q, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our unaudited condensed consolidated financial statements and related notes, before making a decision to invest in our common stock. The risks and uncertainties described below are not the only ones we face. Additional risk and uncertainties not presently known to us or that we presently deem less significant may also impair our business operations. If any of the events or circumstances described in the following risk factors actually occurs, our business, operating results, financial condition, cash flows and prospects could be materially and adversely affected.

Risks Related to Our Business and Industry

If we are unable to attract new customers and expand sales to existing customers, our business growth could be slower than we expect and our business may be harmed.

Our future growth depends in part upon increasing our customer base. Our ability to achieve significant growth in revenues in the future will depend, in large part, upon the effectiveness of our sales and marketing efforts, both domestically and internationally. We may have difficulty attracting a potential client that has already invested substantial personnel and financial resources to integrate on-premise software into its business, as such organizations may be reluctant or unwilling to invest in a new product. If we fail to attract new customers or maintain and expand those customer relationships, our revenues will grow more slowly than expected and our business will be harmed.

Our future growth also depends upon our ability to add users and sell additional products to our existing customers. It is important for the future growth of our business that our existing customers make additional significant purchases of our products and add additional users to our platform. Our business also depends on retaining existing customers. If we do not retain customers, our customers do not purchase additional products or we do not add additional users to our platform, our revenues may grow more slowly than expected, may not grow at all or may decline. Additionally, increasing

incremental sales to our current customer base may require additional sales efforts that are targeted at senior management. There can be no assurance that our efforts would result in increased sales to existing customers or additional revenues.

Our business and growth depend substantially on customers renewing their subscription agreements with us and any decline in our customer renewals could adversely affect our future operating results.

Our initial subscription period for the majority of our customers is one year. In order for us to continue to increase our revenue, it is important that our existing customers renew their subscription agreements when the initial contract term expires. Although our agreements typically include automatic renewal language, our customers may cancel their agreements at the expiration of the initial term. In addition, our customers may renew for fewer users, renew for shorter contract lengths or renew for fewer products or solutions. Our customers' renewal rates may decline or fluctuate as a result of a variety of factors, including their satisfaction or dissatisfaction with our software or professional services, our pricing or pricing structure, the pricing or capabilities of products or services offered by our competitors, the effects of economic conditions or reductions in our customers' spending levels. As the markets for our existing solutions mature, or as current and future competitors introduce new products or services that compete with ours, we may experience pricing pressure and be unable to renew our agreements with existing customers or attract new customers at prices that are profitable to us. If this were to occur, it is possible that we would have to change our pricing model, offer price incentives or reduce our prices. If our customers do not renew their agreements with us or renew on terms less favorable to us, our revenues may decline.

We have a history of losses in recent periods and we may not be able to generate sufficient revenue to achieve or sustain profitability.

We have incurred net losses in recent periods, including $23.5 million and $17.5 million for the nine months ended September 30, 2016 and 2015, respectively. We had an accumulated deficit of $71.7 million at September 30, 2016. We may not be able to generate sufficient revenue to achieve and sustain profitability. We also expect our costs to increase in future periods as we continue to expend substantial financial and other resources on:

- development of our cloud-based platform, including investments in research and development, product innovation to expand the features and functionality of our software solutions and improvements to the scalability and security of our platform;
- sales and marketing, including expansion of our direct sales force and our relationships with technology vendors, professional services firms, business process outsourcers and resellers;
- additional international expansion in an effort to increase our customer base and sales; and
- general administration, including legal, accounting and other expenses related to being a public company.

These investments may not result in increased revenue or growth of our business. If we fail to continue to grow our revenue, we may not achieve or sustain profitability.

We have experienced rapid growth and organizational change in recent periods and if we fail to manage our growth effectively, we may be unable to execute our business plan.

We increased our number of full-time employees from 183 as of December 31, 2013 to 587 as of September 30, 2016 as we have experienced growth in number of customers and expanded our operations. Our growth has placed, and may continue to place, a significant strain on our managerial, administrative, operational, financial and other resources. We intend to further expand our headcount and operations both domestically and internationally, with no assurance that our business or revenue will continue to grow. Continuing to create a global organization and managing a geographically dispersed workforce will require substantial management effort, the allocation of valuable management resources and significant additional investment in our infrastructure. We will be required to continually improve our operational, financial and management controls and our reporting procedures and we may not be able to do so effectively, which could negatively affect our results of operations and overall business. In addition, we may be unable to manage our expenses effectively in the future, which may negatively impact our gross margins or operating expenses in any particular quarter. Moreover, if we fail to manage our anticipated growth and change in a manner that preserves the key aspects of our corporate culture, the quality of our software solutions may suffer, which could negatively affect our brand and reputation and harm our ability to retain and attract customers.

Our quarterly results may fluctuate, and if we fail to meet the expectations of analysts or investors, our stock price and the value of your investment could decline substantially.

Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control. If our quarterly financial results fall below the expectations of investors or any securities analysts who may follow our stock, the price of our common stock could decline substantially. Some of the important factors that may cause our revenue, operating results and cash flows to fluctuate from quarter to quarter include:

- our ability to attract new customers and retain and increase sales to existing customers;
- the number of new employees added;
- the rate of expansion and productivity of our sales force;
- changes in our or our competitors' pricing policies;
- the amount and timing of operating costs and capital expenditures related to the operations and expansion of our business;
- new products, features or functionalities introduced by us and our competitors;
- significant security breaches, technical difficulties or interruptions to our platform;
- the timing of customer payments and payment defaults by customers;
- general economic conditions that may adversely affect either our customers' ability or willingness to purchase additional products or services, delay a prospective customer's purchasing decision or affect customer retention;
- changes in foreign currency exchange rates;
- the impact of new accounting pronouncements; and
- the timing and the amount of grants or vesting of equity awards to employees.

Many of these factors are outside of our control, and the occurrence of one or more of them might cause our revenue, operating results, and cash flows to vary widely. As such, we believe that quarter-to-quarter comparisons of our revenue, operating results and cash flows may not be meaningful and should not be relied upon as an indication of future performance.

If we are not able to provide successful enhancements, new features or modifications to our software solutions, our business could be adversely affected.

If we are unable to provide enhancements and new features for our existing solutions or new solutions that achieve market acceptance or that keep pace with rapid technological developments, our business could be adversely affected. The success of enhancements, new products and solutions depends on several factors, including timely completion, introduction and market acceptance. We must continue to meet changing expectations and requirements of our customers and, because our platform is designed to operate on a variety of systems, we will need to continuously modify and enhance our solutions to keep pace with changes in Internet-related hardware and other software, communication, browser and database technologies. Our platform is also designed to integrate with existing enterprise resource planning, or ERP, systems such as NetSuite, Oracle, SAP and Workday, and will require modifications and enhancements as these systems change over time. Any failure of our solutions to operate effectively with future platforms and technologies could reduce the demand for our solutions or result in customer dissatisfaction. Furthermore, uncertainties about the timing and nature of new solutions or technologies, or modifications to existing solutions or technologies, could increase our research and development expenses. If we are not successful in developing modifications and enhancements to our solutions or if we fail to bring them to market in a timely fashion, our solutions may become less marketable, less competitive or obsolete, our revenue growth may be significantly impaired and our business could be adversely affected.

We derive substantially all of our revenues from a limited number of software solutions, and our future growth is dependent on their success.

We currently derive and expect to continue to derive substantially all of our revenues from our Financial Close Management and Reconciliation Management solutions. As such, the continued growth in market demand for these solutions is critical to our continued success. We have recently introduced two new software solutions, Intercompany Hub and Insights, but cannot be certain that they will generate significant revenues. In addition, those solutions are designed to

be used with our Financial Close Management and Reconciliation Management solutions and will not be sold independently. Accordingly, our business and financial results will be substantially dependent on a limited number of solutions.

If our relationships with technology vendors and business process outsourcers are not successful, our business and growth will be harmed.

We depend on, and anticipate that we will continue to depend on, various strategic relationships in order to sustain and grow our business. We have established strong relationships with technology vendors such as SAP and Netsuite to market our solutions to users of their ERP solutions, and professional services firms such as Deloitte & Touche and KPMG, and business process outsourcers such as Cognizant, Genpact and IBM to supplement delivery and implementation of our applications. We believe these relationships enable us to effectively market our solutions by offering a complementary suite of services. In particular, we have a strategic relationship with SAP to market our solution to users of SAP's ERP solutions. Our solution is an SAP endorsed business solution that integrates with SAP's ERP solutions. Under our agreement with SAP, which we entered into in 2013, we pay SAP a fee based on a percentage of revenues from our new customers that use an SAP ERP system. We continue to pay SAP a fee for these customers over the term of their subscription agreements. For the nine months ended September 30, 2016, revenues from our customers that use an SAP ERP solution accounted for $14.4 million, or approximately 16%, of our total revenues. For the year ended December 31, 2015, revenues from our customers under this agreement accounted for $9.4 million, or approximately 11%, of our total revenues. If we are unsuccessful in maintaining our relationship with SAP, or if we are unsuccessful in supporting or expanding our relationships with other companies, our business would be adversely affected.

Identifying, negotiating and documenting relationships with other companies require significant time and resources. Our agreements with technology vendors are typically limited in duration, non-exclusive, cancellable upon notice and do not prohibit the counterparties from working with our competitors or from offering competing services. For example, our agreement with SAP can be terminated by either party upon six months' notice and there is no assurance that our relationship with SAP will continue. If we are no longer an SAP endorsed business solution, our business could be adversely affected. Our competitors may be effective in providing incentives to third parties to favor their products or services or to prevent or reduce subscriptions to our platform. If we are unsuccessful in establishing or maintaining our relationships, our ability to compete in the marketplace or to grow our revenue could be impaired and our operating results would suffer. Even if we are successful, we cannot assure you that these relationships will result in improved operating results.

If our security controls are breached or unauthorized or inadvertent access to customer or other confidential data is otherwise obtained, our software solutions may be perceived as insecure, we may lose existing customers or fail to attract new customers, our business may be harmed and we may incur significant liabilities.

Use of our platform involves the storage, transmission and processing of our customers' proprietary data, including highly confidential financial information regarding their business and personal or identifying information regarding their customers or employees. Our platform is at risk for breaches as a result of third-party action, employee, vendor or contractor error, malfeasance or other factors. If any unauthorized or inadvertent access to or a security breach of our platform occurs, or is believed to occur, such an event could result in the loss of data, loss of business, severe reputational damage adversely affecting customer or investor confidence, regulatory investigations and orders, litigation, indemnity obligations, damages for contract breach or penalties for violation of applicable laws or regulations. Security breaches could also result in significant costs for remediation that may include liability for stolen assets or information and repair of system damage that may have been caused, incentives offered to customers or other business partners in an effort to maintain business relationships after a breach, and other liabilities.

We incur significant expenses to prevent security breaches, including deploying additional personnel and protection technologies, training employees, and engaging third-party experts and contractors. If a high profile security breach occurs with respect to another provider of software as a service, or SaaS, our clients and potential clients may lose trust in the security of our platform or in the SaaS business model generally, which could adversely impact our ability to retain existing clients or attract new ones. Even in the absence of any security breach, customer concerns about security, privacy, or data protection may deter them from using our platform for activities that involve personal or other sensitive information. Our errors and omissions insurance policies covering certain security and privacy damages and claim expenses may not be sufficient to compensate for all potential liability. Although we maintain cyber liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all.

Because the techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period. From time to time, we experience cyber security events including directed “phishing” attacks against our employees, web attacks and other information technology incidents that are typical for a SaaS company of our size. These threats continue to evolve and are difficult to predict due to advances in computer capabilities, new discoveries in the field of cryptography and new and sophisticated methods used by criminals including phishing, social engineering or other illicit acts. There can be no assurances that our defensive measures will prevent cyber attacks and any incidents could damage our brand and reputation and negatively impact our business.

Because data security is a critical competitive factor in our industry, we make numerous statements in our privacy policy and customer agreements, through our certifications to privacy standards and in our marketing materials, providing assurances about the security of our platform including detailed descriptions of security measures we employ. Should any of these statements be untrue or become untrue, even through circumstances beyond our reasonable control, we may face claims of misrepresentation or deceptiveness by the U.S. Federal Trade Commission, state and foreign regulators and private litigants. Our errors and omissions insurance coverage covering security and privacy damages and claim expenses may not be sufficient to compensate for all liability.

Interruptions or performance problems associated with our software solutions, platform and technology may adversely affect our business and operating results.

Our continued growth depends in part on the ability of our existing and potential customers to access our platform at any time. Our platform is proprietary, and we rely on the expertise of members of our engineering, operations and software development teams for its continued performance. We have experienced, and may in the future experience, disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints due to an overwhelming number of users accessing our platform simultaneously, denial of service attacks or other security related incidents. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. Because of the seasonal nature of financial close activities, increasing complexity of our platform and expanding user population, it may become difficult to accurately predict and timely address performance and capacity needs during peak load times. If our platform is unavailable or if our users are unable to access it within a reasonable amount of time or at all, our business would be harmed. In addition, our infrastructure does not currently include the real-time mirroring of data. Therefore, in the event of any of the factors described above, or other failures of our infrastructure, customer data may be permanently lost. Our customer agreements typically include performance guarantees and service level standards that obligate us to provide credits in the event of a significant disruption in our platform. To the extent that we do not effectively address capacity constraints, upgrade our systems and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business and operating results may be adversely affected.

If our software contains serious errors or defects, we may lose revenue and market acceptance and may incur costs to defend or settle product liability claims.

Complex software such as ours often contains errors or defects, particularly when first introduced or when new versions or enhancements are released. Despite internal and third-party testing and testing by our customers, our current and future software may contain serious defects, which could result in lost revenue or a delay in market acceptance.

Since our customers use our platform for critical business functions such as assisting in the financial close or account reconciliation process, errors, defects or other performance problems could result in damage to our customers. They could seek significant compensation from us for the losses they suffer. Although our customer agreements typically contain provisions designed to limit our exposure to product liability claims, existing or future laws or unfavorable judicial decisions could negate these limitations. Even if not successful, a product liability claim brought against us would likely be time-consuming and costly and could seriously damage our reputation in the marketplace, making it harder for us to sell our products.

We depend on our executive officers and other key employees and the loss of one or more of these employees or an inability to attract and retain highly-skilled employees could adversely affect our business.

Our success depends largely upon the continued services of our executive officers and other key employees. We rely on our leadership team in the areas of research and development, operations, security, marketing, sales and general and administrative functions. In particular, our founder and Chief Executive Officer provides our strategic direction and has

built and maintained what we believe is an attractive workplace culture. Any failure to preserve our culture could negatively affect our ability to recruit and retain personnel. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. Key members of our current management and finance teams have only been working together for a relatively short period of time. If we are not successful in integrating these key employees into our organization, such failure could disrupt our business operations. We do not have employment agreements with our executive officers or other key personnel that require them to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time. The loss of one or more of our executive officers or key employees, especially our founder and Chief Executive Officer, could have an adverse effect on our business.

In addition, to execute our growth plan, we must attract and retain highly-qualified personnel. Competition for personnel is intense, especially for engineers experienced in designing and developing software applications and experienced sales professionals. We have, from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached their legal obligations, resulting in a diversion of our time and resources. Likewise, if competitors hire our employees, we may divert time and resources to deterring any breach by our former employees or their new employers of their legal obligations. Given the competitive nature of our industry, we have both received and asserted such claims in the past. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, it may adversely affect our ability to recruit and retain highly-skilled employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be adversely affected.

If our industry does not continue to develop as we anticipate or if potential customers do not continue to adopt our platform, our sales would not grow as quickly as expected, or at all, and our business and operating results and financial condition would be adversely affected.

We operate in a rapidly evolving industry focused on modernizing financial and accounting operations. Our solutions are relatively new and have been developed to respond to an increasingly global and complex business environment with more rigorous regulatory standards. If organizations do not increasingly allocate their budgets to financial automation software as we expect or if we do not succeed in convincing potential customers that our platform should be an integral part of their overall approach to their accounting processes, our sales may not grow as quickly as anticipated, or at all. Our business is substantially dependent on enterprises recognizing that accounting errors and inefficiencies are pervasive and are not effectively addressed by legacy solutions. Future deterioration in general economic conditions may also cause our customers to cut their overall information technology spending, and such cuts may disproportionately affect software solutions like ours to the extent customers view our solutions as discretionary. If our revenue does not increase for any of these reasons, or any other reason, our business, financial condition and operating results may be materially adversely affected.

The market in which we participate is intensely competitive, and if we do not compete effectively, our operating results could be harmed.

The market for accounting and financial software and services is highly competitive and rapidly evolving. Our competitors vary in size and in the breadth and scope of the products and services they offer. We often compete with other vendors of financial automation software such as Trintech. We also compete with large, well-established, enterprise application software vendors, such as Oracle, whose Hyperion software contains components that compete with our platform. In the future, a competitor offering ERP software could include a free service similar to ours as part of its standard offerings or may offer a free standalone version of a service similar to ours. Further, other established software vendors not currently focused on accounting and finance software and services may expand their services to compete with us.

Our competitors may have greater name recognition, longer operating histories, more established customer and marketing relationships, larger marketing budgets and significantly greater resources than we do. They may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, or customer requirements. In addition, some of our competitors have partnered with, or have acquired, and may in the future partner with or acquire, other competitors to offer services, leveraging their collective competitive positions, which makes, or would make, it more difficult to compete with them.

With the introduction of new technologies, the evolution of our platform and new market entrants, we expect competition to intensify in the future. Increased competition generally could result in reduced sales, reduced margins, losses or the failure of our platform to achieve or maintain more widespread market acceptance, any of which could harm our business.

Our financial results may fluctuate due to our long and variable sales cycle.

Our sales cycle generally varies in duration between four to nine months and, in some cases, even longer depending on the size of the potential customer. The sales cycle for our global enterprise customers is generally longer than that of our mid-market customers. Factors that may influence the length and variability of our sales cycle include:

- the need to educate potential customers about the uses and benefits of our software solutions;
- the need to educate potential customers on the differences between traditional, on-premise software and SaaS solutions;
- the relatively long duration of the commitment customers make in their agreements with us;
- the discretionary nature and timing of potential customers' purchasing and budget cycles and decisions;
- the competitive nature of potential customers' evaluation and purchasing processes;
- announcements or planned introductions of new products by us or our competitors; and
- lengthy purchasing approval processes of potential customers.

We may incur higher costs and longer sales cycles as a result of large enterprises representing an increased portion of our revenue. In this market, the decision to subscribe to our solutions may require the approval of more technical and information security personnel and management levels within a potential customer's organization, and if so, these types of sales require us to invest more time educating these potential customers. In addition, larger organizations may demand more features and integration services and have increased purchasing power and leverage in negotiating contractual arrangements with us, which may contain restrictive terms favorable to the larger organization. As a result of these factors, these sales opportunities may require us to devote greater research and development, sales, product support and professional services resources to individual customers, resulting in increased costs and reduced profitability, and would likely lengthen our typical sales cycle, which could strain our resources.

In addition, more sales are closed in the last month of a quarter than other times. If we are unable to close sufficient transactions in a particular period, or if a significant amount of transactions are delayed until a subsequent period, our operating results for that period, and for any future periods in which revenue from such transaction would otherwise have been recognized, may be adversely affected.

We recognize subscription revenue over the term of our customer contracts and, consequently, downturns or upturns in new sales may not be immediately reflected in our operating results and may be difficult to discern.

We recognize subscription revenue from our platform ratably over the terms of our customers' agreements, most of which have one-year terms but an increasing number of which have up to three-year terms. As a result, most of the revenue we report in each quarter is derived from the recognition of deferred revenue relating to subscriptions entered into during previous quarters. Consequently, a decline in new or renewed subscriptions in any single quarter may have a small impact on our revenue results for that quarter. However, such a decline will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our platform, and potential changes in our pricing policies or rate of expansion or retention, may not be fully reflected in our results of operations until future periods. We may also be unable to reduce our cost structure in line with a significant deterioration in sales. In addition, a significant majority of our costs are expensed as incurred, while revenue is recognized over the life of the agreement with our customer. As a result, increased growth in the number of our customers could continue to result in our recognition of more costs than revenue in the earlier periods of the terms of our agreements. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable subscription term.

We have identified material weaknesses in our internal controls over financial reporting and, if our remediation of these material weaknesses is not effective, or if we fail to maintain an effective system of internal control over financial reporting in the future, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and the price of our common stock.

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, requires that we evaluate and determine the effectiveness of our internal control over financial reporting and, beginning with our second annual report following this offering, which will cover our year ending December 31, 2017, provide a management report on internal control over financial reporting. A material weakness is a deficiency or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis.

During 2015, we identified material weaknesses in our internal control over financial reporting. We identified a material weakness related to an insufficient complement of resources with an appropriate level of accounting knowledge, experience and training commensurate with our structure and financial reporting requirements. This lack of an effective control environment contributed to material weaknesses from the lack of controls over the selection of certain accounting policies and procedures and segregation of duties. Specifically, we did not have policies and controls designed to address the accounting for unusual or complex transactions, or the initial selection of, and the ongoing monitoring of changes in, accounting policies. Further, we did not maintain sufficiently designed segregation of duties including controls over journal entries such that there was a reasonable possibility that a material misstatement would not be prevented or detected on a timely basis.

These material weaknesses contributed to the restatement and revision of previously issued 2013 financial statements and audit adjustments in the 2014 financial statements principally, but not limited to, the following areas: capitalization of internal use software costs, accounting for and valuation of warrants issued with our debt facility, cut-off of transactions at the Acquisition date, accounting for the new basis of accounting arising from the Acquisition, including the valuation of the fair value deferred revenue assumed at the Acquisition date, forecasting of contingent consideration and the determination of the useful lives of intangible assets.

We began taking steps to address the controls issues that contributed to the material weaknesses in the second half of 2015, including the following:

- hiring of experienced additional finance and accounting personnel;
- implementation of financial reporting risk assessment and formalization of accounting policies and procedures;
- creation of additional internal reporting procedures, including those designed to add depth to our review processes;
- increased segregation of duties, including controls over journal entries; and
- additional engagement of third-party assistance to aid in our evaluation of complex transactions as they arise.

While we believe that these efforts will improve our internal control over financial reporting, the implementation of these measures is ongoing and will require validation and testing of the design and operating effectiveness of internal controls over a sustained period of financial reporting cycles. As a result, we determined that the material weaknesses had not been fully remediated as of December 31, 2015.

We cannot assure you that the measures we have taken to date, and are continuing to implement, will be sufficient to remediate the material weaknesses we have identified or avoid potential future material weaknesses. If the steps we take do not correct the material weaknesses in a timely manner, we will be unable to conclude that we maintain effective internal controls over financial reporting. Accordingly, there could continue to be a reasonable possibility that these deficiencies or others could result in a material misstatement of our financial statements that would not be prevented or detected on a timely basis.

The process of designing and implementing internal control over financial reporting required to comply with Section 404 of the Sarbanes-Oxley Act will be time consuming, costly and complicated. If during the evaluation and testing process, we identify one or more other material weaknesses in our internal control over financial reporting or determine that existing material weaknesses have not been remediated, our management will be unable to assert that our internal control over financial reporting is effective. Even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm may conclude that there are material

weaknesses with respect to our internal controls or the level at which our internal controls are documented, designed, implemented or reviewed. If we are unable to assert that our internal control over financial reporting is effective, or when required in the future, if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could be adversely affected and we could become subject to litigation or investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities, which could require additional financial and management resources.

We rely on a limited number of data centers to deliver our cloud-based software solutions and any disruption of service at these centers could harm our business.

We manage our software solutions and serve most of our customers using a cloud-based infrastructure that is operated by a limited number of third-party data center facilities in North America and Europe. We do not control the operation of these facilities. Any changes in third-party service levels at our data centers or any disruptions or delays from errors, defects, hacking incidents, security breaches, computer viruses or other intentional bad acts or performance problems could harm our reputation, damage our customers' businesses, and adversely affect our business and operating results. Our data centers are also vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, war, terrorist attacks, power losses, hardware failures, systems failures, telecommunications failures and similar events. If our data centers were compromised or unavailable or our users were unable to access our solutions for any reason, our business and operations would be materially and adversely affected.

Our customers have experienced minor disruptions and outages in accessing our solutions in the past, and may in the future experience, disruptions, outages and other performance problems. Although we expend considerable effort to ensure that our platform performance is capable of handling existing and increased traffic levels, the ability of our cloud-based solutions to effectively manage any increased capacity requirements depends on our third-party providers. Our third-party data center providers may not be able meet such performance requirements, especially to cover peak levels or spikes in traffic, and as a result, our customers may experience delays in accessing our solutions or encounter slower performance in our solutions, which could significantly harm the operations of these facilities. Interruptions in our services might reduce our revenue, cause us to issue credits to customers, subject us to potential liability, and cause customers to terminate their subscriptions or harm our renewal rates.

If we do not accurately predict our infrastructure capacity requirements, our customers could experience service shortfalls. The provisioning of additional cloud hosting capacity and data center infrastructure requires lead time. As we continue to add data centers, restructure our data management plans, and increase capacity in existing and future data centers, we may move or transfer our data and our customers' data. For example, in early 2016 we began hosting customers at a data facility located in Las Vegas, Nevada. Despite precautions taken during such processes and procedures, any unsuccessful data transfers may impair the delivery of our service, and we may experience costs or downtime in connection with the transfer of data to other facilities which may lead to, among other things, customer dissatisfaction and non-renewals. The owners of our data center facilities have no obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew these agreements on commercially reasonable terms, we may be required to transfer to new data center facilities, and we may incur significant costs and possible service interruption in connection with doing so.

Failure to effectively expand our sales capabilities could harm our ability to increase our customer base.

Increasing our customer base and sales will depend, to a significant extent, on our ability to effectively expand our sales and marketing operations and activities. We are substantially dependent on our direct sales force to obtain new customers. From January 1, 2014 to September 30, 2016, our sales and marketing teams increased from 68 to 284 employees. We plan to continue to expand our direct sales force both domestically and internationally. We believe that there is significant competition for experienced sales professionals with the sales skills and technical knowledge that we require. Our ability to achieve significant revenue growth in the future will depend, in part, on our success in recruiting, training, and retaining a sufficient number of experienced sales professionals. New hires require significant training and time before they achieve full productivity, particularly in new sales segments and territories. Our recent hires and planned hires may not become as productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future in the markets where we do business. Our business will be harmed if our sales expansion efforts do not generate a significant increase in revenue.

If we are unable to develop and maintain successful relationships with resellers, our business, operating results and financial condition could be adversely affected.

We believe that continued growth in our business is dependent upon identifying, developing, and maintaining strategic relationships with companies that resell our solutions. We plan to expand our small but growing network of resellers and to add new resellers, in particular to help grow our mid-market business globally. Our agreements with our existing resellers are non-exclusive, meaning resellers may offer customers the products of several different companies, including products that compete with ours. They may also cease marketing our solutions with limited or no notice and with little or no penalty. We expect that any additional resellers we identify and develop will be similarly non-exclusive and not bound by any requirement to continue to market our solutions. If we fail to identify additional resellers, in a timely and cost-effective manner, or at all, or are unable to assist our current and future resellers in independently selling our solutions, our business, results of operations, and financial condition could be adversely affected. If resellers do not effectively market and sell our solutions, or fail to meet the needs of our customers, our reputation and ability to grow our business may also be adversely affected.

If we are not able to maintain and enhance our brand, our business, operating results and financial condition may be adversely affected.

We believe that maintaining and enhancing our reputation for accounting and finance software is critical to our relationships with our existing customers and to our ability to attract new customers. The successful promotion of our brand attributes will depend on a number of factors, including our marketing efforts, our ability to continue to develop high-quality software, and our ability to successfully differentiate our platform from competitive products and services. Our brand promotion activities may not ultimately be successful or yield increased revenue. In addition, independent industry analysts provide reviews of our platform, as well as products and services offered by our competitors, and perception of our platform in the marketplace may be significantly influenced by these reviews. If these reviews are negative, or less positive as compared to those of our competitors' products and services, our brand may be adversely affected.

The promotion of our brand requires us to make substantial expenditures, and we anticipate that the expenditures will increase as our market becomes more competitive, as we expand into new markets and as more sales are generated. To the extent that these activities yield increased revenue, this revenue may not offset the increased expenses we incur. If we do not successfully maintain and enhance our brand, our business may not grow, we may have reduced pricing power relative to competitors, and we could lose customers or fail to attract potential customers, all of which would adversely affect our business, results of operations and financial condition.

Our long-term success depends, in part, on our ability to expand the sales of our solutions to customers located outside of the United States, and thus our business is susceptible to risks associated with international sales and operations.

We currently maintain offices and/or have sales personnel in Australia, Canada, France, Germany, Malaysia, the Netherlands, Singapore, South Africa and the United Kingdom, and we intend to build out our international operations. As part of our ongoing international expansion strategy, in August 2016, we acquired Runbook, a Netherlands-based provider of financial close automation software solutions to SAP customers. We derived approximately 16% of our revenues from sales outside the United States in the three and nine months ended September 30, 2016, and we derived approximately 14% of our revenues from sales outside the United States in the year ended December 31, 2015. Any international expansion efforts that we may undertake, including our acquisition of Runbook, may not be successful. In addition, conducting international operations in new markets subjects us to new risks that we have not generally faced in the United States. These risks include:

- localization of our solutions, including translation into foreign languages and adaptation for local practices and regulatory requirements;
- lack of familiarity and burdens of complying with foreign laws, legal standards, regulatory requirements, tariffs and other barriers;
- unexpected changes in regulatory requirements, taxes, trade laws, tariffs, export quotas, custom duties or other trade restrictions;
- differing technology standards;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- difficulties in managing and staffing international operations and differing employer/employee relationships;

- fluctuations in exchange rates that may increase the volatility of our foreign based revenue;
- potentially adverse tax consequences, including the complexities of foreign value added tax (or other tax) systems and restrictions on the repatriation of earnings;
- uncertain political and economic climates, including the significant volatility in the global financial markets as a result of Brexit; and
- reduced or varied protection for intellectual property rights in some countries.

These factors may cause our international costs of doing business to exceed our comparable domestic costs. Operating in international markets also requires significant management attention and financial resources. Any negative impact from our international business efforts could negatively impact our business, results of operations and financial condition as a whole.

We use third-party contractors outside of the United States to supplement our research and development capabilities, which may expose us to risks, including risks inherent in foreign operations.

We use third-party contractors outside of the United States to supplement our research and development capabilities. We currently use third-party contractors located in Romania and China. Managing operations that are remote from our U.S. headquarters is difficult and we may not be able to manage these third-party contractors successfully. If we fail to maintain productive relationships with these contractors generally, we may be required to develop our solutions in a less efficient and cost-effective manner and our product release schedules may be delayed while we hire software developers or find alternative contract development resources. Additionally, while we take precautions to ensure that software components developed by our third-party contractors are reviewed and that our source code is protected, misconduct by our third-party contractors could result in infringement or misappropriation of our intellectual property. Furthermore, any acts of espionage, malware attacks, theft of confidential information or other malicious cyber incidents attributed to our third-party contractors may compromise our system infrastructure, expose us to litigation and lead to reputational harm that could result in a material adverse effect on our financial condition and operating results.

Any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand.

Our success and ability to compete depend in part upon our intellectual property. We currently have one patent application, which may not result in an issued patent. We primarily rely on copyright, trade secret and trademark laws, trade secret protection, and confidentiality or license agreements with our employees, customers, partners and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. In the past, we have utilized demand letters as a means to assert and resolve claims regarding potential misuse of our proprietary or trade secret information. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management, and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Our failure to secure, protect and enforce our intellectual property rights could adversely affect our brand and adversely impact our business.

Suits by third parties for alleged infringement of their proprietary rights could cause us to incur significant expenses or liabilities.

There is considerable patent and other intellectual property development activity in our industry. Our future success depends in part on not infringing upon the intellectual property rights of others. From time to time, our competitors or other third parties may claim that our solutions and underlying technology infringe or violate their intellectual property rights, and we may be found to be infringing upon such rights. We may be unaware of the intellectual property rights of others that may cover some or all of our technology. Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our solutions or require that we comply with other unfavorable terms. We may also be obligated to indemnify our customers or other companies in connection with any such litigation and to obtain licenses, modify our solutions, or refund subscription fees, which could further exhaust our resources. In addition, we may incur substantial costs to resolve claims or litigation, whether or not successfully asserted against us, which could include payment of significant settlement, royalty or license fees, modification of our solutions, or refunds to customers of subscription fees. Even if we were to

prevail in the event of claims or litigation against us, any claim or litigation regarding our intellectual property could be costly and time-consuming and divert the attention of our management and other employees from our business operations. Such disputes could also disrupt our solutions, adversely impacting our customer satisfaction and ability to attract customers.

We use open source software in our products, which could subject us to litigation or other actions.

We use open source software in our products and may use more open source software in the future. From time to time, there have been claims challenging the use of open source software against companies that incorporate open source software into their products. As a result, we could be subject to suits by parties claiming misuse of, or a right to compensation for, what we believe to be open source software. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition or require us to devote additional research and development resources to change our products. In addition, if we were to combine our proprietary software products with open source software in a certain manner, we could, under certain of the open source licenses, be required to release the source code of our proprietary software products. If we inappropriately use open source software, we may be required to re-engineer our products, discontinue the sale of our products or take other remedial actions.

If the market for SaaS solutions develops more slowly than we expect or declines, our business would be adversely affected.

The market for SaaS solutions is less mature than the market for on-premise software applications, and the adoption rate of SaaS solutions may be slower at companies in industries with heightened data security interests or business practices requiring highly customizable application software. Many organizations have invested substantial personnel and financial resources to integrate traditional on-premise solutions into their businesses, and therefore may be reluctant or unwilling to purchase SaaS solutions. In addition, some organizations have been reluctant to use cloud-based solutions because they have concerns regarding the risks associated with the reliability or security of the technology delivery model associated with these solutions. Because our solutions involve the aggregation, storage and use of confidential information and related data, including highly confidential financial data, some customers may be reluctant or unwilling to migrate to our cloud-based solutions.

It is difficult to predict customer adoption rates and demand for our software solutions, the future growth rate and size of the market or the entry of competitive products or services. The expansion of the SaaS solutions market depends on a number of factors, including the cost, performance and perceived value associated with SaaS, as well as the ability of SaaS providers to address data security and privacy concerns. Government agencies have adopted, or may adopt, laws and regulations regarding the collection and use of personal information obtained from consumers and other individuals, or may seek to access information on our platform, either of which may reduce the overall demand for our platform. If we or other SaaS providers experience data security incidents, loss of customer data, disruptions in delivery, or other problems, the market for SaaS solutions, including our platform, may be negatively affected. If SaaS solutions do not continue to achieve market acceptance, or there is a reduction in demand for SaaS solutions caused by a lack of customer acceptance, technological challenges, data security or privacy concerns, governmental regulation, competing technologies and products, or decreases in information technology spending, it would result in decreased revenue and our business would be adversely affected.

Privacy and data security concerns, and data collection and transfer restrictions and related domestic or foreign regulations may limit the use and adoption of our solutions and adversely affect our business.

Personal privacy, information security, and data protection are significant issues in the United States, Europe and many other jurisdictions where we offer our platform. The regulatory framework governing the collection, processing, storage and use of business information, particularly information that affects financial statements, and personal data, is rapidly evolving and any failure or perceived failure to comply with applicable privacy, security, or data protection laws or regulations may adversely affect our business.

The U.S. federal and various state and foreign governments have adopted or proposed requirements regarding the collection, distribution, use, security and storage of personally identifiable information and other data relating to individuals, and federal and state consumer protection laws are being applied to enforce regulations related to the online collection, use and dissemination of data. Some of these requirements include obligations on companies to notify individuals of security breaches involving particular personal information, which could result from breaches experienced by us or by organizations with which we have formed strategic relationships. Even though we may have contractual protections with such organizations, notifications related to a security breach could impact our reputation, harm customer confidence, hurt our expansion into new markets or cause us to lose existing customers.

Further, many foreign countries and governmental bodies, including the European Union, or EU, where we conduct business and have offices, have laws and regulations concerning the collection and use of personal data obtained from their residents or by businesses operating within their jurisdiction. These laws and regulations often are more restrictive than those in the United States. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure and security of data that identifies or may be used to identify or locate an individual, such as names, email addresses and, in some jurisdictions, Internet Protocol, or IP, addresses. With regard to data transfers of personal data from our European employees and customers to the United States, we have historically relied on our adherence to the U.S. Department of Commerce's Safe Harbor Privacy Principles and compliance with the U.S.-EU and U.S.-Swiss Safe Harbor Frameworks as agreed to and set forth by the U.S. Department of Commerce, and the European Union and Switzerland, which established means for legitimizing the transfer of personal data by companies doing business in Europe from the EU to the U.S. As a result of the October 6, 2015 European Court of Justice opinion in Case C-362/14 (Schrems v. Data Protection Commissioner) or, the ECJ Ruling, the U.S.-EU Safe Harbor Framework was deemed an invalid method of compliance with EU restrictions on data transfers. We have taken certain measures to legitimize our transfers of personal data, both internally and on behalf of our customers, from the EU to the United States in the wake of the ECJ Ruling. Additionally, EU and U.S. political authorities adopted the U.S. EU Privacy Shield on July 12, 2016, which may provide a new mechanism for companies to transfer EU personal data to the United States. It is unclear at this time whether the U.S. EU Privacy Shield will serve as an appropriate means for us to transfer EU personal data from the EU to the United States. Our means for transferring personal data from the EU may not be adopted by all of our customers and may be subject to legal challenge by data protection authorities, and we may experience reluctance or refusal by European customers to use our solutions due to potential risk exposure as a result of the ECJ Ruling. We and our customers face a risk of enforcement actions taken by EU data protection authorities regarding data transfers from the EU to the United States.

We also expect that there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection and information security in the United States, the EU, and other jurisdictions. For example, the European Commission recently adopted a General Data Protection Regulation, effective in May 2018, that will supersede current EU data protection legislation, impose a more stringent EU data protection requirements and provide for greater penalties for noncompliance. We cannot yet determine the impact such future laws, regulations and standards may have on our business. Such laws and regulations are often subject to differing interpretations and may be inconsistent among jurisdictions. These and other requirements could reduce demand for our service, increase our costs, impair our ability to grow our business, or restrict our ability to store and process data or, in some cases, impact our ability to offer our service in some locations and may subject us to liability. Further, in view of new or modified federal, state or foreign laws and regulations, industry standards, contractual obligations and other legal obligations, or any changes in their interpretation, we may find it necessary or desirable to fundamentally change our business activities and practices or to expend significant resources to modify our software or platform and otherwise adapt to these changes. We may be unable to make such changes and modifications in a commercially reasonable manner or at all, and our ability to develop new products and features could be limited.

Further, following a referendum in June 2016 in which voters in the United Kingdom approved an exit from the EU, it is expected that the United Kingdom government will initiate a process to leave the EU (often referred to as "Brexit"). The Brexit has created uncertainty with regard to the regulation of data protection in the United Kingdom. In particular, it is unclear whether the United Kingdom will enact data protection laws or regulations designed to be consistent with the pending EU General Data Protection Regulation and how data transfers to and from the United Kingdom will be regulated.

Our customers also expect that we comply with regulatory standards that may place additional burdens on us. Our customers expect us to meet voluntary certifications or adhere to standards established by third parties, such as the SSAE 16, SOC1 and SOC2 audit processes, and may demand that they be provided a report from our auditors that we are in compliance. If we are unable to maintain these certifications or meet these standards, it could adversely affect our customers' demand for our service and could harm our business.

The costs of compliance with and other burdens imposed by laws, regulations and standards may limit the use and adoption of our service and reduce overall demand for it, or lead to significant fines, penalties or liabilities for any noncompliance. Privacy, information security, and data protection concerns, whether valid or not valid, may inhibit market adoption of our platform, particularly in certain industries and foreign countries.

We depend and rely upon SaaS applications from third parties to operate our business and interruptions or performance problems with these technologies may adversely affect our business and operating results.

We rely heavily on SaaS applications from third parties in order to operate critical functions of our business, including billing and order management, enterprise resource planning, and financial accounting services. If these services

become unavailable due to extended outages, interruptions, or because they are no longer available on commercially reasonable terms, our expenses could increase, our ability to manage finances could be interrupted and our processes for managing sales of our solutions and supporting our customers could be impaired until equivalent services, if available, are identified, obtained, and implemented, all of which could adversely affect our business.

We rely on third-party computer hardware and software that may be difficult to replace or which could cause errors or failures of our software solutions.

We rely on computer hardware purchased or leased and software licensed from third parties in order to deliver our software solutions. This hardware and software may not continue to be available on commercially reasonable terms, if at all. Any loss of the right to use any of this hardware or software could result in delaying or preventing our ability to provide our software solutions until equivalent technology is either developed by us or, if available, identified, obtained and integrated. In addition, errors or defects in third-party hardware or software used in our software solutions could result in errors or a failure, which could damage our reputation, impede our ability to provide our platform or process information, and adversely affect our business and results of operations.

We face exposure to foreign currency exchange rate fluctuations that could harm our results of operations.

We conduct transactions, particularly intercompany transactions, in currencies other than the U.S. dollar, primarily the British pound and the Euro. As we grow our international operations, we expect the amount of our revenues that are denominated in foreign currencies to increase in the future. Accordingly, changes in the value of foreign currencies relative to the U.S. dollar could affect our revenue and operating results due to transactional and translational remeasurements that are reflected in our results of operations. As a result of such foreign currency exchange rate fluctuations, it could be more difficult to detect underlying trends in our business and results of operations. In addition, to the extent that fluctuations in currency exchange rates cause our results of operations to differ from our expectations or the expectations of our investors, the trading price of our common stock could be adversely affected.

Additionally, as a result of Brexit, global markets and foreign currencies have been adversely impacted. In particular, the value of the British pound has declined as compared to the U.S. dollar and other currencies. This volatility in foreign currencies is expected to continue as the U.K. negotiates and executes its exit from the European Union, but it is uncertain over what time period this will occur. A significantly weaker British pound compared to the U.S. dollar could have a negative effect on our business, financial condition and results of operations.

We do not currently maintain a program to hedge transactional exposures in foreign currencies. However, in the future, we may use derivative instruments, such as foreign currency forward and option contracts, to hedge exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.

We are subject to governmental export and import controls that could impair our ability to compete in international markets due to licensing requirements and subject us to liability if we are not in full compliance with applicable laws.

Our solutions are subject to export controls, including the Commerce Department's Export Administration Regulations and various economic and trade sanctions regulations established by the Treasury Department's Office of Foreign Assets Controls. Obtaining the necessary authorizations, including any required license, for a particular export or sale may be time-consuming, is not guaranteed and may result in the delay or loss of sales opportunities. The U.S. export control laws and economic sanctions laws prohibit the export, reexport or transfer of specific products and services to U.S. embargoed or sanctioned countries, governments and persons. Even though we take precautions to prevent our solutions from being provided to U.S. sanctions targets, our solutions could be sold by resellers or could be used by persons in sanctioned countries despite such precautions. Failure to comply with the U.S. export control, sanctions and import laws could have negative consequences, including government investigations, penalties and reputational harm. We and our employees could be subject to civil or criminal penalties, including the possible loss of export or import privileges; fines, and, in extreme cases, the incarceration of responsible employees or managers. In addition, if our resellers fail to obtain appropriate import, export or re-export licenses or authorizations, we may also be adversely affected through reputational harm and penalties.

In addition, various countries regulate the import of encryption technology, including through import permitting/licensing requirements, and have enacted laws that could limit our ability to distribute our solutions or could limit

our customers' ability to implement or access our solutions in those countries. Changes in our solutions or changes in export, sanctions and import regulations may create delays in the introduction and sale of our solutions in international markets, prevent our customers with international operations from accessing our solutions or, in some cases, preventing the export or import of our solutions to some countries, governments or persons altogether. Any change in export or import regulations, economic sanctions or related laws, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our solutions, or in our decreased ability to export or sell our solutions to existing or potential customers with international operations. Any decreased use of our solutions or limitation on our ability to export or sell our solutions would likely adversely affect our business, financial condition and results of operations.

We may be unable to integrate acquired businesses and technologies successfully or achieve the expected benefits of such transactions.

On August 31, 2016, we completed our acquisition of Runbook. In addition, we may evaluate and consider potential strategic transactions, including mergers with or into other companies, and acquisitions of, or investments in, businesses, technologies, services, products, and other assets in the future. We also may enter into relationships with other businesses to expand our products and services, which could involve preferred or exclusive licenses, additional channels of distributions or discount pricing.

The Runbook acquisition or any future acquisition, investment or business relationship may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products, personnel or operations of the acquired companies, such as Runbook, particularly if the key personnel of the acquired company choose not to work for us, their software is not easily adapted to work with our platform, or we have difficulty retaining the customers of any acquired business due to changes in ownership, management or otherwise. In addition, Runbook offers an on-premise solution to its customers. If we are unable to migrate those customers to our cloud solution or if we are unable to integrate Runbook's on-premise software with our platform, our business may be adversely affected. Acquisitions may also disrupt our business, divert our resources, and require significant management attention that would otherwise be available for development of our existing business. Moreover, the anticipated benefits of any acquisition, investment, or business relationship may not be realized or we may be exposed to unknown risks or liabilities.

Negotiating these transactions can be time-consuming, difficult, and expensive, and our ability to complete these transactions may often be subject to approvals that are beyond our control. Consequently, these transactions, even if announced, may not be completed. For one or more of those transactions, we may:

- issue additional equity securities that would dilute our existing stockholders;
- use cash that we may need in the future to operate our business;
- incur large charges or substantial liabilities;
- incur debt on terms unfavorable to us or that we are unable to repay;
- encounter difficulties retaining key employees of the acquired company or integrating diverse software codes or business cultures; and
- become subject to adverse tax consequences, substantial depreciation, or deferred compensation charges.

Changes in laws and regulations related to the Internet and cloud computing or changes to Internet infrastructure may diminish the demand for our solutions, and could have a negative impact on our business.

The future success of our business depends upon the continued use of the Internet as a primary medium for commerce, communication, and business applications. Federal, state, or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the Internet as a commercial medium. Regulators in some industries have also adopted, and may in the future adopt regulations or interpretive positions regarding the use of SaaS and cloud computing solutions. For example, some financial services regulators have imposed guidelines for the use of cloud computing services that mandate specific controls or require financial services enterprises to obtain regulatory approval prior to utilizing such software. Changes in these laws or regulations could require us to modify our solutions in order to comply with these changes. In addition, government agencies or private organizations have imposed and may impose additional taxes, fees, or other charges for accessing the Internet or commerce conducted via the Internet. These laws or charges could limit the growth of Internet-related commerce or communications generally, or result in reductions in the demand for Internet-based solutions and services such as ours. In

addition, the use of the Internet as a business tool could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of Internet activity, security, reliability, cost, ease-of-use, accessibility, and quality of service. The performance of the Internet and its acceptance as a business tool has been adversely affected by “viruses,” “worms,” and similar malicious programs and the Internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the Internet is adversely affected by these issues, demand for our solutions could decline.

Incorrect or improper implementation or use of our solutions could result in customer dissatisfaction and negatively affect our business, results of operations, financial condition, and growth prospects.

Our platform is deployed in a wide variety of technology environments and into a broad range of complex workflows. Our platform has been integrated into large-scale, enterprise-wide technology environments, and specialized use cases, and our success depends on our ability to implement our platform successfully in these environments. We often assist our customers in implementing our platform, but many customers attempt to implement even complex deployments themselves or use a third-party service firm. If we or our customers are unable to implement our platform successfully, or are unable to do so in a timely manner, customer perceptions of our platform and company may be impaired, our reputation and brand may suffer, and customers may choose not to renew or expand the use of our platform.

Our customers and third-party resellers may need training in the proper use of our platform to maximize its potential. If our platform is not implemented or used correctly or as intended, including if customers input incorrect or incomplete financial data into our platform, inadequate performance may result. Because our customers rely on our platform to manage their financial close and other financial tasks, the incorrect or improper implementation or use of our platform, our failure to train customers on how to efficiently and effectively use our platform, or our failure to provide adequate product support to our customers, may result in negative publicity or legal claims against us. Also, as we continue to expand our customer base, any failure by us to properly provide these services will likely result in lost opportunities for additional subscriptions to our platform.

Any failure to offer high-quality product support may adversely affect our relationships with our customers and our financial results.

In deploying and using our solutions, our customers depend on our support services team to resolve complex technical and operational issues. We may be unable to respond quickly enough to accommodate short-term increases in customer demand for product support. We also may be unable to modify the nature, scope and delivery of our product support to compete with changes in product support services provided by our competitors. Increased customer demand for product support, without corresponding revenue, could increase costs and adversely affect our operating results. Our sales are highly dependent on our business reputation and on positive recommendations from our existing customers. Any failure to maintain high-quality product support, or a market perception that we do not maintain high-quality product support, could adversely affect our reputation, our ability to sell our solutions to existing and prospective customers, our business, operating results, and financial position.

Unfavorable conditions in our industry or the global economy could limit our ability to grow our business and negatively affect our operating results.

Our operating results may vary based on the impact of changes in our industry or the global economy on us or our customers. The revenue growth and potential profitability of our business depend on demand for business software applications and services generally and for accounting and finance systems in particular. Weak economic conditions affect the rate of accounting and finance and information technology spending and could adversely affect our customers’ or potential customers’ ability or willingness to purchase our cloud platform, delay purchasing decisions, reduce the value or duration of their subscription contracts, or affect attrition rates, all of which could adversely affect our operating results. If economic conditions deteriorate, our customers and prospective customers may elect to decrease their accounting and finance and information technology budgets, which would limit our ability to grow our business and negatively affect our operating results.

We provide service level commitments under our customer contracts, and if we fail to meet these contractual commitments, our revenues could be adversely affected.

Our customer agreements typically provide service level commitments. If we are unable to meet the stated service level commitments or suffer extended periods of unavailability for our applications, we may be contractually obligated to provide these customers with service credits, refunds for prepaid amounts related to unused subscription services, or we could face contract terminations. Our revenues could be significantly affected if we suffer unscheduled downtime that

exceeds the allowed downtimes under our agreements with our customers. Any extended service outages could adversely affect our reputation, revenues and operating results.

Seasonality could cause our operating results and financial metrics to fluctuate from quarter to quarter and make them more difficult to predict.

We typically add fewer customers in the first quarter of the year than other quarters. We also experience a higher volume of sales at the end of each quarter and year, which is often the result of buying decisions by our customers. Seasonality may be reflected to a much lesser extent, and sometimes may not be immediately apparent, in our revenue, due to the fact that we recognize subscription revenue over the term of our agreements. We may also increase expenses in a period in anticipation of future revenues. Changes in the number of customers and users in different periods will cause fluctuations in our financial metrics and, to a lesser extent revenues. Those changes and fluctuations in our expenses will affect our results on a quarterly basis, and will make forecasting our future operating results and financial metrics difficult.

Our international operations subject us to potentially adverse tax consequences.

We report our taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. Our intercompany relationships are subject to complex transfer pricing regulations administered by taxing authorities in various jurisdictions. The relevant taxing authorities may disagree with our determinations as to the value of assets sold or acquired or income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and our position were not sustained, we could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows, and lower overall profitability of our operations. We believe that our financial statements reflect adequate reserves to cover such a contingency, but there can be no assurances in that regard.

The enactment of legislation implementing changes in the U.S. taxation of international business activities or the adoption of other tax reform policies could materially impact our financial position and results of operations.

Recent changes to U.S. tax laws, including limitations on the ability of taxpayers to claim and utilize foreign tax credits, as well as changes to U.S. tax laws that may be enacted in the future, could impact the tax treatment of our foreign earnings. Due to expansion of our international business activities, any changes in the U.S. taxation of such activities may increase our worldwide effective tax rate and adversely affect our financial position and results of operations.

Our ability to use our net operating losses to offset future taxable income may be subject to limitations.

As of December 31, 2015, we had federal and State of California net operating loss carryforwards, or NOLs, of $70.3 million and $65.6 million, respectively. In general, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an “ownership change” is subject to limitations on its ability to utilize its NOLs to offset future taxable income. Our existing NOLs may be subject to limitations arising from previous ownership changes, and if we undergo an ownership change in connection with or after this offering, our ability to utilize NOLs could be further limited by Section 382 of the Code. Future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Code. Furthermore, our ability to utilize NOLs of companies that we may acquire in the future may be subject to limitations. There is also a risk that due to regulatory changes, such as suspensions on the use of NOLs, or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to offset future income tax liabilities. For these reasons, we may not be able to realize a tax benefit from the use of our NOLs, whether or not we attain profitability.

Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, value added or similar taxes, and we could be subject to liability with respect to past or future sales, which could adversely affect our results of operations.

Sales and use, value added and similar tax laws and rates vary greatly by jurisdiction and are subject to change from time to time. Some jurisdictions in which we do not collect such taxes may assert that such taxes are applicable, which could result in tax assessments, penalties and interest, and we may be required to collect such taxes in the future. Such tax assessments, penalties and interest or future requirements may adversely affect our results of operations.

We might require additional capital to support business growth, and this capital might not be available on acceptable terms, if at all.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new features or enhance our existing solutions, improve our operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, we may not be able to obtain additional financing on terms favorable to us, or at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired.

Natural disasters and other events beyond our control could harm our business.

Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce and the global economy, and thus could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters, fire, power shortages, pandemics and other events beyond our control. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our solutions to our customers, and could decrease demand for our solutions. The majority of our research and development activities, corporate headquarters, information technology systems and other critical business operations are located in California, which has experienced major earthquakes in the past. Significant recovery time could be required to resume operations and our financial condition and operating results could be harmed in the event of a major earthquake or catastrophic event.

If our goodwill or intangible assets become impaired, we may be required to record a significant charge to earnings.

We review our intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be tested for impairment at least annually. As of September 30, 2016, we had goodwill and intangible assets with a net book value of $242 million related to the acquisitions of BlackLine Systems, Inc. and Runbook Company B.V. An adverse change in market conditions, particularly if such change has the effect of changing one of our critical assumptions or estimates, could result in a change to the estimation of fair value that could result in an impairment charge to our goodwill or intangible assets. Any such charges may have a material negative impact on our operating results.

Risks Related to Ownership of our Common Stock

The market price of our common stock may be volatile, and you could lose all or part of your investment.

The market price of our common stock since our initial public offering has been and may continue to be subject to wide fluctuations in response to various factors, some of which are beyond our control and may not be related to our operating performance. Factors that could cause fluctuations in the market price of our common stock include the following:

- actual or anticipated fluctuations in our operating results;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of our company, changes in financial estimates by any securities analysts who follow our company or our failure to meet these estimates or the expectations of investors;
- ratings changes by any securities analysts who follow our company;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic relationships, joint ventures, or capital commitments;

- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- price and volume fluctuations in the overall stock market from time to time, including as a result of trends in the economy as a whole;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- developments or disputes concerning our intellectual property, or our products or third-party proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations, or new interpretations of existing laws or regulations applicable to our business;
- any major change in our board of directors or management;
- sales of shares of our common stock by us or our stockholders;
- lawsuits threatened or filed against us; and
- other events or factors, including those resulting from war, incidents of terrorism, or responses to these events.

In addition, the stock markets, and in particular the market on which our common stock is listed, have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. Stock prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from operating our business, and adversely affect our business, results of operations, financial condition and cash flows.

The Company is controlled by certain of our Principal Stockholders, whose interests may differ from those of other stockholders.

As of November 30, 2016, our Principal Stockholders beneficially owned, in the aggregate, approximately 76.9% of our outstanding common stock and directors affiliated with our Principal Stockholders comprise a majority of our board of directors. Further, we entered into a Stockholders' Agreement with the Principal Stockholders which provides that the Principal Stockholders will be entitled to designate members of our board of directors. We anticipate that the parties to the Stockholders' Agreement will agree to vote for these nominees as well as other directors recommended by independent directors constituting a majority of our independent directors in a vote in which only independent directors participate.

Under the Stockholders' Agreement and subject to our amended and restated certificate of incorporation and amended and restated bylaws and applicable law, for so long as the Principal Stockholders collectively own or hold of record, directly or indirectly, in the aggregate at least 40% of their collective "Post-IPO Shares" (as defined in the Stockholders' Agreement), as adjusted for any reorganization, recapitalization, stock dividend, stock split, reverse stock split or similar changes in our capitalization, the following actions will require the approval of our board of directors, including the affirmative vote of at least two directors designated by Silver Lake Sumeru:

- any voluntary liquidation, winding up or dissolution or any action relating to a voluntary bankruptcy, reorganization or recapitalization of the company or its subsidiaries;
- certain dispositions of assets in excess of $50 million or entry into joint ventures requiring a capital contribution in excess of $50 million, in each case, by the company or its subsidiaries;
- fundamental changes in the nature of the company's or its subsidiaries' existing lines of business or the entry into a new significant line of business;
- any amendments to the company's amended and restated certificate of incorporation and amended and restated bylaws;
- incurrence of indebtedness in excess of $150 million;
- appointment or termination of the Chief Executive Officer; and

- change of control transactions.

Following our initial public offering, the Principal Stockholders are able to determine the outcome of all matters requiring stockholder approval, including mergers and other material transactions, and will be able to cause or prevent a change in the composition of our board of directors or a change in control of our company that could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and might ultimately affect the market price of our common stock.

Further, our amended and restated certificate of incorporation provide that, to the fullest extent permitted by law, the doctrine of "corporate opportunity" will not apply to Silver Lake Sumeru, Iconiq, their respective affiliates or the directors they designate, pursuant to their rights under the Stockholders' Agreement in a manner that would prohibit them from investing in competing businesses or doing business with our partners or customers. Accordingly, these directors will have the rights to pursue business opportunities that may be of interest to the company and which they would otherwise need to provide to the company.

Although we do not expect to rely on the "controlled company" exemption, we are a "controlled company" within the meaning of the stock exchange rules and we qualify for exemptions from certain corporate governance requirements.

Because our Principal Stockholders collectively own a majority of our outstanding common stock, we are considered a "controlled company" as that term is set forth in the stock exchange rules. Under these rules, a company of which more than 50% of the voting power is held by another person or group of persons acting together is a "controlled company" and may elect not to comply with certain stock exchange rules regarding corporate governance, including:

- the requirement that a majority of its board of directors consist of independent directors;
- the requirement that its director nominees be selected or recommended for the board's selection by a majority of the board's independent directors in a vote in which only independent directors participate or by a nominating committee comprised solely of independent directors, in either case, with board resolutions or a written charter, as applicable, addressing the nominations process and related matters as required under the federal securities laws; and
- the requirement that its compensation committee be composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

These requirements will not apply to us as long as we remain a "controlled company." Although we qualify as a "controlled company," we do not expect to rely on this exemption and intend to fully comply with all corporate governance requirements under the stock exchange rules. However, if we were to utilize some or all of these exemptions, you may not have the same protections afforded to stockholders of companies that are subject to all of the stock exchange rules regarding corporate governance.

A substantial number of the outstanding shares of our capital stock are restricted from immediate resale but may be sold in the near future. The large number of shares of our capital stock eligible for public sale or subject to rights requiring us to register them for public sale could depress the market price of our common stock.

The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market in the near future, and the perception that these sales could occur may also depress the market price of our common stock. Our executive officers, directors and the holders of substantially all of our common stock and securities convertible into or exchangeable for our common stock have entered into market standoff agreements with us or lock-up agreements with the underwriters of our initial public offering under which they have agreed, subject to specific exceptions, not to sell any of our common stock until April 26, 2017. Goldman, Sachs & Co. and J.P. Morgan Securities LLC, however, on behalf of the underwriters, may permit our officers, directors and other stockholders who are subject to these lock-up agreements to sell shares prior to the end of the lock-up period. As a result of these agreements and the provisions of Rule 144 or Rule 701 under the Securities Act, all shares of our common stock will be available for sale in the public market beginning on April 26, 2017, subject in some cases to the volume and other restrictions of Rule 144 and our insider trading policy.

Following the expiration of the market standoff and lock-up agreements referred to above, certain stockholders can require us to register shares of our capital stock owned by them for public sale in the United States. In addition, we filed a registration statement to register shares of our common stock reserved for future issuance under our equity incentive plans. As a result, subject to the satisfaction of applicable exercise periods and expiration of the market standoff

agreements and lock-up agreements referred to above, the shares of our common stock issued upon exercise of outstanding options to purchase shares of our common stock will be available for immediate resale in the United States in the open market.

Sales of our common stock as restrictions end or pursuant to registration rights may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales also could cause the market price of our common stock to decline and make it more difficult for you to sell shares of our common stock.

Provisions of our corporate governance documents could make an acquisition of the company more difficult and may impede attempts by our stockholders to replace or remove our current management, even if beneficial to our stockholders.

Our amended and restated certificate of incorporation and amended and restated bylaws and the Delaware General Corporation Law, or DGCL, contain provisions that could make it more difficult for a third-party to acquire us, even if doing so might be beneficial to our stockholders. Among other things:

- we have authorized but unissued shares of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include supermajority voting, special approval, dividend, or other rights or preferences superior to the rights of stockholders;
- we have a classified board of directors with staggered three-year terms;
- stockholder action by written consent will be prohibited from and after the date on which the Principal Stockholders beneficially own, in the aggregate, less than 35% in voting power of our stock entitled to vote generally in the election of directors;
- for as long as the Principal Stockholders beneficially own, in the aggregate, at least 40% in voting power of our stock entitled to vote generally in the election of directors, any amendment, alteration, rescission or repeal of our amended and restated bylaws or our amended and restated certificate of incorporation by our stockholders will require the affirmative vote of 60% of the voting power of our stock entitled to vote thereon, voting together as a single class and at any time when the Principal Stockholders beneficially own, in the aggregate, less than 40% in voting power of our stock entitled to vote generally in the election of directors, any amendment, alteration, rescission or repeal of our amended and restated bylaws or of certain provisions of our amended and restated certificate of incorporation by our stockholders will require the affirmative vote of the holders of at least 75% of the voting power of our stock entitled to vote thereon, voting together as a single class outstanding; and
- stockholders are required to comply with advance notice requirements for nominations for elections to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; provided, however, that such advance notice procedures will not apply to the Principal Stockholders at any time such person or entity owns in the aggregate at least 10% of the voting power of our stock entitled to vote generally in the election of directors.

Further, as a Delaware corporation, we are also subject to provisions of Delaware law, which may impair a takeover attempt that our stockholders may find beneficial. These anti-takeover provisions and other provisions under Delaware law could discourage, delay or prevent a transaction involving a change in control of the company, including actions that our stockholders may deem advantageous, or negatively affect the trading price of our common stock. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire.

We are an "emerging growth company" and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the federal securities laws, and we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock

price may be more volatile. We will remain an “emerging growth company” until the last day of the fiscal year following the five-year anniversary of the completion of this offering, although if the market value of our common stock that is held by non-affiliates exceeds $700 million as of the end of the second quarter of a fiscal year prior to the five-year anniversary, we would cease to be an “emerging growth company” as of the following December 31.

The requirements of being a public company may strain our resources, divert management’s attention, and affect our ability to attract and retain executive management and qualified board members.

As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the listing requirements of the exchanges and other markets upon which our common stock is listed, and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming, or costly, and increase demand on our systems and resources, particularly after we are no longer an “emerging growth company.” The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. We will be required to disclose changes made in our internal control and procedures on a quarterly basis and we will be required to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting for the first fiscal year beginning after the effective date of this offering. However, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 until the later of the year following our first annual report required to be filed with the SEC, or the date we are no longer an “emerging growth company.” As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management’s attention may be diverted from other business concerns, which could adversely affect our business and operating results. Although we have already hired additional employees to assist us in complying with these requirements, we may need to hire more employees in the future or engage outside consultants, which will increase our operating expenses.

In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest substantial resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management’s time and attention from business operations to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be adversely affected

We also expect that being a public company and these new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers.

As a result of disclosure of information in the filings required of a public company, our business and financial condition will become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and operating results could be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business and operating results.

We do not intend to pay dividends on our common stock so any returns will be limited to changes in the value of our common stock.

We have never declared or paid any cash dividends on our common stock. We currently anticipate that we will retain future earnings for the development, operation, and expansion of our business, and do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, our ability to pay cash dividends on our common stock is

restricted by our current credit facility and may be prohibited or limited by the terms of our current and future debt financing arrangements. Any return to stockholders will therefore be limited to the increase, if any, of our stock price, which may never occur.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. If few securities analysts commence coverage of us, or if industry analysts cease coverage of us, the trading price for our common stock would be negatively affected. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, our common stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause our common stock price and trading volume to decline.

Our amended and restated bylaws designate a state or federal court located within the State of Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Pursuant to our amended and restated bylaws, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action asserting a claim against us arising pursuant to any provision of the DGCL, or (4) any action asserting a claim against us that is governed by the internal affairs doctrine shall be a state or federal court located within the State of Delaware, in all cases subject to the court's having personal jurisdiction over indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to this provision. The forum selection clause in our amended and restated bylaws may have the effect of discouraging lawsuits against us or our directors and officers and may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

During the three months ended September 30, 2016, we granted to our officers, directors, employees, consultants, and other service providers options to purchase an aggregate of 96,050 shares of common stock under our 2014 Equity Incentive Plan at an exercise price of $16.00.

During the three months ended September 30, 2016, we issued and sold to 31 employees and other service providers an aggregate of 393,563 shares of common stock upon exercise of options under our 2014 Equity Incentive Plan at a weighted average exercise price of $5.24 per share for aggregate gross cash proceeds of $1.9 million.

In September 2016, we issued 192,187 shares of our common stock to Runbook employees at $16.00 per share, for aggregate gross cash proceeds of $3.1 million.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering.

The offers, sales and issuances of the securities described in this Item 4 were deemed to be exempt from registration under the Securities Act under either (1) Rule 701 promulgated under the Securities Act as offers and sales of securities pursuant to certain compensatory benefit plans and contracts relating to compensation in compliance with Rule 701 or (2) Section 4(a)(2) of the Securities Act as transactions by an issuer not involving any public offering. The recipients of securities in each of these transactions represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the stock certificates and instruments issued in such transactions. All recipients had adequate access, through their relationships with us, to information about us.

Use of Proceeds

On October 27, 2016, the Registration Statement on Form S-1 (File No. 333-213899) for our initial public offering was declared effective by the SEC. On November 2, 2016, we closed the initial public offering and sold 9,890,000 shares of our common stock at a public offering price of $17.00 per share for an aggregate offering price of approximately $168.1 million. Upon completion of the sale of the shares of our common stock, our initial public offering terminated.

The underwriters for our initial public offering were Goldman, Sachs & Co., J.P. Morgan Securities LLC, Pacific Crest Securities, a division of KeyBanc Capital Markets Inc., Raymond James and Associates, Inc., William Blair & Company, L.L.C. and Robert W. Baird & Co. Incorporated. We paid to the underwriters of our IPO underwriting discounts and commissions totaling approximately $11.8 million and incurred estimated offering expenses of approximately $4.7 million. Thus, the net offering proceeds, after deducting underwriting discounts and commission and other offering expenses, were approximately $151.7 million.

There has been no material change in the planned use of proceeds from our initial public offering as described in our final prospectus, dated October 27, 2016, pursuant to Rule 424(b)(4) of the Securities Act. On November 3, 2016, we repaid in full a total of $67.7 million outstanding debt under the credit facility, which included principal, interest, and prepayment penalties.

ITEM 6. Exhibits

The documents listed in the Exhibit Index of this Quarterly Report on Form 10-Q are incorporated by reference or are filed with this Quarterly Report on Form 10-Q, in each case as indicated therein (numbered in accordance with Item 601 of Regulation S-K).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BlackLine, Inc.

By: /s/ Therese Tucker
Therese Tucker
Chief Executive Officer
(Principal Executive Officer)

Date: December 12, 2016

By: /s/ Mark Partin
Mark Partin
Chief Financial Officer
(Principal Financial Officer)

Date: December 12, 2016

EXHIBIT INDEX

Exhibit Number	Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
3.1	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of the Registrant, effecting a one-for-five reverse stock split.	S-1/A	333-213899	3.2	October 17, 2016
3.2	Amended and Restated Certificate of Incorporation of the Registrant.				
3.3	Amended and Restated Bylaws of the Registrant.				
4.1	Specimen Common Stock Certificate of the Company.	S-1	333-213899	4.1	September 30, 2016
4.2	Amended and Restated Stockholders' Agreement, by and among the Registrant, Silver Lake Sumeru, Iconiq, Therese Tucker and Mario Spanicciati.				
4.3	Amended and Restated Registration Rights Agreement, by and among the Registrant, Silver Lake Sumeru, Iconiq, Therese Tucker and Mario Spanicciati.				
10.1	Third Amendment to Credit Agreement, by and between the Registrant, the lenders party thereto and Obsidian Agency Services, Inc., dated as of August 30, 2016.	S-1	333-213899	10.5	September 30, 2016
10.2+	2016 Equity Incentive Plan and the form of equity award agreements thereunder.	S-1	333-213899	10.6	September 30, 2016
10.3+	Executive Employment Agreement, by and between the Registrant and Therese Tucker, effective as of January 1, 2016.	S-1	333-213899	10.4	September 30, 2016
10.4+	Confirmatory Offer Letter, by and between the Registrant and Karole Morgan-Prager, dated as of September 29, 2016.	S-1	333-213899	10.19	September 30, 2016
10.5+	Confirmatory Offer Letter, by and between the Registrant and Mark Partin, dated as of September 29, 2016.	S-1	333-213899	10.20	September 30, 2016
10.6+	Confirmatory Offer Letter, by and between the Registrant and Chris Murphy, dated as of September 29, 2016.	S-1	333-213899	10.21	September 30, 2016
10.7+	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.	S-1	333-213899	10.22	September 30, 2016
10.8+	Form of Change of Control and Severance Policy.	S-1	333-213899	10.13	September 30, 2016
10.9+	Employee Incentive Compensation Plan of the Company.	S-1	333-213899	10.11	September 30, 2016
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1†	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS	XBRL Instance Document				
101.SCH	XBRL Taxonomy Extension Schema Document				
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB	XBRL Taxonomy Extension Label Linkbase Document				
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document				

+ Indicates management contract or compensatory plan.

† The certifications attached as Exhibit 32.1 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of BlackLine, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

Exhibit 3.2

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

BLACKLINE, INC.

* * * * *

The present name of the corporation is BlackLine, Inc. (the "**Corporation**"). The Corporation was incorporated under the name "SLS Breeze Holdings, Inc." by the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware on August 5, 2013. This Amended and Restated Certificate of Incorporation of the Corporation, which restates and integrates and also further amends the provisions of the Corporation's Certificate of Incorporation, was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware (as the same exists or as may hereafter be amended from time to time, the "**DGCL**") and by the written consent of its stockholders in accordance with Section 228 of the General Corporation Law of the State of Delaware. The Certificate of Incorporation of the Corporation is hereby amended, integrated and restated to read in its entirety as follows:

ARTICLE I

NAME

The name of the Corporation is BlackLine, Inc.

ARTICLE II

REGISTERED OFFICE AND AGENT

The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801. The name of the registered agent at such address is The Corporation Trust Company.

ARTICLE III

PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV

CAPITAL STOCK

The total number of shares of all classes of stock that the Corporation shall have authority to issue is 550,000,000, consisting of the following:

500,000,000 shares of Common Stock, $0.01 par value per share ("**Common Stock**"). Except as may be otherwise provided herein, each share of Common Stock shall entitle the holder thereof to one (1) vote on each matter submitted to a vote at a meeting of stockholders.

50,000,000 shares of undesignated preferred stock, $0.01 par value per share ("**Preferred Stock**") which may be issued from time to time in one or more series pursuant to a resolution or resolutions providing for such issue duly adopted by the Board of Directors of the Corporation (the "**Board of Directors**") (authority to do so being hereby expressly vested in the Board of Directors). The Board of Directors is further authorized, subject to limitations prescribed by law, to fix by resolution or resolutions the designations, powers, preferences and rights, and the qualifications, limitations or restrictions thereof, of such series of Preferred Stock, including without limitation authority to fix by resolution or resolutions the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price or prices, and liquidation preferences of any such series, and the number of shares constituting any such series and the designation thereof, or any of the foregoing.

The Board of Directors is further authorized to increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any series, the number of which was fixed by it, including subsequent to the issuance of shares of such series then outstanding, subject to the powers, preferences and rights, and the qualifications, limitations and restrictions thereof stated in the Certificate of Incorporation or the resolution of the Board of Directors originally fixing the number of shares of such series. If the number of shares of any series is so decreased, then the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

ARTICLE V

AMENDMENT OF THE CERTIFICATE OF INCORPORATION AND BYLAWS

A. Notwithstanding anything contained in this Amended and Restated Certificate of Incorporation to the contrary, (i) for as long as Silver Lake Sumeru (as defined below), Iconiq (as defined below), Tucker (as defined below) and Spanicciati (as defined below) collectively beneficially own, in the aggregate, at least 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, in addition to any vote required by applicable law, this Amended and Restated Certificate of Incorporation may be amended, altered, repealed or rescinded, in whole or in part, or any provision inconsistent therewith or herewith may be adopted, only by the affirmative vote of the holders of at least 60% of the voting power of the stock of the Corporation entitled to vote thereon, voting together as a single class, and (ii) at any time when

Silver Lake Sumeru, Iconiq, Tucker and Spanicciati collectively own, in the aggregate, less than 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, in addition to any vote required by applicable law, the following provisions in this Amended and Restated Certificate of Incorporation may be amended, altered, repealed or rescinded, in whole or in part, or any provision inconsistent therewith or herewith may be adopted, only by the affirmative vote of the holders of at least 75% of the voting power of all the then outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class: this Article V, Article VI, Article VII, Article VIII, Article IX and Article X.

B. The Board of Directors is expressly authorized to make, alter, amend, repeal and rescind, in whole or in part, the bylaws of the Corporation (as in effect from time to time, the "**Bylaws**") without the assent or vote of the stockholders in any manner not inconsistent with the laws of the State of Delaware or this Amended and Restated Certificate of Incorporation. Notwithstanding anything to the contrary contained in this Amended and Restated Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote of the stockholders, (i) for as long as Silver Lake Sumeru, Iconiq, Tucker and Spanicciati collectively own, in the aggregate, at least 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, in addition to any vote of the holders of any class or series of capital stock of the Corporation required herein (including any certificate of designation relating to any series of Preferred Stock), by the Bylaws or applicable law, the affirmative vote of the holders of at least 60% of the voting power of all the then outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to make, alter, amend, repeal or rescind, in whole or in part, any provision of the Bylaws or to adopt any provision inconsistent therewith and (ii) at any time when Silver Lake Sumeru, Iconiq, Tucker and Spanicciati collectively own, in the aggregate, less than 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, in addition to any vote of the holders of any class or series of capital stock of the Corporation required herein (including any certificate of designation relating to any series of Preferred Stock), by the Bylaws or applicable law, the affirmative vote of the holders of at least 75% of the voting power of all the then outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to make, alter, amend, repeal or rescind, in whole or in part, any provision of the Bylaws or to adopt any provision inconsistent therewith.

ARTICLE VI

BOARD OF DIRECTORS

A. Except as otherwise provided in this Amended and Restated Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. Except as otherwise provided for or fixed pursuant to the provisions of Article IV (including any certificate of designation with respect to any series of Preferred Stock) and this Article VI relating to the rights of the holders of any series of Preferred Stock to elect additional directors, the total number of directors and the composition of the Board of Directors shall be determined from time to time in accordance with Section 3.01 of the Stockholder Agreement (as defined below) and following termination of the rights under Section 3.01 of the

Stockholder Agreement with respect to determining the size of the Board, exclusively by resolution adopted by the Board of Directors. The directors (other than those directors elected by the holders of any series of Preferred Stock, voting separately as a series or together with one or more other such series, as the case may be) shall be divided into three classes designated Class I, Class II and Class III. Each class shall consist, as nearly as possible, of one-third of the total number of such directors. Class I directors shall initially serve for a term expiring at the first annual meeting of stockholders following the date the Common Stock is first publicly traded (the "**IPO Date**"), Class II directors shall initially serve for a term expiring at the second annual meeting of stockholders following the IPO Date and Class III directors shall initially serve for a term expiring at the third annual meeting of stockholders following the IPO Date. Commencing with the first annual meeting following the IPO Date, the directors of the class to be elected at each annual meeting shall be elected for a three-year term. If the number of such directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any such additional director of any class elected or designated to fill a newly created directorship resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case shall a decrease in the number of directors remove or shorten the term of any incumbent director. Any such director shall hold office until the annual meeting at which his or her term expires and until his or her successor shall be elected and qualified, or his or her death, resignation, retirement, disqualification or removal from office. The Board of Directors is authorized to assign members of the Board of Directors already in office to their respective class in connection with the initial classification of the Board of Directors.

B. Subject to the rights granted to the holders of any one or more series of Preferred Stock then outstanding or the rights granted herein or pursuant to Section 3.01 of the Stockholder Agreement, any newly-created directorship on the Board of Directors that results from an increase in the number of directors and any vacancy occurring in the Board of Directors (whether by death, resignation, retirement, disqualification, removal or other cause) shall be filled by a majority of the directors then in office, although less than a quorum, or if only one director remains, by the sole remaining director or, if there are no directors, by the affirmative vote of the holders of at least a majority of the voting power of all the then outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class. Any director elected to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall be elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal.

C. Subject to the rights of certain stockholders to remove directors pursuant to Section 3.01 of the Stockholder Agreement, any or all of the directors (other than directors elected by the holders of any series of Preferred Stock of the Corporation, voting separately as a series or together with one or more other such series, as the case may be and if applicable) may be removed at any time either with or without cause by the affirmative vote of at least a majority in voting power of all the then outstanding shares of stock of the Corporation entitled to vote thereon, voting as a single class; *provided*, *however*, that at any time when Silver Lake Sumeru, Iconiq, Tucker and Spanicciati collectively own, in the aggregate, less than 40% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, any or all of the directors (other than directors elected by the holders of any series of Preferred Stock of the Corporation voting separately as a series or together with one or more other such series, as the case may be) may be removed only for

cause and only by the affirmative vote of the holders of at least two-thirds in voting power of the Corporation entitled to vote thereon, voting together as a single class.

D. Elections of directors need not be by written ballot unless the Bylaws shall so provide.

E. Each committee of the Board of Directors shall be composed in accordance with Section 3.01 of the Stockholder Agreement and following termination of the rights set forth in Section 3.01 of the Stockholder Agreement, in accordance with Section 141(c)(2) of the DGCL.

F. For as long as the Stockholder Agreement provides for specific voting rights for certain directors, directors shall have voting rights in accordance with such agreement.

ARTICLE VII

LIMITATION OF DIRECTOR LIABILITY

A. To the fullest extent permitted by the DGCL as it now exists or may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty owed to the Corporation or its stockholders.

B. Neither the amendment nor repeal of this Article VII, nor the adoption of any provision of this Amended and Restated Certificate of Incorporation, nor, to the fullest extent permitted by the DGCL, any modification of law shall eliminate, reduce or otherwise adversely affect any right or protection of a current or former director of the Corporation existing at the time of such amendment, repeal, adoption or modification.

ARTICLE VIII

CONSENT OF STOCKHOLDERS IN LIEU OF MEETING, ANNUAL AND SPECIAL MEETINGS OF STOCKHOLDERS

A. At any time when Silver Lake Sumeru, Iconiq, Tucker and Spanicciati collectively own, in the aggregate, at least 35% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to an officer or agent of the Corporation having custody of the books in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested. At any time when Silver Lake Sumeru, Iconiq, Tucker and Spanicciati collectively own, in the aggregate, less than 35% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a

duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders; *provided*, *however*, that any action required or permitted to be taken by the holders of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable certificate of designation relating to such series of Preferred Stock.

B. Except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time only by or at the direction of the Board of Directors or the Chairman of the Board of Directors; *provided*, *however*, so long as Silver Lake Sumeru, Iconiq, Tucker and Spanicciati collectively own at least 35% in voting power of the stock of the Corporation entitled to vote generally in the election of directors, special meetings of the stockholders of the Corporation for any purpose or purposes shall also be called by the Board of Directors or the Chairman of the Board of Directors at the request of either Silver Lake Sumeru or Therese Tucker and her Affiliates.

ARTICLE IX

COMPETITION AND CORPORATE OPPORTUNITIES

A. In recognition and anticipation that (i) certain directors, principals, officers, employees, members and/or other representatives of Silver Lake Sumeru and Iconiq may serve as directors, officers or agents of the Corporation, (ii) Silver Lake Sumeru and Iconiq may now engage and may continue to engage in any transaction or matter that may be an investment or corporate or business opportunity or offer a prospective economic or competitive advantage in which the Corporation or any of its controlled Affiliates (as defined below), directly or indirectly, could have an interest or expectancy (a "**Competitive Opportunity**") or may otherwise (a) compete with the Corporation or its controlled Affiliates, directly or indirectly, (b) do business with any potential or actual customer or supplier of the Corporation or any of its controlled Affiliates and (c) employ or otherwise engage any officer or employee of the Corporation or any of its controlled Affiliates and (iii) members of the Board of Directors who are not officers or employees of the Corporation or their respective Affiliates may desire to participate or invest in certain Competitive Opportunities, the provisions of this Article IX are set forth to regulate and define the conduct of certain affairs of the Corporation with respect to certain classes or categories of opportunities as they may involve any of Silver Lake Sumeru or Iconiq and their respective Affiliates and the powers, rights, duties and liabilities of the Corporation and its directors, officers and stockholders in connection therewith.

B. Each of (i) Silver Lake Sumeru and any directors, principals, officers, employees, members and/or other representatives of Silver Lake Sumeru that may serve as directors, officers or agents of the Corporation, and each of their Affiliates and (ii) Iconiq and any directors, principals, officers, employees and/or other representatives of Iconiq that may serve as directors, officers or agents of the Corporation, and each of their Affiliates (the Persons (as defined below) identified in clauses (i) and (ii) above being referred to, collectively, as "**Identified Persons**" and, individually, as an "**Identified Person**") shall, to the fullest extent permitted by law, not have any duty to refrain from directly or indirectly (a) engaging in any Competitive Opportunity, (b) otherwise competing

with the Corporation or any of its controlled Affiliates, (c) otherwise doing business with any potential or actual customer or supplier of the Corporation or any of its controlled Affiliates or (d) otherwise employing or engaging any officer or employee of the Corporation or any of its controlled Affiliates and, to the fullest extent permitted by law, no Identified Person shall be liable to the Corporation or its stockholders or to any controlled Affiliate of the Corporation for breach of any fiduciary duty solely by reason of the fact that such Identified Person engages in any such activities. To the fullest extent permitted by law, the Corporation hereby renounces any interest or expectancy in, or right to be offered an opportunity to participate in, any Competitive Opportunity or other corporate or business opportunity that may be a Competitive Opportunity for an Identified Person and the Corporation or any of its controlled Affiliates. In the event that any Identified Person acquires knowledge of a Competitive Opportunity or other corporate or business opportunity that may be a Competitive Opportunity for itself, herself or himself, or for its, her or his Affiliates, and for the Corporation or any of its controlled Affiliates, such Identified Person shall, to the fullest extent permitted by law, have no duty to communicate or present such opportunity to the Corporation or any of its controlled Affiliates and, to the fullest extent permitted by law, shall not be liable to the Corporation or its stockholders or to any controlled Affiliate of the Corporation for breach of any fiduciary duty as a stockholder, director or officer of the Corporation solely by reason of the fact that such Identified Person pursues or acquires such Competitive Opportunity for itself, herself or himself, or offers or directs such Competitive Opportunity to another Person.

C. The Corporation does not renounce its interest in any Competitive Opportunity offered to any director nominated or designated by Silver Lake Sumeru or Iconic if such opportunity is expressly offered to such person solely in his or her capacity as a director of the Corporation, and the provisions of Section (b) of this Article IX shall not apply to any such Competitive Opportunity.

D. In addition to and notwithstanding the foregoing provisions of this Article IX, a business or other opportunity shall not be deemed to be a potential Competitive Opportunity for the Corporation if it is an opportunity that (i) the Corporation (together with its controlled Affiliates) is neither financially or legally able, nor contractually permitted to undertake, (ii) from its nature, is not in the line of the Corporation's business or is of no practical advantage to the Corporation or (iii) is one in which the Corporation has no interest or reasonable expectancy.

E. To the fullest extent permitted by law, any Person purchasing or otherwise acquiring any interest in any shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article IX.

ARTICLE X

DGCL SECTION 203 AND BUSINESS COMBINATIONS

A. The Corporation hereby expressly elects not to be governed by Section 203 of the DGCL.

B. Notwithstanding the foregoing, the Corporation shall not engage in any business combination (as defined below), at any point in time, following the date of closing of the initial public offering of the Common Stock, at which time the Common Stock is registered under Section

12(b) or 12(g) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), with any interested stockholder (as defined below) for a period of three (3) years following the time that such stockholder became an interested stockholder, unless:

(i) prior to such time, the Board of Directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder, or

(ii) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock (as defined below) of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned by (a) persons who are directors and also officers and (b) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer, or

(iii) at or subsequent to such time, the business combination is approved by the Board of Directors and authorized or approved at an annual or special meeting of stockholders (or by written consent, if action by written consent is not then prohibited by this Amended and Restated Certificate of Incorporation) by the affirmative vote of at least 66 2/3% of the then outstanding voting stock of the Corporation that is not owned by the interested stockholder.

C. For purposes of this Article X, references to:

(i) "**Associate**," when used to indicate a relationship with any person, means: (a) any corporation, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock; (b) any trust or other estate in which such person has at least a 20% beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (c) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

(ii) "**business combination**," when used in reference to the Corporation and any interested stockholder of the Corporation, means:

(a) any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation (1) with the interested stockholder or (2) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested stockholder and as a result of such merger or consolidation Section (B) of this Article X is not applicable to the surviving entity;

(b) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the interested stockholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation, which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the then outstanding stock of the Corporation;

(c) any transaction that results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any stock of the Corporation or of such subsidiary to the interested stockholder, except: (1) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary, which securities were outstanding prior to the time that the interested stockholder became such; (2) pursuant to a merger under Section 251(g) of the DGCL; (3) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary, which security is distributed, pro rata to all holders of a class or series of stock of the Corporation subsequent to the time the interested stockholder became such; (4) pursuant to an exchange offer by the Corporation to purchase stock made on the same terms to all holders of said stock; or (5) any issuance or transfer of stock by the Corporation; provided, however, that in no case under items (3) through (5) of this subsection (c) shall there be an increase in the interested stockholder's proportionate share of the stock of any class or series of the Corporation or of the voting stock of the Corporation (except as a result of immaterial changes due to fractional share adjustments);

(d) any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation that has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the Corporation or of any such subsidiary that is owned by the interested stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption or other transfer of any shares of stock not caused, directly or indirectly, by the interested stockholder; or

(e) any receipt by the interested stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges or other financial benefits (other than those expressly permitted in subsections (a) through (d) above) provided by or through the Corporation or any direct or indirect majority-owned subsidiary.

(iii) "**control**," including the terms "**controlling**," "**controlled by**" and "**under common control with**," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting stock, by contract, or otherwise. A Person who is the owner of 20% or more of the outstanding voting stock of the Corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such Person holds voting stock, in good faith and not for the purpose of circumventing this Article X, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.

(iv) "**Exempt Transferee**" means any Person that directly acquires (other than in an Excluded Transfer) from Silver Lake Sumeru or any of its Affiliates or successors, from Iconiq or any of its Affiliates or successors or from Tucker or any of her Affiliates ownership of voting stock of the Corporation, and is designated in writing by the transferor as an "Exempt Transferee" for the purpose of this Article X.

(v) "**Excluded Transfer**" means (a) a transfer to a Person that is not an Affiliate of the transferor, which transfer is by gift or otherwise not for value, including a transfer by dividend or distribution by the transferor, (b) a transfer in a public offering that is registered under the Securities Act of 1933, as amended (the "**Securities Act**"), (c) a transfer to one or more broker-dealers or their Affiliates pursuant to a firm commitment purchase agreement for an offering that is exempt from registration under the Securities Act, (d) a transfer made through the facilities of a registered securities exchange or automated interdealer quotation system and (e) a transfer made in compliance with the manner of sale limitations of Rule 144(f) under the Securities Act or any successor rule or provision.

(vi) "**interested stockholder**" means any Person (other than the Corporation or any direct or indirect majority-owned subsidiary of the Corporation) that (a) is the owner of 15% or more of the then outstanding voting stock of the Corporation, or (b) is an Affiliate or Associate of the Corporation and was the owner of 15% or more of the then outstanding voting stock of the Corporation at any time within the three (3) year period immediately prior to the date on which it is sought to be determined whether such Person is an interested stockholder; and the Affiliates and Associates of such Person; but "interested stockholder" shall not include (x) Silver Lake Sumeru, Iconiq, Tucker, any Exempt Transferee or any of their respective Affiliates or successors or any "group," or any member of any such group, of which any of such Persons is a party under Rule 13d-5 of the Exchange Act, or (y) any Person whose ownership of shares in excess of the 15% limitation set forth herein is the result of any action taken solely by the Corporation, provided that such Person shall be an interested stockholder if thereafter such Person acquires additional shares of voting stock of the Corporation, except as a result of further corporate action not caused, directly or indirectly, by such Person. For the purpose of determining whether a Person is an interested stockholder, the voting stock of the Corporation deemed to be outstanding shall include stock deemed to be owned by the Person through application of the definition of "owner" below.

(vii) "**owner**," including the terms "**own**," "**owned**," and "**ownership**," when used with respect to any stock, means a Person that individually or with or through any of its Affiliates or Associates:

(a) beneficially owns such stock, directly or indirectly; or

(b) has (1) the right to acquire such stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such Person or any of such Person's Affiliates or Associates until such tendered stock is accepted for purchase or exchange; or (2) the right to vote such stock pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be deemed the owner of any stock because of such Person's right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to ten (10) or more Persons; or

(c) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in

item (2) of subsection (b) above of this definition), or disposing of such stock with any other Person that beneficially owns, or whose Affiliates or Associates beneficially own, directly or indirectly, such stock.

(viii) "**stock**" means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.

(ix) "**voting stock**" means, with respect to any corporation, stock of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a corporation, any equity interest entitled to vote generally in the election of the governing body of such entity. Every reference in this Article X to a percentage of voting stock shall refer to such percentage of the votes of such stock.

ARTICLE XI

MISCELLANEOUS

A. If any provision or provisions of this Amended and Restated Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Amended and Restated Certificate of Incorporation (including each portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Amended and Restated Certificate of Incorporation (including each such portion of any paragraph of this Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service or for the benefit of the Corporation to the fullest extent permitted by law.

B. For purposes of this Amended and Restated Certificate of Incorporation, unless the context otherwise requires, (i) references to "**Articles**" and "**Sections**" refer to articles and sections of this Amended and Restated Certificate of Incorporation and (ii) the term "**include**" or "**includes**" means includes, without limitation, and "**including**" means including, without limitation.

ARTICLE XII

A. For purposes of this Amended and Restated Certificate of Incorporation, (i) "**Silver Lake Sumeru**" means Silver Lake Sumeru Fund, L.P. (together with its successors), Silver Lake Technology Investors Sumeru L.P. (together with its successors) and their respective Affiliates; (ii) "**Iconiq**" means Iconiq Strategic Partners, L.P. (together with its successors), Iconiq Strategic Partners-B, L.P. (together with its successors), Iconiq Strategic Partners Co-Invest, L.P., BL Series (together with its successors), Iconiq Strategic Partners Co-Invest, L.P., BL2 Series (together with its successors) and their respective Affiliates; (iii) "**Tucker**" means Therese Tucker, her Affiliates, the Isaac Tucker 2012 Irrevocable Trust, the Roseanna Tucker 2012 Irrevocable Trust, the Tucker Legacy Trust, the Safety Net GRAT and the CS 2015 GRAT; (iv) "**Spanicciati**" means Mario Spanicciati, his Affiliates, the Spanicciati Family 2013 Dynasty Trust and the Spanicciati Family 2013 Irrevocable Trust; (v) "**Affiliate**" shall mean with respect to any Person, any other Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. For these purposes, except as separately defined for purposes of Article X, "**control**" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; provided, that, for purposes of this Amended and Restated Certificate of Incorporation, (i) no Stockholder (as defined in the Stockholder Agreement) shall be deemed an Affiliate of the corporation or any of its subsidiaries solely as a result of its ownership of equity of the corporation and (ii) portfolio companies of the Sponsors (as defined in the Stockholder Agreement) and their respective investment fund affiliates shall not be deemed to be Affiliates of the Sponsors; (vi) "**Person**" shall mean an individual, corporation, association, limited liability company, limited liability partnership, partnership, estate, trust, joint venture, unincorporated organization or a government or any agency or political subdivision thereof and (vii) the "**Stockholder Agreement**" means the Amended and Restated Stockholders' Agreement, dated as of October 27, 2016, by and among the Corporation, Silver Lake Sumeru, Iconiq, Tucker, Spanicciati and certain other stockholders (as amended, supplemented, restated or otherwise modified from time to time.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, BlackLine, Inc. has caused this Amended and Restated Certificate of Incorporation to be executed by its duly authorized officer on this 2nd day of November, 2016.

BLACKLINE, INC.
By: /s/ Therese Tucker
Name: Therese Tucker
Title: Chief Executive Officer

Exhibit 3.3

AMENDED AND RESTATED BYLAWS OF

BLACKLINE, INC.

(as amended and restated on September 27, 2016 and effective as of the closing of the corporation's initial public offering)

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

BYLAWS OF BLACKLINE, INC.

ARTICLE I - CORPORATE OFFICES

1.1 REGISTERED OFFICE

The registered office of BlackLine, Inc. shall be fixed in the corporation's certificate of incorporation, as the same may be amended from time to time.

1.2 OTHER OFFICES

The corporation's board of directors may at any time establish other offices at any place or places where the corporation is qualified to do business.

ARTICLE II - MEETINGS OF STOCKHOLDERS

2.1 PLACE OF MEETINGS

Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the board of directors. The board of directors may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the Delaware General Corporation Law (the "**DGCL**"). In the absence of any such designation or determination, stockholders' meetings shall be held at the corporation's principal executive office.

2.2 ANNUAL MEETING

The annual meeting of stockholders shall be held each year on such date, at such time, and at such place (if any) within or without the State of Delaware as shall be designated from time to time by the board of directors and stated in the corporation's notice of the meeting. At the annual meeting, directors shall be elected and any other proper business, may be transacted. The board of directors may cancel, postpone or reschedule any previously scheduled annual meeting at any time, before or after the notice for such meeting has been sent to the stockholders.

2.3 SPECIAL MEETING

(i) Except as may otherwise be provided in the certificate of incorporation, a special meeting of the stockholders, other than those required by statute, may be called at any time by or at the direction of the board of directors or the chairperson of the board of directors. The board of directors may cancel, postpone or reschedule any previously scheduled special meeting at any time, before or after the notice for such meeting has been sent to the stockholders.

(ii) The notice of a special meeting shall include the purpose for which the meeting is called. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting by or at the direction of the board of directors or chairperson of the board of directors.

Nothing contained in this Section 2.3(ii) shall be construed as limiting, fixing or affecting the time when a meeting of stockholders called by action of the board of directors may be held.

2.4 ADVANCE NOTICE PROCEDURES

(i) *Advance Notice of Stockholder Business.* At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be brought: (A) pursuant to the corporation's proxy materials with respect to such meeting, (B) by or at the direction of the board of directors, or (C) by a stockholder of the corporation who (1) is a stockholder of record at the time of the giving of the notice required by this Section 2.4(i), on the record date for the determination of stockholders entitled to notice of the annual meeting and on the record date for the determination of stockholders entitled to vote at the annual meeting and (2) has timely complied in proper written form with the notice procedures set forth in this Section 2.4(i). In addition, for business to be properly brought before an annual meeting by a stockholder, such business must be a proper matter for stockholder action pursuant to these bylaws and applicable law. For the avoidance of doubt (other than pursuant to Section 2.4(v) of these bylaws or except for proposals properly made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended, or any successor thereto (the "**1934 Act**"), and the regulations thereunder), clause (C) above shall be the exclusive means for a stockholder to bring business before an annual meeting of stockholders.

(a) To comply with clause (C) of Section 2.4(i) above, a stockholder's notice must set forth all information required under this Section 2.4(i) and must be timely received by the secretary of the corporation. To be timely, a stockholder's notice must be received by the secretary at the principal executive offices of the corporation not later than the 45th day nor earlier than the 75th day before the one-year anniversary of the date on which the corporation first mailed its proxy materials or a notice of availability of proxy materials (whichever is earlier) for the preceding year's annual meeting; *provided*, *however*, that in the event that no annual meeting was held in the previous year or if the date of the annual meeting is advanced by more than 30 days prior to or delayed by more than 60 days after the one-year anniversary of the date of the previous year's annual meeting, then, for notice by the stockholder to be timely, it must be so received by the secretary not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of (i) the 90th day prior to such annual meeting, or (ii) the tenth day following the day on which Public Announcement (as defined below) of the date of such annual meeting is first made. In no event shall any adjournment, rescheduling or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described in this Section 2.4(i)(a). "**Public Announcement**" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act.

(b) To be in proper written form, a stockholder's notice to the secretary must set forth as to each matter of business the stockholder intends to bring before the annual meeting:

(1) a brief description of the business intended to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the bylaws of the corporation, the language of the proposed amendment),

(2) the name and address, as they appear on the corporation's books, of the stockholder proposing such business and any Stockholder Associated Person (as defined below),

(3) the class and number of shares of the corporation that are held of record or are beneficially owned (within the meaning of Rule 13d-3 under the 1934 Act) by the stockholder or any Stockholder Associated Person and any derivative positions held or beneficially held by the stockholder or any Stockholder Associated Person, shall, for purposes of the Business Solicitation Statement only, be deemed to beneficially own any shares of any class or series of the corporation as to which such stockholder or Stockholder Associated Person has a right to acquire beneficial ownership at any time in the future,

(4) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of such stockholder or any Stockholder Associated Person with respect to any securities of the corporation, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit from share price changes for, or to increase or decrease the voting power of, such stockholder or any Stockholder Associated Person with respect to any securities of the corporation,

(5) any material relationship between such stockholder or any Stockholder Associated Person, on the one hand, and the corporation, any affiliate of the corporation or any principal competitor of the corporation, on the other hand (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement),

(6) any material interest of the stockholder or a Stockholder Associated Person in such business to be brought before the meeting,

(7) a reasonably detailed description of all agreements, arrangements and understandings between or among the stockholder and any Stockholder Associated Persons or between or among the stockholder or any Stockholder Associated Person and any other person or entity (including the names of any and all such persons) in connection with the proposal of such business by such stockholder,

(8) a statement whether either such stockholder or any Stockholder Associated Person will deliver a proxy statement and form of proxy to holders of at least the percentage of the voting power of the corporation's voting shares required under applicable law to carry the proposal, and

(9) any other information relating to such stockholder or any Stockholder Associated Person, or relating to the proposal or item of business, that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such stockholder in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the 1934 Act.

Such information provided and statements made as required by clauses (1) through (9), a "**Business Solicitation Statement**"); provided, however, that the Business Solicitation Statement need not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is Stockholder Associated Person solely as a result of being the stockholder directed to prepare and submit the notice required by these bylaws on behalf of a beneficial owner. In addition, to be in proper written form, a stockholder's notice to the secretary must be supplemented (the "**Supplement**") not later than ten days following the record date for the determination of stockholders

entitled to notice of the meeting to disclose the information contained in clauses (3) through (5) above as of the record date for notice of the meeting. For purposes of this Section 2.4, a "**Stockholder Associated Person**" of any stockholder shall mean (i) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (ii) any beneficial owner of shares of stock of the corporation owned of record or beneficially by such stockholder and on whose behalf the proposal or nomination, as the case may be, is being made, (iii) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with such stockholder in such solicitation, or (iv) any associate (within the meaning of Rule 12b-2 under the 1934 Act) of or person controlling, controlled by or under common control with such person referred to in the preceding clauses (i), (ii) and (iii).

(c) Without exception (other than as described in Section 2.4(v) of these bylaws), no business shall be conducted at any annual meeting except in accordance with the provisions set forth in this Section 2.4(i) and, if applicable, Section 2.4(ii). In addition, business proposed to be brought by a stockholder may not be brought before the annual meeting if such stockholder or a Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Business Solicitation Statement applicable to such business or if the Business Solicitation Statement applicable to such business contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading. The chairperson of the annual meeting shall, if the facts warrant, determine and declare at the annual meeting that business was not properly brought before the annual meeting and in accordance with the provisions of this Section 2.4(i), and, if the chairperson should so determine, he or she shall so declare at the annual meeting that any such business not properly brought before the annual meeting shall not be conducted.

(ii) *Advance Notice of Director Nominations at Annual Meetings.* Notwithstanding anything in these bylaws to the contrary, only persons who are nominated in accordance with the procedures set forth in this Section 2.4(ii) shall be eligible for election or re-election as directors at an annual meeting of stockholders. Nominations of persons for election to the board of directors of the corporation shall be made at an annual meeting of stockholders only (A) by or at the direction of the board of directors or (B) by a stockholder of the corporation who (1) was a stockholder of record at the time of the giving of the notice required by this Section 2.4(ii), on the record date for the determination of stockholders entitled to notice of the annual meeting and on the record date for the determination of stockholders entitled to vote at the annual meeting and (2) has complied with the notice procedures set forth in this Section 2.4(ii). In addition to any other applicable requirements, for a nomination to be made by a stockholder, the stockholder must have given timely notice thereof in proper written form to the secretary of the corporation.

(a) To comply with clause (B) of Section 2.4(ii) above, a nomination to be made by a stockholder must set forth all information required under this Section 2.4(ii) and must be received by the secretary of the corporation at the principal executive offices of the corporation at the time set forth in, and in accordance with, the final three sentences of Section 2.4(i)(a) above;

(b) To be in proper written form, such stockholder's notice to the secretary must set forth:

(1) as to each person (a "**nominee**") whom the stockholder proposes to nominate for election or re-election as a director: (A) the name, age, business address and residence address of the nominee, (B) the principal occupation or employment of the nominee, (C) the class and number of shares of the corporation that are held of record or are beneficially owned by the nominee and any derivative positions held or beneficially held by the nominee, (D) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of the nominee with respect to any

securities of the corporation, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit of share price changes for, or to increase or decrease the voting power of the nominee, (E) a description of all arrangements or understandings between or among any of the stockholder, each nominee and/or any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder or relating to the nominee's potential service as a director, (F) a written statement executed by the nominee agreeing to serve as a director if elected and acknowledging that as a director of the corporation, the nominee will owe a fiduciary duty under Delaware law with respect to the corporation and its stockholders, and (G) any other information relating to the nominee that would be required to be disclosed about such nominee if proxies were being solicited for the election of the nominee as a director, or that is otherwise required, in each case pursuant to Regulation 14A under the 1934 Act (including without limitation the nominee's written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected); and

(2) as to such stockholder giving notice, (A) the information required to be provided pursuant to clauses (2) through (9) of Section 2.4(i)(b) above, and the Supplement referenced in the second sentence of Section 2.4(i)(b) above (except that the references to "business" in such clauses shall instead refer to nominations of directors for purposes of this paragraph), and (B) a statement whether either such stockholder or Stockholder Associated Person will deliver a proxy statement and form of proxy to holders of at least the percentage of the voting power of the corporation's voting shares reasonably believed by such stockholder or Stockholder Associated Person to be necessary to elect such nominee(s) (such information provided and statements made as required by clauses (A) and (B) above, a "**Nominee Solicitation Statement**").

(c) At the request of the board of directors, any person nominated by a stockholder for election as a director must furnish to the secretary of the corporation (1) that information required to be set forth in the stockholder's notice of nomination of such person as a director as of a date subsequent to the date on which the notice of such person's nomination was given and (2) such other information as may reasonably be required by the corporation to determine the eligibility of such proposed nominee to serve as an independent director and (3) such other information that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee; in the absence of the furnishing of such information if requested, such stockholder's nomination shall not be considered in proper form pursuant to this Section 2.4(ii).

(d) Without exception (other than as described in Section 2.4(v) of these bylaws),, no person shall be eligible for election or re-election as a director of the corporation at an annual meeting of stockholders unless nominated in accordance with the provisions set forth in this Section 2.4(ii). In addition, a nominee shall not be eligible for election or re-election if a stockholder or Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Nominee Solicitation Statement applicable to such nominee or if the Nominee Solicitation Statement applicable to such nominee contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading. The chairperson of the annual meeting shall, if the facts warrant, determine and declare at the annual meeting that a nomination was not made in accordance with the provisions prescribed by these bylaws, and if the chairperson should so determine, he or she shall so declare at the annual meeting, and the defective nomination shall be disregarded.

(iii) *Advance Notice of Director Nominations for Special Meetings.*

(a) For a special meeting of stockholders at which directors are to be elected pursuant to Section 2.3, nominations of persons for election to the board of directors shall be made only (1) by or at the direction of the board of directors or (2) by any stockholder of the corporation who (A) is a stockholder of record at the time of the giving of the notice required by this Section 2.4(iii), on the record date for the determination of stockholders entitled to notice of the special meeting and on the record date for the determination of stockholders entitled to vote at the special meeting and (B) delivers a timely written notice of the nomination to the secretary of the corporation that includes the information set forth in Sections 2.4(ii)(b) and (ii)(c) above. To be timely, such notice must be received by the secretary at the principal executive offices of the corporation not later than the close of business on the later of the 90th day prior to such special meeting or the tenth day following the day on which Public Announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting. In no event shall any adjournment, rescheduling or postponement of a special meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice. A person shall not be eligible for election or re-election as a director at a special meeting unless the person is nominated (i) by or at the direction of the board of directors or (ii) by a stockholder in accordance with the notice procedures set forth in this Section 2.4(iii). In addition, a nominee shall not be eligible for election or re-election if a stockholder or Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Nominee Solicitation Statement applicable to such nominee or if the Nominee Solicitation Statement applicable to such nominee contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading.

(b) The chairperson of the special meeting shall, if the facts warrant, determine and declare at the meeting that a nomination or business was not made in accordance with the procedures prescribed by these bylaws, and if the chairperson should so determine, he or she shall so declare at the meeting, and the defective nomination or business shall be disregarded.

(iv) *Other Requirements and Rights.* In addition to the foregoing provisions of this Section 2.4, a stockholder must also comply with all applicable requirements of state law and of the 1934 Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.4, including, with respect to business such stockholder intends to bring before the annual meeting that involves a proposal that such stockholder requests to be included in the corporation's proxy statement, the requirements of Rule 14a-8 (or any successor provision) under the 1934 Act. Nothing in this Section 2.4 shall be deemed to affect any right of the corporation to omit a proposal from the corporation's proxy statement pursuant to Rule 14a-8 (or any successor provision) under the 1934 Act.

(v) Notwithstanding anything to the contrary contained in this Section 2.4, each of Silver Lake Sumeru, Iconiq, Tucker and Spanicciati (as each such term is defined in the certificate of incorporation, as the same may be amended from time to time) shall not be subject to the notice procedures set forth in paragraphs 2.4 (i)-(iv) with respect to any annual or special meeting of stockholders for so long as such Person owns, in the aggregate, at least 10% of the voting power of the stock of the Corporation entitled to vote generally in the election of directors.

2.5 NOTICE OF STOCKHOLDERS' MEETINGS

Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise provided in the DGCL, the certificate of incorporation or these bylaws, the written notice of any meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

2.6 QUORUM

The holders of a majority of the voting power of the stock issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders, unless otherwise required by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange. Where a separate vote by a class or series or classes or series is required, a majority of the voting power of the issued and outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter, except as otherwise required by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange.

If, however, such quorum is not present or represented at any meeting of the stockholders, then either (i) the chairperson of the meeting, or (ii) the stockholders entitled to vote at the meeting, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. The chairperson of the meeting shall also have the power to adjourn the meeting in all other events in his or her discretion, whether or not a quorum is present. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

2.7 ADJOURNED MEETING; NOTICE

When a meeting is adjourned to another time or place, unless these bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the board of directors shall fix a new record date for notice of such adjourned meeting in accordance with Section 213(a) of the DGCL and Section 2.11 of these bylaws, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

2.8 CONDUCT OF BUSINESS

The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business. The chairperson of any meeting of stockholders shall be designated by the board of directors; in the absence of such designation, the chairperson of the board, if any, the chief executive officer (in the absence of the chairperson) or the president (in the absence of the chairperson of the board and the chief executive officer), or in their absence any other executive officer of the corporation, shall serve as chairperson of the stockholder meeting.

2.9 VOTING

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.11 of these bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

Except as may be otherwise provided in the certificate of incorporation or these bylaws, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder.

Except as otherwise required by law, the certificate of incorporation or these bylaws or provided by the rules of any applicable stock exchange, in all matters other than the election of directors, the affirmative vote of a majority of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Except as otherwise required by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange, directors shall be elected by a plurality of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Where a separate vote by a class or series or classes or series is required, in all matters other than the election of directors, the affirmative vote of the majority of the voting power of the shares of such class or series or classes or series present in person or represented by proxy at the meeting shall be the act of such class or series or classes or series, except as otherwise provided by law, the certificate of incorporation, these bylaws or the rules of any applicable stock exchange.

2.10 STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Subject to the rights of the holders of the shares of any series of Preferred Stock or any other class of stock or series thereof that have been expressly granted the right to take action by written consent and except as may otherwise be provided in the certificate of incorporation, any action required or permitted to be taken by the stockholders of the corporation must be effected at a duly called annual or special meeting of stockholders of the corporation and may not be effected by any consent in writing by such stockholders.

2.11 RECORD DATES

In order that the corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the board of directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the board of directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination.

If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the board of directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the provisions of Section 213 of the DGCL and this Section 2.11 at the adjourned meeting.

In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

2.12 PROXIES

Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL. A written proxy may be given by electronic transmission that sets forth or is submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder.

2.13 LIST OF STOCKHOLDERS ENTITLED TO VOTE

The officer who has charge of the stock ledger of the corporation shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; *provided, however,* if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, *provided* that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the corporation's principal place of business. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be examined by any stockholder who is present. If the meeting is to

be held solely by means of remote communication, then such list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger of the corporation shall be the only evidence as to the identity of the stockholders entitled to examine the list of stockholders required by this Section 2.13 or to vote at any meeting of stockholders.

2.14 INSPECTORS OF ELECTION

Before any meeting of stockholders, the board of directors shall appoint an inspector or inspectors of election to act at the meeting or its adjournment. The number of inspectors shall be either one (1) or three (3). If any person appointed as inspector fails to appear or fails or refuses to act, then the chairperson of the meeting may, and upon the request of any stockholder or a stockholder's proxy shall, appoint a person to fill that vacancy; provided further that, in any case, if no inspector or alternate is able to act at a meeting of stockholders, the chairperson of the meeting shall appoint at least one (1) inspector to act at the meeting.

Such inspectors shall take all actions as contemplated under Section 231 of the DGCL.

The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three (3) inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is *prima facie* evidence of the facts stated therein.

ARTICLE III - DIRECTORS

3.1 POWERS

The business and affairs of the corporation shall be managed by or under the direction of the board of directors, except as may be otherwise provided in the DGCL or the certificate of incorporation.

3.2 NUMBER OF DIRECTORS

The board of directors shall consist of one or more members, each of whom shall be a natural person. The number of directors shall be fixed in the manner provided in the certificate of incorporation. The term of each director shall be as set forth in the certificate of incorporation. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

3.3 ELECTION, QUALIFICATION AND TERM OF OFFICE OF DIRECTORS

Except as provided in Section 3.4 of these bylaws, each director, including a director elected to fill a vacancy or newly created directorship, shall hold office until the expiration of the term for which elected and until such director's successor is elected and qualified or until such director's earlier death, resignation or removal. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The certificate of incorporation or these bylaws may prescribe other qualifications for directors.

If so provided in the certificate of incorporation, the directors of the corporation shall be divided into three classes.

3.4 RESIGNATION AND VACANCIES

Any director may resign at any time upon notice given in writing or by electronic transmission to the corporation; provided, however, that if such notice is given by electronic transmission, such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the director. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. Unless otherwise provided in the certificate of incorporation or these bylaws, when one or more directors resign from the board of directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Unless otherwise provided in or pursuant to the certificate of incorporation or these bylaws, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director, and not by stockholders. If the directors are divided into classes, a person so elected by the directors then in office to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall have been duly elected and qualified.

If at any time, by reason of death or resignation or other cause, the corporation should have no directors in office, then any officer or any stockholder or an executor, administrator, trustee or guardian of a stockholder, or other fiduciary entrusted with like responsibility for the person or estate of a stockholder, may call a special meeting of stockholders in accordance with the provisions of the certificate of incorporation or these bylaws, or may apply to the Court of Chancery for a decree summarily ordering an election as provided in Section 211 of the DGCL.

If, at the time of filling any vacancy or any newly created directorship, the directors then in office constitute less than a majority of the whole board of directors (as constituted immediately prior to any such increase), the Court of Chancery may, upon application of any stockholder or stockholders holding at least 10% of the voting stock at the time outstanding having the right to vote for such directors, summarily order an election to be held to fill any such vacancies or newly created directorships, or to replace the directors chosen by the directors then in office as aforesaid, which election shall be governed by the provisions of Section 211 of the DGCL as far as applicable.

3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE

The board of directors may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the board of directors, or any committee designated by the board of directors, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

3.6 REGULAR MEETINGS

Regular meetings of the board of directors may be held without notice at such time and at such place as shall from time to time be determined by the board of directors.

3.7 SPECIAL MEETINGS; NOTICE

Special meetings of the board of directors for any purpose or purposes may be called at any time by the chairperson of the board of directors, the chief executive officer, the president, the secretary or a majority of the authorized number of directors, at such times and places as he or she or they shall designate.

Notice of the time and place of special meetings shall be:

(i) delivered personally by hand, by courier or by telephone;

(ii) sent by United States first-class mail, postage prepaid;

(iii) sent by facsimile; or

(iv) sent by electronic mail,

directed to each director at that director's address, telephone number, facsimile number or electronic mail address, as the case may be, as shown on the corporation's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile or (iii) sent by electronic mail, it shall be delivered or sent at least 24 hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the place of the meeting (if the meeting is to be held at the corporation's principal executive office) nor the purpose of the meeting.

3.8 QUORUM; VOTING

At all meetings of the board of directors, a majority of the total authorized number of directors shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the board of directors, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the board of directors, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws.

If the certificate of incorporation provides that one or more directors shall have more or less than one vote per director on any matter, every reference in these bylaws to a majority or other proportion of the directors shall refer to a majority or other proportion of the votes of the directors.

3.9 BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all members of the board of directors or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board of directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. Any person (whether or not then a director) may provide, whether through instruction to an agent or otherwise, that a consent to action will be effective at a future time (including a time determined upon the happening of an event), no later than 60 days after such instruction is given or such provision is made and such consent shall be deemed to have been given for purposes of this Section 3.9 at such effective time so long as such person is then a director and did not revoke the consent prior to such time. Any such consent shall be revocable prior to its becoming effective.

3.10 FEES AND COMPENSATION OF DIRECTORS

Unless otherwise restricted by the certificate of incorporation or these bylaws, the board of directors shall have the authority to fix the compensation of directors.

3.11 REMOVAL OF DIRECTORS

Directors of the corporation may be removed in the manner provided in the certificate of incorporation and applicable law.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director’s term of office.

ARTICLE IV - COMMITTEES

4.1 COMMITTEES OF DIRECTORS

Except as may otherwise be provided in the certificate of incorporation, the board of directors may designate one or more committees, each committee to consist of one or more of the directors of the corporation. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the board of directors or in these bylaws, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any bylaw of the corporation.

4.2 COMMITTEE MINUTES

Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

4.3 MEETINGS AND ACTION OF COMMITTEES

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

(i) Section 3.5 (place of meetings and meetings by telephone);

(ii) Section 3.6 (regular meetings);

(iii) Section 3.7 (special meetings and notice);

(iv) Section 3.8 (quorum; voting);

(v) Section 7.5 (waiver of notice); and

(vi) Section 3.9 (action without a meeting)

with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the board of directors and its members. *However*:

(i) the time of regular meetings of committees may be determined either by resolution of the board of directors or by resolution of the committee;

(ii) special meetings of committees may also be called by resolution of the board of directors; and

(iii) notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The board of directors may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

Any provision in the certificate of incorporation providing that one or more directors shall have more or less than one vote per director on any matter shall apply to voting in any committee or subcommittee, unless otherwise provided in the certificate of incorporation or these bylaws.

4.4 SUBCOMMITTEES

Unless otherwise provided in the certificate of incorporation, these bylaws or the resolutions of the board of directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

ARTICLE V - OFFICERS

5.1 OFFICERS

The officers of the corporation shall be a president and a secretary. The corporation may also have, at the discretion of the board of directors, a chairperson of the board of directors, a vice chairperson of the board of directors, a chief executive officer, a chief financial officer or treasurer, one or more vice presidents, one or more assistant vice presidents, one or more assistant treasurers, one or more assistant secretaries, and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

5.2 APPOINTMENT OF OFFICERS

The board of directors shall appoint the officers of the corporation, except such officers as may be appointed in accordance with the provisions of Sections 5.3 of these bylaws, subject to the rights, if any, of an officer under any contract of employment.

5.3 SUBORDINATE OFFICERS

The board of directors may appoint, or empower the chief executive officer or, in the absence of a chief executive officer, the president, to appoint, such other officers and agents as the business of the corporation may require. Each of such officers and agents shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the board of directors may from time to time determine.

5.4 REMOVAL AND RESIGNATION OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment and unless otherwise provided by or pursuant to the certificate of incorporation or these bylaws, any officer may be removed, either with or without cause, by the board of directors or by any officer upon whom such power of removal may be conferred by the board of directors except that, unless provided by resolution of the board, officers may not remove other directors chosen by the board of directors.

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time or upon an event specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

5.5 VACANCIES IN OFFICES

Any vacancy occurring in any office of the corporation shall be filled by the board of directors or as provided in Section 5.3.

5.6 REPRESENTATION OF INTERESTS OF OTHER CORPORATIONS OR ENTITIES

The chairperson of the board of directors, the president, any vice president, the treasurer, the secretary or assistant secretary of this corporation, or any other person authorized by the board of directors or the president or a vice president, is authorized to vote, represent, and exercise (including acting by written consent) on behalf of this corporation all rights incident to any and all shares or other equity interests of any other corporation or corporations or other entity or entities standing in the name of this corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

5.7 AUTHORITY AND DUTIES OF OFFICERS

All officers of the corporation shall respectively have such authority and perform such duties in the management of the business of the corporation as may be designated from time to time by the board of directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the board of directors.

ARTICLE VI - STOCK

6.1 STOCK CERTIFICATES; PARTLY PAID SHARES

The shares of the corporation shall be represented by certificates, provided that the board of directors may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Every holder of stock represented by certificates shall be entitled to have a certificate signed as provided in the DGCL. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The corporation shall not have power to issue a certificate in bearer form.

The corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly-paid shares, or upon the books and records of the corporation in the case of uncertificated partly-paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully-paid shares, the corporation shall declare a dividend upon partly-paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

6.2 SPECIAL DESIGNATION ON CERTIFICATES

If the corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences, and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the corporation shall issue to represent such class or series of stock; *provided*, *however*, that, except as otherwise

provided in Section 202 of the DGCL, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate that the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this Section 6.2 or Sections 156, 202(a) or 218(a) of the DGCL or with respect to this Section 6.2 a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

6.3 LOST CERTIFICATES

Except as provided in this Section 6.3, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the corporation and cancelled at the same time. The corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the corporation a bond, in such sum as the corporation may direct, sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

6.4 DIVIDENDS

The board of directors, subject to any restrictions contained in the certificate of incorporation or applicable law, may declare and pay dividends upon the shares of the corporation's capital stock. Dividends may be paid in cash, in property, or in shares of the corporation's capital stock, subject to the provisions of the certificate of incorporation.

The board of directors may set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the corporation, and meeting contingencies.

6.5 TRANSFER OF STOCK

Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by an attorney duly authorized, and, if such stock is certificated, upon the surrender of a certificate or certificates for a like number of shares, properly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer.

6.6 STOCK TRANSFER AGREEMENTS

The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

6.7 REGISTERED STOCKHOLDERS

The corporation:

(i) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner;

(ii) shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares; and

(iii) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII - MANNER OF GIVING NOTICE AND WAIVER

7.1 NOTICE OF STOCKHOLDERS' MEETINGS

Notice of any meeting of stockholders, if mailed, is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the corporation's records. An affidavit of the secretary or an assistant secretary of the corporation or of the transfer agent or other agent of the corporation that the notice has been given shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

7.2 NOTICE BY ELECTRONIC TRANSMISSION

Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the DGCL, the certificate of incorporation or these bylaws, any notice to stockholders given by the corporation under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any such consent shall be deemed revoked if:

(i) the corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent; and

(ii) such inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent, or other person responsible for the giving of notice.

However, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Any notice given pursuant to the preceding paragraph shall be deemed given:

(i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice;

(ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice;

(iii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and

(iv) if by any other form of electronic transmission, when directed to the stockholder.

An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

An "**electronic transmission**" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

Notice by a form of electronic transmission shall not apply to Sections 164, 296, 311, 312 or 324 of the DGCL.

7.3 NOTICE TO STOCKHOLDERS SHARING AN ADDRESS

Except as otherwise prohibited under the DGCL, without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the corporation under the provisions of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any stockholder who fails to object in writing to the corporation, within 60 days of having been given written notice by the corporation of its intention to send the single notice, shall be deemed to have consented to receiving such single written notice.

7.4 NOTICE TO PERSON WITH WHOM COMMUNICATION IS UNLAWFUL

Whenever notice is required to be given, under the DGCL, the certificate of incorporation or these bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

7.5 WAIVER OF NOTICE

Whenever notice is required to be given under any provision of the DGCL, the certificate of incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

ARTICLE VIII - INDEMNIFICATION

8.1 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN THIRD PARTY PROCEEDINGS

Subject to the other provisions of this Article VIII, the corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is 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 (a "**Proceeding**") (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director or officer of the corporation, or is or was a director or officer of the corporation serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

8.2 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN ACTIONS BY OR IN THE RIGHT OF THE CORPORATION

Subject to the other provisions of this Article VIII, the corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the corporation, or is or was a director or officer of the corporation serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall

have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

8.3 SUCCESSFUL DEFENSE

To the extent that a present or former director or officer of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described in Section 8.1 or Section 8.2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

8.4 INDEMNIFICATION OF OTHERS

Subject to the other provisions of this Article VIII, the corporation shall have power to indemnify its employees and agents to the extent not prohibited by the DGCL or other applicable law. The board of directors shall have the power to delegate to such person or persons the determination of whether employees or agents shall be indemnified.

8.5 ADVANCED PAYMENT OF EXPENSES

Expenses (including attorneys' fees) actually and reasonably incurred by an officer or director of the corporation in defending any Proceeding shall be paid by the corporation in advance of the final disposition of such Proceeding upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this Article VIII or the DGCL. Such expenses (including attorneys' fees) actually and reasonably incurred by former directors and officers or other employees and agents of the corporation or by persons serving at the request of the corporation as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the corporation deems appropriate. The right to advancement of expenses shall not apply to any claim for which indemnity is excluded pursuant to these bylaws, but shall apply to any Proceeding referenced in Section 8.6(ii) or 8.6(iii) prior to a determination that the person is not entitled to be indemnified by the corporation.

Notwithstanding the foregoing, unless otherwise determined pursuant to Section 8.8, no advance shall be made by the corporation to an officer of the corporation (except by reason of the fact that such officer is or was a director of the corporation, in which event this paragraph shall not apply) in any Proceeding if a determination is reasonably and promptly made (i) by a majority vote of the directors who are not parties to such Proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, that facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation.

8.6 LIMITATION ON INDEMNIFICATION

Subject to the requirements in Section 8.3 and the DGCL, the corporation shall not be obligated to indemnify any person pursuant to this Article VIII in connection with any Proceeding (or any part of any Proceeding):

(i) for which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(ii) for an accounting or disgorgement of profits pursuant to Section 16(b) of the 1934 Act, or similar provisions of federal, state or local statutory law or common law, if such person is held liable therefor (including pursuant to any settlement arrangements);

(iii) for any reimbursement of the corporation by such person of any bonus or other incentive-based or equity-based compensation or of any profits realized by such person from the sale of securities of the corporation, as required in each case under the 1934 Act (including any such reimbursements that arise from an accounting restatement of the corporation pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the corporation of profits arising from the purchase and sale by such person of securities in violation of Section 306 of the Sarbanes-Oxley Act), if such person is held liable therefor (including pursuant to any settlement arrangements);

(iv) initiated by such person, including any Proceeding (or any part of any Proceeding) initiated by such person against the corporation or its directors, officers, employees, agents or other indemnitees, unless (a) the board of directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (b) the corporation provides the indemnification, in its sole discretion, pursuant to the powers vested in the corporation under applicable law, (c) otherwise required to be made under Section 8.7 or (d) otherwise required by applicable law; or

(v) if prohibited by applicable law.

8.7 DETERMINATION; CLAIM

If a claim for indemnification or advancement of expenses under this Article VIII is not paid in full within 90 days after receipt by the corporation of the written request therefor, the claimant shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of expenses. The corporation shall indemnify such person against any and all expenses that are actually and reasonably incurred by such person in connection with any action for indemnification or advancement of expenses from the corporation under this Article VIII, to the extent such person is successful in such action, and to the extent not prohibited by law. In any such suit, the corporation shall, to the fullest extent not prohibited by law, have the burden of proving that the claimant is not entitled to the requested indemnification or advancement of expenses.

8.8 NON-EXCLUSIVITY OF RIGHTS

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of incorporation or any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

8.9 INSURANCE

The corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under the provisions of the DGCL.

8.10 SURVIVAL

The rights to indemnification and advancement of expenses conferred by this Article VIII shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

8.11 EFFECT OF REPEAL OR MODIFICATION

A right to indemnification or to advancement of expenses arising under a provision of the certificate of incorporation or a bylaw shall not be eliminated or impaired by an amendment to the certificate of incorporation or these bylaws after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

8.12 CERTAIN DEFINITIONS

For purposes of this Article VIII, references to the "**corporation**" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article VIII, references to "**other enterprises**" shall include employee benefit plans; references to "**fines**" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "**serving at the request of the corporation**" shall

include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "**not opposed to the best interests of the corporation**" as referred to in this Article VIII.

ARTICLE IX - GENERAL MATTERS

9.1 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS

Except as otherwise provided by law, the certificate of incorporation or these bylaws, the board of directors may authorize any officer or officers, or agent or agents, to enter into any contract or execute any document or instrument in the name of and on behalf of the corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the board of directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

9.2 FISCAL YEAR

The fiscal year of the corporation shall be fixed by resolution of the board of directors and may be changed by the board of directors.

9.3 SEAL

The corporation may adopt a corporate seal, which shall be adopted and which may be altered by the board of directors. The corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

9.4 CONSTRUCTION; DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term person (as defined below).

ARTICLE X - AMENDMENTS

For as long as Silver Lake Sumeru, Iconiq, Tucker and Spanicciati collectively own, in the aggregate, at least 40% in voting power of the stock of the corporation entitled to vote generally in the election of directors, in addition to any vote required by applicable law or the certificate of incorporation, these bylaws may be adopted, amended or repealed by stockholders, only by the affirmative vote of the holders of at least 60% of the voting power of all the then outstanding shares of stock of the corporation entitled to vote thereon, voting together as a single class, and at any time when Silver Lake Sumeru, Iconiq, Tucker and Spanicciati collectively own, in the aggregate, less than 40% in voting power of the stock of the corporation entitled to vote generally in the election of directors, in addition to any vote required by applicable law or the certificate

of incorporation, these bylaws may be adopted, amended or repealed by stockholders, only by the affirmative vote of the holders of at least 75% of the voting power of all the then outstanding shares of stock of the corporation entitled to vote thereon, voting together as a single class.

In addition, the corporation may, in its certificate of incorporation, confer the power to adopt, amend or repeal bylaws upon the directors. The fact that such power has been so conferred upon the directors shall not divest the stockholders of the power, nor limit their power to adopt, amend or repeal bylaws.

A bylaw amendment adopted by stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the board of directors.

ARTICLE XI - EXCLUSIVE FORUM FOR ADJUDICATION OF DISPUTES

Unless the corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the corporation to the corporation or the corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, or (iv) any action asserting a claim governed by the internal affairs doctrine shall be a state or federal court located within the State of Delaware, in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the corporation shall be deemed to have notice of and consented to the provisions of this bylaw.

BLACKLINE, INC.

CERTIFICATE OF AMENDMENT OF BYLAWS

The undersigned hereby certifies that he or she is the duly elected, qualified, and acting Secretary or Assistant Secretary of BlackLine, Inc., a Delaware corporation and that the foregoing bylaws were amended and restated on September 27, 2016 by the corporation's board of directors.

IN WITNESS WHEREOF, the undersigned has hereunto set his or her hand this 27th day of October, 2016.

/s/ Karole Morgan-Prager
Secretary

Exhibit 4.2

AMENDED AND RESTATED

STOCKHOLDERS' AGREEMENT

BY AND AMONG

SILVER LAKE SUMERU FUND, L.P.

SILVER LAKE TECHNOLOGY INVESTORS SUMERU L.P.

ICONIQ STRATEGIC PARTNERS, L.P.

ICONIQ STRATEGIC PARTNERS-B, L.P.

ICONIQ STRATEGIC PARTNERS CO-INVEST, L.P., BL SERIES

ICONIQ STRATEGIC PARTNERS CO-INVEST, L.P., BL2 SERIES

THERESE TUCKER

MARIO SPANICCIATI

AND

BLACKLINE, INC.

DATED AS OF October 27, 2016

TABLE OF CONTENTS

BLACKLINE, INC.
AMENDED AND RESTATED STOCKHOLDERS' AGREEMENT

THIS AMENDED AND RESTATED STOCKHOLDERS' AGREEMENT (as it may be amended from time to time in accordance with the terms hereof, the "Agreement"), dated as of October 27, 2016, is made by and among Silver Lake Sumeru, Iconiq, Tucker, Spanicciati (each as defined below), each of the other Persons listed as "Other Stockholders" on the Schedule of Other Stockholders as of the date hereof and such other Persons (as defined below) who may become party to this agreement from time to time in accordance with the provisions herein (collectively, with Silver Lake Sumeru, Iconiq, Tucker and Spanicciati, the "Stockholders"), and BlackLine, Inc., a Delaware corporation (the "Company"). This Agreement amends and restates in its entirety the Stockholders' Agreement by and among Silver Lake Sumeru, Iconiq, Tucker and Spanicciati and the other parties named therein dated as of September 3, 2013 (the "Existing Stockholders' Agreement").

RECITALS

WHEREAS, the Stockholders own certain of the issued and outstanding equity securities of the Company; and

WHEREAS, the Stockholders and the Company are party to the Existing Stockholders' Agreement, which provides for certain agreements with respect to the management of the Company and the respective rights and obligations of the Stockholders generally; and

WHEREAS, on October 27, 2016, the Company will execute an underwriting agreement related to its IPO (as defined herein); and

WHEREAS, the parties hereto desire to amend and restate in their entirety the terms of the Existing Stockholders' Agreement to provide for certain governance rights and other matters, and to set forth the rights and obligations of the Stockholders following the IPO; and

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, covenants and agreements of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree that the Existing Stockholders' Agreement is hereby amended and restated in its entirety to read as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Certain Definitions. As used in this Agreement, the following terms have the following meanings:

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such Person. For these purposes, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; provided, that, for purposes of this agreement, (i) no Stockholder shall be deemed an Affiliate of the Company or any of its subsidiaries solely as a result of its ownership of equity of the Company and (ii) except for Section 5.05 and Section 5.16, portfolio companies of the Sponsors and their respective investment fund affiliates shall not be deemed to be Affiliates of the Sponsors.

"Affiliated Persons" has the meaning set forth in Section 5.06(a).

"Agreement" has the meaning set forth in the preamble.

"Beneficially Own" has the meaning set forth in Rule 13d-3 promulgated under the Exchange Act.

"Board of Directors" means the board of directors of the Company.

"Breaching Board Composition Stockholder" has the meaning set forth in Section 3.01(n).

"Breaching Restricted Stockholder" has the meaning set forth in Section 4.05(d).

"Business Day" means any day other than a Saturday, a Sunday or a day on which banks in New York, New York are authorized or obligated by law or executive order to close.

"Change in Control" means the acquisition of the Company by any Person or group (within the meaning of Section 13(d)(3) of the Exchange Act) by means of any transaction or series of related transactions to which the Company is party and:

(i) such Person or group becomes the beneficial owner, directly or indirectly, of more than fifty percent (50%) of the total voting power of the voting stock of the Company (or any entity which controls the Company, or which is a successor to all or substantially all of the assets of the Company), including by way of merger, recapitalization, reorganization, redemption, issuance of capital stock, consolidation, tender or exchange offer or otherwise, other than a transaction or series of transactions in which the holders of the voting securities of the Company outstanding immediately prior to such transaction continue to retain (either by such voting securities remaining outstanding or by such voting securities being converted into voting securities of the surviving entity), as a result of shares in the Company held by such holders prior to such transaction, at

least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such transaction or series of transactions; or

(ii) such Person or group acquires all or substantially all of the assets of the Company and its Subsidiaries on a consolidated basis, by lease, license, sale or otherwise.

"Code" means the U.S. Internal Revenue Code of 1986, as amended. Any reference to a section of the Code shall include a reference to any successor provision thereto.

"Common Shares" means the shares of common stock, par value $0.01 per share of the Company and any shares of capital stock of the Company issued or issuable with respect to such common stock by way of a stock dividend or distribution payable thereon or stock split, reverse stock split, merger, recapitalization, reclassification, reorganization, exchange, subdivision, combination, or consolidation.

"Company" has the meaning set forth in the preamble.

"Drag-Along Buyer" has the meaning set forth in Section 4.05(a).

"Drag-Along Notice" has the meaning set forth in Section 4.05(a).

"Escrow Agent" has the meaning set forth in Section 4.05(e).

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and any successor thereto, and any rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

"Existing Stockholders' Agreement" has the meaning set forth in the preamble.

"Fund Indemnitors" has the meaning set forth in Section 5.02.

"Iconiq" means, collectively, Iconiq Strategic Partners, L.P., Iconiq Strategic Partners-B, L.P., Iconiq Strategic Partners Co-Invest, L.P., BL Series, Iconiq Strategic Partners Co-Invest, L.P., BL2 Series and their respective Affiliates that are Stockholders hereunder.

"Iconiq Affiliated Person" means, each of Iconiq and all of its respective partners, principals, directors, officers, members, managers, managing directors, advisors, consultants and employees, Iconiq's Affiliates, the Iconiq Directors, or any officer of the Company that is an Affiliate of Iconiq.

"Iconiq Designee" has the meaning set forth in Section 3.01(c).

"Iconiq Director" has the meaning set forth in Section 3.01(a).

"Indemnification Agreements" has the meaning set forth in Section 5.02.

"Indemnitee" has the meaning set forth in Section 5.02.

"Independent Director" means a director that satisfies each of (a) the requirements to qualify as an "independent director" under the stock exchange rules of the stock exchange on which the Common Shares are then-currently listed, as amended from time to time, (b) the independence criteria set forth in Rule 10A-3 under the Exchange Act, as amended from time to time, and (c) the independence criteria for members of a compensation committee under the stock exchange rules of the stock exchange on which the Common Shares are then-currently listed, as amended from time to time.

"Initial Holding Period" has the meaning set forth in Section 4.01(a)(ii).

"IPO" means the Company's initial public offering of Common Shares.

"IPO Closing" means the closing of the IPO.

"IPO Date" means the date on which the registration statement on Form S-1 for the IPO was declared effective by the Securities and Exchange Commission.

"Necessary Action" means, with respect to a specified result, all actions that Person may take within such Person's control, to the fullest extent permitted by applicable law, necessary to cause such result, including, without limitation, (i) causing the adoption of Stockholders' resolutions by voting or providing a written consent or proxy with respect to the Common Shares, (ii) causing the adoption of amendments to the Organizational Documents, (iii) executing agreements and instruments with respect to Common Shares and (iv) making, or causing to be made, with governmental, administrative or regulatory authorities, all filings, registrations or similar actions, in each case, that are required to achieve such result. Notwithstanding anything contained herein to the contrary, a Stockholder shall not be liable for failure to cause such result so long as such Stockholder took actions reasonably necessary and within his control toward that end and no stockholder shall be obligated to breach his fiduciary duty as a director.

"Organizational Documents" means the Certificate of Incorporation and Bylaws of the Company, each as amended from time to time.

"Permitted Transferee" means (i) an Affiliate of a Stockholder and (ii) in the case of any Stockholder that is a partnership, limited liability company or foreign equivalent thereof, any partner, member or foreign equivalent thereof of such Stockholder; provided, however, that a partner, member or foreign equivalent thereof of a Stockholder shall not be a Permitted Transferee under clause (ii) unless the Transfer to such Person is made in an pro rata distribution in accordance with the applicable partnership agreement, limited liability company agreement or foreign equivalent thereof, as the case may be.

"Person" means an individual, corporation, association, limited liability company, limited liability partnership, partnership, estate, trust, joint venture, unincorporated organization or a government or any agency or political subdivision thereof.

"Post-IPO Shares" means, with respect to a Stockholder, the number of Common Shares beneficially owned, directly or indirectly, by such Stockholder as of the IPO Closing.

"Proposed Transferee" has the meaning set forth in Section 4.04(a).

"Pro Rata Portion" means:

(a) for purposes of Section 4.04, a number of Common Shares determined by multiplying (i) the total number of Common Shares proposed to be Transferred by the Transferring Stockholder to the proposed Transferee, by (ii) a fraction, the numerator of which is the number of Common Shares beneficially owned by the Tagging Stockholder and the denominator of which is the aggregate number of Common Shares held by all Tagging Stockholders participating in a Proposed Transfer and the Transferring Stockholder; and

(b) for purposes of Section 4.05, a number of Common Shares determined by multiplying (i) the aggregate number of Common Shares held by the Restricted Stockholder by (ii) a fraction, the numerator of which is the aggregate number of Common Shares proposed to be Transferred by Silver Lake Sumeru to the Drag-Along Buyer and the denominator of which is the aggregate number of Common Shares beneficially owned by Silver Lake Sumeru.

"Restricted Shares" means, with respect to any Stockholder, the Common Shares beneficially owned by such Stockholder as of the date of the IPO Closing and, for the avoidance of doubt, not including Common Shares acquired Post-IPO.

"Restricted Stockholder" has the meaning set forth in Section 4.01.

"Rule 144" means Rule 144 under the Securities Act.

"Securities Act" means the U.S. Securities Act of 1933, as amended from time to time.

"Silver Lake Sumeru" means, collectively, Silver Lake Sumeru Fund, L.P., Silver Lake Technology Investors Sumeru L.P. and their respective Affiliates that are Stockholders hereunder.

"Silver Lake Sumeru Affiliated Person" means each of Silver Lake Sumeru and all of its respective partners, principals, directors, officers, members, managers, managing directors, advisors, consultants and employees, Silver Lake Sumeru's Affiliates, the Silver Lake Sumeru Directors, or any officer of the Company that is an Affiliate of Silver Lake Sumeru.

"Silver Lake Sumeru Designee" has the meaning set forth in Section 3.01(c).

"Silver Lake Sumeru Director" means the Initial Silver Lake Sumeru Directors and any Silver Lake Sumeru Designees who are elected to the Board of Directors.

"Spanicciati" means Mario Spanicciati and the Spanicciati Trusts.

"Spanicciati Trusts" means the stockholders listed under the heading "Spanicciati Trusts" on the Schedule of Other Stockholders.

"Sponsor Confidential Information" has the meaning set forth in Section 5.06(a).

"Sponsor Designees" has the meaning set forth in Section 3.01(c).

"Sponsor Directors" has the meaning set forth in Section 3.01(a).

"Sponsor Nominated Independent Director" has the meaning set forth in Section 3.01(b).

"Sponsors" means each of Silver Lake Sumeru and Iconiq.

"Stockholder" has the meaning set forth in the preamble.

"Tag-Along Notice" has the meaning set forth in Section 4.04(b).

"Tagging Stockholder" has the meaning set forth in Section 4.04(a).

"Transfer" means, with respect to any Common Shares, a direct or indirect transfer, sale, exchange, assignment, pledge, hypothecation or other encumbrance or other disposition of such Common Shares, including the grant of an option or other right, whether directly or indirectly, whether voluntarily, involuntarily or by operation of law; and "Transferred", "Transferee", "Transferor" and "Transferability" shall each have a correlative meaning. For the avoidance of doubt, a transfer, sale, exchange, assignment, pledge, hypothecation or other encumbrance or other disposition of an interest in any Stockholder all or substantially all of whose assets are Common Shares shall constitute a "Transfer" for purposes of this Agreement, as if such interest was a direct interest in the Company.

"Transferring Stockholder" has the meaning set forth in Section 4.04(a).

"Tucker" means Therese Tucker and the Tucker Trusts.

"Tucker Trusts" means the stockholders listed under the heading " Tucker Trusts" on the Schedule of Other Stockholders.

"Unaffiliated Independent Director" has the meaning set forth in Section 3.01(a).

Section 1.02 Other Interpretive Provisions. (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(a) The words "hereof", "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, Section, Exhibit, Schedule and Annex references are to this Agreement unless otherwise specified.

(b) The term "including" is not limiting and means "including without limitation."

(c) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(d) Whenever the context requires, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms.

(e) For purposes of calculating any percentage of Post-IPO Shares of a Stockholder, (i) the numerator shall be the number of Common Shares beneficially owned, directly or indirectly, in the aggregate by such Stockholder as of the date on which the calculation shall be performed and (ii) the denominator shall be the number of Post-IPO Shares. Both the numerator and the denominator described in clause (i) and (ii), respectively, of the immediately preceding sentence shall automatically be proportionately adjusted effective upon the consummation of any transaction or series of related transactions (including, without limitation, any stock dividend, distribution, pro-rata redemption or stock repurchase, recapitalization, stock split or comparable transaction but not including any transfer or sale of shares by a Sponsor) that effects a change in the Common Shares.

(f) References to the Code, the Exchange Act and the Securities Act include (i) any successor law and (ii) any rules and regulations thereunder.

ARTICLE II
REPRESENTATIONS; WARRANTIES AND COVENANTS

Section 2.01 Representations and Warranties of the Stockholders. Each Stockholder hereby represents and warrants, severally and not jointly, and solely on its own behalf, to each other Stockholder and to the Company that on the date hereof:

(a) Existence; Authority; Enforceability. Such Stockholder has the necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. If an entity, such Stockholder is duly organized and validly existing under the laws of its jurisdiction of organization. The execution of this Agreement, and the consummation of the transactions contemplated herein, have been authorized by all necessary corporate or other action, and no other act or proceeding, corporate or otherwise, on its part is necessary to authorize the execution of this Agreement or the consummation of any of the transactions contemplated hereby. This Agreement has been duly executed by such Stockholder and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and any implied covenant of good faith and fair dealing.

(b) Absence of Conflicts. The execution and delivery by such Stockholder of this Agreement and the performance of its obligations hereunder do not and will not (i) conflict with, or result in the breach of any provision of the constitutive documents of such Stockholder, if any; (ii) result in any violation, breach, conflict, default or event of default (or an event which with notice, lapse of time, or both, would constitute a default or event of default), or give rise to any right of acceleration or termination or any additional payment obligation, under the terms of any material contract, agreement or permit to which such Stockholder is a party or by which such Stockholder's assets or operations are bound or affected; or (iii) violate, in any material respect, any law applicable to such Stockholder.

(c) Consents. Other than any consents that have already been obtained, no governmental consent, waiver, approval, authorization, exemption, registration, license or

declaration is required to be made or obtained by such Stockholder in connection with (i) the execution, delivery or performance of this Agreement or (ii) the consummation of any of the transactions contemplated herein.

Section 2.02 Representations and Warranties of the Company. The Company hereby represents and warrants to each Stockholder that on the date hereof:

(a) Existence; Authority; Enforceability. The Company has the necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. The Company is duly organized and validly existing under the laws of its jurisdiction of organization, and the execution of this Agreement, and the consummation of the transactions contemplated herein, have been authorized by all necessary corporate action, and no other act or proceeding on its part is necessary to authorize the execution of this Agreement or the consummation of any of the transactions contemplated hereby. This Agreement has been duly executed by the Company and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and any implied covenant of good faith and fair dealing.

(b) Absence of Conflicts. The execution and delivery by the Company of this Agreement and the performance of its obligations hereunder do not and will not: (i) conflict with, or result in the breach of any provision of the organizational documents of the Company or any of its subsidiaries; (ii) result in any violation, breach, conflict, default or event of default (or an event which with notice, lapse of time, or both, would constitute a default or event of default), or give rise to any right of acceleration or termination or any additional payment obligation, under the terms of any material contract, agreement or permit to which the Company or any of its subsidiaries is a party or by which the Company's or any of its subsidiaries' assets or operations are bound or affected; or (iii) violate, in any material respect, any law applicable to the Company or any of its subsidiaries.

(c) Consents. Other than any consents that have already been obtained, no governmental consent, waiver, approval, authorization, exemption, registration, license or declaration is required to be made or obtained by the Company or any of its subsidiaries in connection with (i) the execution, delivery or performance of this Agreement or (ii) the consummation of any of the transactions contemplated herein.

Section 2.03 Entitlement of the Company and the Stockholders to Rely on Representations and Warranties. The foregoing representations and warranties may be relied upon by the Company, and by the Stockholders, in connection with the entering into of this Agreement.

ARTICLE III
GOVERNANCE

Section 3.01 Board of Directors.

(a) From and after the IPO Closing, the Board of Directors shall be comprised of at least eight (8) directors consisting of, (i) three (3) individuals designated by Silver Lake Sumeru (each, an "Initial Silver Lake Sumeru Director"), (ii) one (1) individual designated by Iconiq (the "Iconiq Director" and, together with the Silver Lake Sumeru Directors, the "Sponsor Directors"), (iii) Tucker, (iv) Spanicciati and (v) two (2) Independent Directors (each, an "Unaffiliated Independent Director"). At the IPO Closing, the Silver Lake Sumeru Directors shall be Hollie Moore Haynes, John Brennan and Jason Babcoke; the Iconiq Director shall be William Griffith; and the Unaffiliated Independent Directors shall be Graham Smith and Thomas Unterman. The foregoing directors shall be divided into three classes of directors, each of whose members shall serve for staggered three-year terms as follows:

(1) the class I directors shall include Therese Tucker, Mario Spanicciati and Thomas Unterman;

(2) the class II directors shall include Jason Babcoke and Hollie Moore Haynes; and

(3) the class III directors shall include John Brennan, William Griffith and Graham Smith.

The initial term of the class I directors shall expire at the Company's 2017 annual meeting of stockholders at which directors are elected. The initial term of the class II directors shall expire at the Company's 2018 annual meeting of stockholders at which directors are elected. The initial term of the class III directors shall expire at the Company's 2019 annual meeting at which directors are elected.

For the avoidance of doubt, this Section 3.01(a) is applicable solely to the initial composition of the Board of Directors.

(b) Prior to the first (1st) anniversary of the IPO Date, the Board of Directors will increase the size of the Board of Directors by one (1) director and appoint to the Board of Directors and Audit Committee an individual that qualifies as an Independent Director and as an audit committee financial expert (as such term is defined in Item 407 of Regulation S-K) (the "Sponsor Nominated Independent Director"). The Sponsor Nominated Independent Director will be nominated by Silver Lake Sumeru and must be reasonably acceptable to the Board of Directors. If Silver Lake Sumeru has not nominated an individual to be a Sponsor Nominated Independent Director prior to the 30th day prior to the first (1st) anniversary of the IPO Date, the Board of Directors may appoint an individual who qualifies as an Independent Director and as an audit committee financial expert to comply with the listing rules of the stock exchange on which the Company is listed.

(c) The Stockholders shall have the right to designate directors as follows:

(i) For so long as Silver Lake Sumeru continues to beneficially own more than 35% of the issued and outstanding Common Shares, Silver Lake Sumeru may designate, in its sole discretion, up to seven (7) individuals (each, a "Silver Lake Sumeru Designee") to serve on the Board of Directors; provided, however, that (A) if Silver Lake Sumeru beneficially owns, directly or indirectly, as of the date that is 120 days before the date of any annual or special meeting of

stockholders at which directors are to be elected (an "Ownership Measurement Date"), in the aggregate 35% or less, but more than 25% of the issued and outstanding Common Shares, then with respect to such meeting and thereafter, the maximum number of Silver Lake Sumeru Designees shall be reduced to no more than six (6) Silver Lake Sumeru Designees; (B) if Silver Lake Sumeru beneficially owns, directly or indirectly, as of an Ownership Measurement Date, in the aggregate 25% or less, but more than 20% of the issued and outstanding Common Shares, then with respect to such meeting and thereafter, the maximum number of Silver Lake Sumeru Designees shall be reduced to three (3) Silver Lake Sumeru Designees; (C) if Silver Lake Sumeru beneficially owns, directly or indirectly, as of the Ownership Measurement Date, in the aggregate 20% or less, but more than 10% of the issued and outstanding Common Shares, then with respect to such meeting and thereafter, the maximum number of Silver Lake Sumeru Designees shall be reduced to two (2) Silver Lake Sumeru Designees; and (D) if Silver Lake Sumeru beneficially owns, directly or indirectly, as of the Ownership Measurement Date, in the aggregate 10% or less, but at least 5% of the issued and outstanding Common Shares, then with respect to such meeting and thereafter, the maximum number of Silver Lake Sumeru Designees shall be reduced to one (1) Silver Lake Sumeru Designee; provided, however, that if Silver Lake Sumeru beneficially owns, directly or indirectly, as of an Ownership Measurement Date, in the aggregate less than 5% of the issued and outstanding Common Shares, then with respect to such meeting and thereafter, Silver Lake Sumeru shall have no right to designate a Silver Lake Sumeru Designee;

(ii) For so long as Iconiq beneficially owns, directly or indirectly, 5% or more of the issued and outstanding Common Shares, Iconiq may designate, in its sole discretion, one (1) individual (an "Iconiq Designee" and, together with the Silver Lake Sumeru Designees, the "Sponsor Designees") to serve on the Board of Directors; provided, however, that if Iconiq beneficially owns, directly or indirectly, as of an Ownership Measurement Date, in the aggregate less than 5% of the issued and outstanding Common Shares, then with respect to such meeting and thereafter, Iconiq shall have no right to designate an Iconiq Designee;

(iii) For so long as Tucker beneficially owns, directly or indirectly, 5% or more of the issued and outstanding Common Shares and subject to Section 3.01(g), Tucker; provided, however, that if Tucker beneficially owns, directly or indirectly, as of an Ownership Measurement Date, in the aggregate less than 5% of the issued and outstanding Common Shares, then with respect to such meeting and thereafter, Tucker shall have no right to be nominated for election as a director; and

(iv) For so long as Spanicciati beneficially owns, directly or indirectly, 5% or more of the issued and outstanding Common Shares and subject to Section 3.01(g), Spanicciati; provided, however, that if Spanicciati beneficially owns, directly or indirectly, as of an Ownership Measurement Date, in the aggregate less than 5% of the issued and outstanding Common Shares, then with respect to such

meeting and thereafter, Spanicciati shall have no right to be nominated for election as a director.

(d) Upon delivery of a Director Designation Notice by Silver Lake Sumeru at any time, the size of the Board of Directors will be increased to facilitate the election to the Board of Directors of the Silver Lake Sumeru Designees named by Silver Lake Sumeru in the Director Designation Notice, and such Silver Lake Sumeru Designees will be elected to the Board of Directors consistent with Section 3.01(c). A "Director Designation Notice" shall mean a written notice delivered by Silver Lake Sumeru to the Board of Directors c/o the Secretary of the Company stating that Silver Lake Sumeru is designating an additional director in accordance with its rights set forth in this Agreement and naming such additional Silver Lake Sumeru Designee.

(e) At each annual meeting, or special meeting of stockholders at which directors are to be elected, the Stockholders and the Board of Directors (and any applicable committee thereof) shall take all Necessary Action to, as applicable, (i) include any Sponsor Designee with the slate of nominees recommended by the Board of Directors for the applicable class of directors for election by the stockholders of the Company, and solicit proxies or consents in favor thereof and (ii) include Tucker and Spanicciati with the slate of nominees recommended by the Board of Directors for the applicable class of directors for election by the stockholders of the Company and solicit proxies or consents in favor thereof, in each case, subject to Section 3.01(c).

(f) To the extent not inconsistent with Section 141(k) of the General Corporation Law of the State of Delaware and the Company's Organizational Documents, (i) each Sponsor shall have the exclusive right to remove its Sponsor Directors from the Board of Directors, and the Board of Directors and each Stockholder shall take all Necessary Action to cause the removal of any Sponsor Director at the request of such designating Sponsor and (ii) such Sponsor shall have the exclusive right to designate for election to the Board of Directors individuals to fill vacancies created by reason of death, removal or resignation of its Sponsor Directors, and the Board of Directors and each Stockholder shall take all Necessary Action to cause any such vacancies to be filled by replacement directors designated by such Sponsor as promptly as reasonably practicable; provided, that, for the avoidance of doubt and notwithstanding anything to the contrary in this paragraph, such Sponsor shall not have the right to designate a replacement director, and the Board of Directors and each Stockholder shall not be required to take any action to cause any vacancy to be filled with any such Sponsor Designee, to the extent that election or appointment of such Sponsor Designee to the Board of Directors would result in a number of directors designated by such Sponsor in excess of the number of directors that such Sponsor is then entitled to designate for membership on the Board of Directors pursuant to Section 3.01(c).

(g) To the extent not inconsistent with Section 141(k) of the General Corporation Law of the State of Delaware and the Company's Organizational Documents, in the event that Tucker or Spanicciati ceases to be employed by the Company for any reason and she or he beneficially owns less than 5% of the issued and outstanding Common Shares, as applicable, then (i) she or he will immediately tender her or his resignation from the Board of Directors, effective only upon acceptance by the Board of Directors (excluding both Tucker and

Spanicciati) and (ii) the Board of Directors may, in its sole discretion, accept or reject such resignation. If the Board of Directors rejects the resignation, Tucker or Spanicciati, as applicable, will continue to have the right to be designated for membership on the Board of Directors pursuant to Section 3.01(c); provided, that if the Board of Directors determines such resignation would be in the best interests of the Company any time after the cessation of employment by Tucker or Spanicciati and regardless of the number of Common Shares held by Tucker or Spanicciati, as applicable, by unanimous vote of the directors excluding both Tucker and Spanicciati (i) the Board of Directors may require the delivery of Tucker or Spanicciati's immediate resignation (and each of Tucker and Spanicciati, as applicable, shall then deliver such resignation), as applicable, from the Board of Directors and (ii) each Stockholder shall take all Necessary Action to cause the removal of Tucker or Spanicciati, as applicable, from the Board of Directors.

(h) The Stockholders each hereby agree to be present in person or by proxy and vote or cause to be voted all Common Shares beneficially owned by such Stockholder at each annual or special meeting of the Company at which directors of the Company are to be elected, in favor of, or to take all actions by written consent in lieu of any such meeting as are necessary, or other Necessary Action to cause the election as members of the Board of Directors of those individuals described in Section 3.01(c) in accordance with, and otherwise to achieve the composition of the Board of Directors and effect the intent of, the provisions of this Section 3.01.

(i) For so long as the Stockholders collectively own or hold of record, directly or indirectly, in the aggregate at least 40% of their collective Post-IPO Shares and for so long as at least two Silver Lake Sumeru Directors serve on the Board of Directors, the following actions by the Company and its subsidiaries shall require approval by the Board of Directors, including the affirmative vote of at least two Silver Lake Sumeru Directors:

(i) any merger, consolidation or sale of all or substantially all of the assets of the Company or any of its subsidiaries, or any other transaction that would result in a Change in Control;

(ii) any voluntary liquidation, winding up or dissolution of the Company or any of its material subsidiaries or the initiation of any action relating to a voluntary bankruptcy, reorganization or recapitalization with respect to the Company or any of its material subsidiaries;

(iii) the disposition, in one or more related transactions, of assets with a value in excess of $50,000,000 or the entering into of a joint venture requiring a capital contribution in excess of $50,000,000 by either the Company or any of its subsidiaries;

(iv) any fundamental change in the Company's or its subsidiaries' existing lines of business or the entry by the Company or its subsidiaries into a new significant line of business;

(v) any amendment to the Organizational Documents of the Company;

(vi) the incurrence or guarantee by the Company or any of its subsidiaries of, or the granting of an encumbrance over the Company, any of its subsidiaries or any of their respective assets in connection with, indebtedness or derivatives liability, or any related series of indebtedness or derivative liabilities, in excess of $150,000,000 or amending in any material respect the terms of existing or future indebtedness or derivatives liability such that the aggregate liability is in excess of $150,000,000;

(vii) the appointment or termination of the Chief Executive Officer of the Company; and

(viii) the delegation any of the actions set forth in (i) – (vii) above to any committee of the Board of Directors.

(j) Any determination of compensation, benefits, perquisites and other incentives for the Chief Executive Officer of the Company and the approval or amendment of any plans or contracts in connection therewith, shall require approval by a majority of the independent members of the Board of Directors, but only to the extent permitted by applicable laws, regulations and stock exchange listing rules and regulations, in which case any such determinations and approvals shall be made by the Compensation Committee.

(k) For so long as Silver Lake Sumeru beneficially owns, directly or indirectly, in the aggregate more than 15% of the issued and outstanding Common Shares, Silver Lake Sumeru shall have the right to have (i) one of its Silver Lake Sumeru Directors appointed (at Silver Lake Sumeru's election) as its representative to serve on the Audit Committee of the Board of Directors, but only to the extent permitted by applicable laws, regulations and stock exchange listing rules and regulations, and such Silver Lake Sumeru Director shall be replaced by the Sponsor Nominated Independent Director prior to the first (1st) anniversary of the IPO Date and (ii) two (2) Silver Lake Sumeru Directors appointed (at Silver Lake Sumeru's election) as its representatives to serve on the Compensation Committee and the Nominating and Corporate Governance Committee of the Board of Directors, but only to the extent permitted by applicable laws, regulations and stock exchange listing rules and regulations.

(l) For so long as Silver Lake Sumeru beneficially owns, directly or indirectly, in the aggregate more than 15% of the issued and outstanding Common Shares, any increase or decrease in the size of the Board of Directors or any committee thereof shall require approval by the Board of Directors, including the affirmative vote of at least two Silver Lake Sumeru Directors; provided, however, if the Company has received a notice of delisting from the stock exchange on which its Common Stock is then listed due to a failure to comply with the applicable stock exchange rules relating to the composition of the Board of Directors, and Silver Lake Sumeru has not taken action within five (5) Business Days of receipt of such notice to appoint Silver Lake Sumeru Directors to the Board of Directors to cure the breach of the listing rules, the Board of Directors may increase the size of the Board of Directors, by vote of a majority of the members of the Board of Directors and without requiring the consent of two Silver Lake Sumeru Directors, solely to permit the election of directors to enable the Board of Directors to satisfy the applicable stock exchange listing rules.

(m) The Company shall reimburse the members of the Board of Directors for reasonable expenses that are incurred as a result of serving as a director, including all reasonable out-of-pocket expenses incurred in connection with their attendance at meetings of the Board of Directors and any committees thereof, including without limitation travel, lodging and meal expenses. The Company shall also reimburse new members of the Board of Directors for travel expenses relating to orientation, and each member of the Board of Directors for the reasonable expenses of attendance at one external training program per year.

(n) The Company shall obtain and maintain customary director and officer indemnity insurance on commercially reasonable terms and the directors elected pursuant hereto shall also be provided the benefit of customary director indemnity provisions or agreements.

(o) Solely for purposes of Section 3.01 and in order to secure the performance of each Stockholder's obligations under Section 3.01, each Stockholder hereby irrevocably appoints Silver Lake Sumeru Fund, L.P. as the attorney-in-fact and proxy of such Stockholder (with full power of substitution) to vote or provide a written consent with respect to its Common Shares as described in this paragraph if, and only in the event that, such Stockholder fails to vote or provide a written consent with respect to its Common Shares in accordance with the terms of Section 3.01 (each such Stockholder, a "Breaching Board Composition Stockholder") within three (3) business days of a request for such vote or written consent. Upon such failure, Silver Lake Sumeru shall have and is hereby irrevocably granted a proxy to vote or provide a written consent with respect to each such Breaching Board Composition Stockholder's Common Shares for the purposes of taking the actions required by Section 3.01. Each Stockholder intends this proxy to be, and it shall be, irrevocable for the term specified herein (or until the earlier termination of this Agreement) and coupled with an interest, and each Stockholder will take such further action and execute such other instruments as may be necessary to effectuate the intent of this proxy and hereby revoke any proxy previously granted by it with respect to the matters set forth in Section 3.01 with respect to the Common Shares owned by such Stockholder. This proxy shall terminate when Silver Lake Sumeru beneficially owns, directly or indirectly, in the aggregate less than 5% of the issued and outstanding Common Shares.

Section 3.02 Additional Management Provisions.

(a) The Company hereby agrees and acknowledges that in the course of their duties as directors of the Company, the directors designated by each Sponsor will receive confidential, non-public information about the Company and its subsidiaries and may share such confidential information about the Company and its subsidiaries with such Sponsor; provided, that, the directors shall not share information that the Company has designated as attorney client, work product or similar privilege without the prior consent of the Company; provided, further, that such Sponsor shall keep such information confidential and shall not disclose any such information with respect to the Company or any of its subsidiaries to any third party without the prior approval of the Company, except to the extent that (i) disclosure is made in compliance with the proviso set forth in Section 5.06(a) (reversing references to the Company on the one hand with references to the Affiliated Persons or the Sponsor, as applicable, on the other hand) or (ii) the recipient is generally subject to customary confidentiality obligations. A Sponsor shall be responsible for any breach of the terms of this Section 3.02 by it or its Affiliated Persons, and

shall take reasonably appropriate steps to safeguard confidential information of the Company from disclosure, misuse, espionage, loss and theft.

(b) No individual Stockholder, solely in their capacity as a Stockholder, shall have the authority to manage the business and affairs of the Company or contract for or incur on behalf of the Company any debts, liabilities or other obligations, and no such action of a Stockholder will be binding on the Company.

Section 3.03 Tax Covenants. The Company shall use its reasonable best efforts to conduct its affairs in a manner that does not cause any Stockholder (or any direct or indirect partner or member thereof) (i) that is exempt from taxation pursuant to Section 501 of the Code, to be allocated "unrelated business taxable income" (within the meaning of Section 512 of the Code) from the Company, or (ii) that is not a United States person for U.S. federal income tax purposes to be deemed engaged in a "trade or business" by virtue of the activities of the Company.

Section 3.04 Securities Law Filings. During the term of this Agreement, the Stockholders shall reasonably cooperate with each other to the extent required or appropriate in relation to filings with the Securities and Exchange Commission, including filings regarding the beneficial ownership of shares of the Company in a group as defined within Section 13d-3 under the Exchange Act.

ARTICLE IV
TRANSFERS OF SHARES

Section 4.01 Limitations on Transfer. (a) The Stockholders other than Silver Lake Sumeru and any Silver Lake Sumeru Affiliated Person (collectively, the "Restricted Stockholders") shall not be permitted to Transfer all or any portion of their Restricted Shares other than:

(i) to any Permitted Transferee in accordance with the terms of Section 4.02, provided, that, in the case of any Restricted Stockholder that is a partnership, limited liability company, or any foreign equivalent thereof, any Transfer to a partner, member or foreign equivalent thereof of such Restricted Stockholder, may only be made as a pro rata distribution in accordance with such Restricted Stockholder's governing documents;

(ii) prior to the earlier of (A) the second (2nd) anniversary of the IPO Closing and (B) the date on which the number of Common Shares beneficially owned, directly or indirectly, by Silver Lake Sumeru has decreased to 50% of the Post-IPO Shares held by Silver Lake Sumeru (the "Initial Holding Period"), with the consent of Silver Lake Sumeru and subject to the tag-along rights and drag-along rights provisions of this Article IV;

(iii) after the Initial Holding Period, to any Transferee, without consent, subject only to the tag-along rights and drag-along rights provisions of this Article IV;

(iv) in a registered public offering pursuant to the Registration Rights Agreement;

(v) as a Tagging Stockholder in accordance with Section 4.04;

(vi) as a Restricted Stockholder in accordance with Section 4.05; and

(vii) in the case of each of Tucker and Spanicciati, up to a number of shares equal to one percent (1%) of the issued and outstanding Common Shares in any twelve month period pursuant to Rule 144.

(b) Notwithstanding the foregoing, in no event shall any Restricted Stockholder be entitled to Transfer its Restricted Shares to any Person considered by the Board of Directors or Silver Lake Sumeru to be (i) an actual or potential competitor of, or (ii) otherwise adverse to, the Company (a "Adverse Party") or any other Person who (directly or indirectly) (A) holds an ownership interest in such Adverse Party equal to three percent (3%) or more of the outstanding voting securities of such Adverse Party or (B) has designated, or has the right to designate, a member of the board of directors of such Adverse Party, in each case without the approval of the Silver Lake Sumeru, such approval being required only for so long as Silver Lake Sumeru holds greater than 5% of the issued and outstanding Common Shares, except for Transfers in any bona fide underwritten public offering or sales pursuant to Rule 144 permitted by Section 4.01(a)(vii). In addition, no Stockholder shall be entitled to Transfer its Common Shares at any time if such Transfer would:

(i) violate the Securities Act, or any state (or other jurisdiction) securities or "Blue Sky" laws applicable to the Company or the Common Shares;

(ii) cause the Company to become subject to the registration requirements of the U.S. Investment Company Act of 1940, as amended from time to time; or

(iii) be a non-exempt "prohibited transaction" under ERISA or the Code or cause all or any portion of the assets of the Company to constitute "plan assets" under ERISA or Section 4975 of the Code.

In the event of a purported Transfer by a Stockholder of any Common Shares in violation of the provisions of this Agreement, such purported Transfer will be void and of no effect, and the Company will not give effect to such Transfer.

(c) Each certificate or securities evidenced on the books and records of the transfer agent, as applicable, evidencing the Restricted Shares shall bear the following restrictive legend, either as an endorsement or on the face thereof:

THE SALE, ASSIGNMENT, TRANSFER OR OTHER DISPOSITION OF THE SECURITIES EVIDENCED HEREBY IS RESTRICTED BY THE TERMS OF A STOCKHOLDERS AGREEMENT, DATED AS OF OCTOBER 27, 2016, COPIES OF WHICH ARE ON FILE WITH THE ISSUER OF THIS CERTIFICATE. NO SALE, ASSIGNMENT, TRANSFER OR OTHER

DISPOSITION SHALL BE EFFECTIVE UNLESS AND UNTIL THE TERMS AND CONDITIONS OF SUCH STOCKHOLDERS' AGREEMENT HAVE BEEN COMPLIED WITH IN FULL.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE SOLD OR TRANSFERRED OTHER THAN IN ACCORDANCE WITH THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED (OR OTHER APPLICABLE LAW), OR AN EXEMPTION THEREFROM.

(d) In the event that one or more of the restrictive legend set forth in Section 4.01(c) has ceased to be applicable, the Company shall provide or shall cause its transfer agent to provide any Stockholder, or its respective transferees, at their request, without any expense to such Persons (other than applicable transfer taxes and similar governmental charges, if any), with, in the case of securities evidenced by certificates, new certificates for such securities of like tenor not bearing the legend with respect to which the restriction has ceased and terminated or, in the case of securities evidenced on the books and records of the transfer agent, with a securities entry that is free of any restrictive notations corresponding to such legend.

Section 4.02 Transfer to Permitted Transferees. A Restricted Stockholder may Transfer its Restricted Shares to a Permitted Transferee of such Restricted Stockholder; provided that each Permitted Transferee of any Restricted Stockholder to which Restricted Shares are Transferred shall, and such Restricted Stockholder shall cause such Permitted Transferee to, Transfer back to such Restricted Stockholder (or to another Permitted Transferee of such Restricted Stockholder) any Restricted Shares it owns if such Permitted Transferee ceases to be a Permitted Transferee of such Restricted Stockholder. Notwithstanding the foregoing, the foregoing proviso shall not apply to those Persons described in clause (ii) of the definition of "Permitted Transferee".

Section 4.03 [Reserved]

Section 4.04 Tag-Along Rights. (a) If a Stockholder (the "Transferring Stockholder") proposes to Transfer all or any portion of its Restricted Shares (a "Proposed Transfer") (other than (i) to a Permitted Transferee, (ii) pursuant to or consequent upon the exercise of the drag-along rights set forth in Section 4.05, (iii) in the case of each of Tucker and Spanicciati, pursuant to Rule 144 subject to the limitation set forth in Section 4.01(a)(vii), or (iv) pursuant to a registered offering, each other Stockholder shall have the right to participate in the Transferring Stockholder's Transfer by Transferring up to its Pro Rata Portion to the proposed transferee (the "Proposed Transferee") (each Stockholder who exercises its rights under this Section 4.04(a), a "Tagging Stockholder").

(b) The Transferring Stockholder shall give written notice (a "Tag-Along Notice") to each other Stockholder of a Proposed Transfer, setting forth the number and class(es) of Restricted Shares proposed to be so Transferred, the name and address of the Proposed Transferee, the proposed amount and form of consideration and other terms and conditions of

payment offered by the Proposed Transferee. The Transferring Stockholder shall deliver or cause to be delivered to each other Stockholder copies of all transaction documents relating to the Proposed Transfer as the same become available. The tag-along rights provided by this Section 4.04 must be exercised by a Stockholder within a period of five (5) Business Days from the date of the Tag-Along Notice, by delivery of a written notice to the Transferring Stockholder indicating its desire to exercise its rights and specifying the number and class(es) of Restricted Shares it desires to Transfer. With respect to each class of Restricted Shares proposed to be Transferred, if the Transferring Stockholder is unable to cause the Proposed Transferee to purchase all the Restricted Shares of such class proposed to be Transferred by the Transferring Stockholder and the Tagging Stockholders, then the maximum number of Restricted Shares of such class that each such Stockholder, including the Transferring Stockholder, is permitted to sell in such Proposed Transfer shall be equal to their Pro Rata Portion. The Transferring Stockholder shall have a period of sixty (60) days following the expiration of the five (5) Business Day period mentioned above to enter into a definitive agreement to sell all the Restricted Shares agreed to be purchased by the Proposed Transferee on the terms specified in the notice required by the first sentence of this Section 4.04(b). With respect to each class of Restricted Shares proposed to be Transferred, if the Proposed Transferee agrees to purchase more Restricted Shares of such class than specified in the Tag-Along Notice in the Proposed Transfer, the Stockholders shall also have the same right to participate in the Transfer of such Restricted Shares of such class that are in excess of the amount set forth on the Tag-Along Notice in accordance with this Section 4.04.

(c) Any Transfer of Restricted Shares by a Tagging Stockholder to a Proposed Transferee pursuant to this Section 4.04 shall be on the same terms and conditions (including, without limitation, price, time of payment and form of consideration) as to be paid to the Transferring Stockholder; provided that in order to be entitled to exercise its tag-along right pursuant to this Section 4.04, each Tagging Stockholder must agree to make to the Proposed Transferee representations, warranties, covenants, indemnities and agreements the same *mutatis mutandis* as those made by the Transferring Stockholder in connection with the Proposed Transfer (other than any non-competition, non-solicitation or similar agreements or covenants that would bind the Tagging Stockholder, its Affiliates or any of their respective portfolio companies), and agree to the same conditions to the Proposed Transfer as the Transferring Stockholder agrees, it being understood that all such representations, warranties, covenants, indemnities and agreements shall be made by the Transferring Stockholder and each Tagging Stockholder severally and not jointly and that the aggregate amount of the liability of the Tagging Stockholder shall not exceed, except with respect to individual representations, warranties, covenants, indemnities and other agreements of the Tagging Stockholder as to the unencumbered title to its Restricted Shares and the power, authority and legal right to Transfer such Restricted Shares, such Tagging Stockholder's pro rata share of any such liability to be determined in accordance with such Tagging Stockholder's portion of the total number of Restricted Shares included in such Transfer; provided that, in any event the amount of liability of any Tagging Stockholder shall not exceed the proceeds such Tagging Stockholder received in connection with such Transfer. Each Tagging Stockholder shall be responsible for its proportionate share of the costs of the Proposed Transfer to the extent not paid or reimbursed by the Proposed Transferee or the Company.

Section 4.05 Drag-Along Rights. (a) For so long as Silver Lake Sumeru holds greater than ten percent (10%) of the issued and outstanding Common Shares and Silver Lake Sumeru agrees to enter into a transaction which would result in a Change in Control, Silver Lake Sumeru may compel each Restricted Stockholder to sell its Common Shares by delivering written notice (a "Drag-Along Notice") to the Restricted Stockholders stating that Silver Lake Sumeru wishes to exercise its rights under this Section 4.05 with respect to such Transfer, and setting forth the name and address of the purchaser in the Change in Control (a "Drag-Along Buyer"), the number of Common Shares proposed to be Transferred, the proposed amount and form of the consideration, and all other material terms and conditions offered by the Drag-Along Buyer.

(b) Upon delivery of a Drag-Along Notice, each Restricted Stockholder shall be required to Transfer its Pro Rata Portion, on the same terms and conditions (including, without limitation, as to price, time of payment and form of consideration) as agreed by Silver Lake Sumeru and the Drag-Along Buyer, and shall make to the Drag-Along Buyer representations, warranties, covenants, indemnities and agreements the same *mutatis mutandis* to those made by Silver Lake Sumeru in connection with the Transfer (other than any non-competition, non-solicitation or similar agreements or covenants that would bind the Restricted Stockholder, its Affiliates or any of their respective portfolio companies), and shall agree to the same conditions to the Transfer as Silver Lake Sumeru agrees, it being understood that all such representations, warranties, covenants, indemnities and agreements shall be made by Silver Lake Sumeru and each Restricted Stockholder severally and not jointly and that the aggregate amount of the liability of the Restricted Stockholder shall not exceed, except with respect to individual representations, warranties, covenants, indemnities and other agreements of the Restricted Stockholder as to the unencumbered title to its Common Shares and the power, authority and legal right to Transfer such Common Shares, such Restricted Stockholder's pro rata share of any such liability, to be determined in accordance with such Restricted Stockholder's portion of the total number of Common Shares included in such Transfer; provided that, in any event the amount of liability of any Restricted Stockholder shall not exceed the proceeds such Restricted Stockholder received in connection with such Transfer.

(c) In the event that a Change in Control is structured as a (i) merger, consolidation, or similar business combination, each Restricted Stockholder agrees to (A) vote in favor of the transaction, (B) take such other action as may be required to effect such transaction (subject to Section 4.05(b)) and (C) take all action to waive any dissenters, appraisal or other similar rights with respect thereto or (ii) sale of assets, each Restricted Stockholder agrees to vote in favor of (to the extent requested or required to vote for) such transaction and any subsequent liquidation or other distribution of the proceeds therefrom in accordance with the Company's Organizational Documents.

(d) Solely for purposes of Section 4.05(c)(i) and in order to secure the performance of each Restricted Stockholder's obligations under Section 4.05(c)(i), each Restricted Stockholder hereby irrevocably appoints Silver Lake Sumeru the attorney-in-fact and proxy of such Restricted Stockholder (with full power of substitution) to vote or provide a written consent with respect to its Common Shares as described in this paragraph if, and only in the event that, such Restricted Stockholder fails to vote or provide a written consent with respect to its Common Shares in accordance with the terms of Section 4.05(c)(i) (each such Restricted Stockholder, a "Breaching Restricted Stockholder") within three (3) business days of a request

for such vote or written consent. Upon such failure, Silver Lake Sumeru shall have and is hereby irrevocably granted a proxy to vote or provide a written consent with respect to each such Breaching Restricted Stockholder's Common Shares for the purposes of taking the actions required by Section 4.05(c)(i). Each Restricted Stockholder intends this proxy to be, and it shall be, irrevocable for the term specified herein (or until the earlier termination of this Agreement) and coupled with an interest, and each Restricted Stockholder will take such further action and execute such other instruments as may be necessary to effectuate the intent of this proxy and hereby revoke any proxy previously granted by it with respect to the matters set forth in Section 4.05(c)(i) with respect to the Common Shares owned by such Restricted Stockholder. Notwithstanding the foregoing, the conditional proxy granted by this Section 4.05(d) shall be deemed to be revoked upon the termination of this Article IV in accordance with its terms.

(e) If any Restricted Stockholder fails to deliver to the Drag-Along Buyer the certificate or certificates evidencing Common Shares to be sold pursuant to this Section 4.05, Silver Lake Sumeru may, at its option, in addition to all other remedies it may have, arrange for the deposit of the purchase price (including any promissory note constituting all or any portion thereof) for such Common Shares with any national bank or trust company having combined capital, surplus and undivided profits in excess of $100 million (the "Escrow Agent"), and the Company shall cancel on its books the certificate or certificates representing such Common Shares and thereupon all of such Restricted Stockholder's rights in and to such Common Shares shall terminate. Thereafter, upon delivery to the Company by such Restricted Stockholder of the certificate or certificates evidencing such Common Shares (for the avoidance of doubt, including a new certificate or certificates issued pursuant to Section 167 of the Delaware General Corporation Law in the discretion of the Company) (duly endorsed, or with stock powers duly endorsed, for transfer, with signature guaranteed, free and clear of any liens or encumbrances, and with any stock transfer tax stamps affixed), Silver Lake Sumeru shall instruct the Escrow Agent to deliver the purchase price (without any interest from the date of the closing to the date of such delivery, any such interest to accrue to the Company) to such Restricted Stockholder.

Section 4.06 Rights and Obligations of Transferees. (a) Any Transfer of Restricted Shares to any Permitted Transferee (other than a Stockholder), which Transfer is otherwise in compliance herewith, shall be permitted hereunder only if the Transferee of such Restricted Shares agrees in writing that it shall, upon such Transfer, assume with respect to such Restricted Shares the Transferor's obligations under this Agreement and become a party to this Agreement for such purpose, and any other agreement or instrument executed and delivered by such Transferor in respect of the Restricted Shares.

(b) Upon any Transfer of Restricted Shares to any Permitted Transferee (other than a Stockholder), which Transfer is otherwise in compliance herewith, the Permitted Transferee shall, upon such Transfer, assume all rights held by the Transferor at the time of the Transfer with respect to such Restricted Shares, provided that no Permitted Transferee (other than any Affiliate of a Sponsor) shall acquire any of the rights provided in Article III hereof by reason of such Transfer.

ARTICLE V
GENERAL PROVISIONS

Section 5.01 [Reserved].

Section 5.02 Indemnification Priority. The Company hereby acknowledges that, in addition to the rights provided to each Silver Lake Sumeru Director, Iconiq Director or other indemnified Person covered by any indemnity insurance policy (any such Person, an "Indemnitee"), the Organizational Documents or any indemnification agreement that such Indemnitee may enter into with the Company from time to time (collectively, the "Indemnification Agreements"), the Indemnitees may have certain rights to indemnification, advancement of expenses and/or insurance provided by Silver Lake Sumeru or Iconiq, as the case may be, or one or more of its respective Affiliates (excluding the Company and its subsidiaries) now or hereafter (with respect to Silver Lake Sumeru or Iconiq, as applicable, the "Fund Indemnitors"). Notwithstanding anything to the contrary in any of the Indemnification Agreements or this Agreement, the Company hereby agrees that, to the fullest extent permitted by law, with respect to its indemnification and advancement obligations to the Indemnitees under the Indemnification Agreements, this Agreement or otherwise, the Company (i) is the indemnitor of first resort (i.e., its and its insurers' obligations to advance expenses and to indemnify the Indemnitees are primary and any obligation of the Fund Indemnitors or their insurers to advance expenses or to provide indemnification for the same expenses or liabilities incurred by any of the Indemnitees is secondary and excess), (ii) shall be required to advance the full amount of expenses incurred by each Indemnitee and shall be liable for the full amount of all losses, liabilities, damages, deficiencies, fines and assessments, claims, judgments, awards, settlements, demands, offsets, costs or expenses (including without limitation, interest, penalties, court costs, arbitration costs and fees, costs of investigation, witness fees, fees and expenses of outside attorneys, investigators, expert witnesses, accountants and other professionals, and any federal, state, local or foreign tax imposed as a result of actual or deemed receipt of any payments by the Indemnified Person pursuant to this Agreement) of each Indemnitee or on his, her or its behalf to the extent legally permitted and as required by this Agreement and the Indemnification Agreements, without regard to any rights such Indemnitees may have against the Fund Indemnitors or their insurers, and (iii) irrevocably waives and relinquishes, and releases the Fund Indemnitors and such insurers from, any and all claims against the Fund Indemnitors or such insurers for contribution, subrogation or any other recovery of any kind in respect thereof. In furtherance and not in limitation of the foregoing, the Company agrees that in the event that any Fund Indemnitor or its insurer should advance any expenses or make any payment to any Indemnitee for matters subject to advancement or indemnification by the Company pursuant to this Agreement or otherwise, the Company shall promptly reimburse such Fund Indemnitor or insurer and that such Fund Indemnitor or insurer shall be subrogated to all of the claims or rights of such Indemnitee under the Indemnification Agreements, this Agreement or otherwise, including to the payment of expenses in an action to collect. The Company agrees that any Fund Indemnitor or insurer thereof not a party hereto shall be an express third party beneficiary of this Section 5.02, able to enforce such clause according to its terms as if it were a party hereto. Nothing contained in the Indemnification Agreements is intended to limit the scope of this Section 5.02 or the other terms set forth in this Agreement or the rights of the Fund Indemnitors or their insurers hereunder.

Section 5.03 Merger with Subsidiary. In the event of any merger, statutory share exchange or other business combination of the Company with any of its subsidiaries in which the Company is not the surviving entity, each of the Stockholders' shall, to the extent necessary, as they determine, execute a stockholders' agreement with terms that are substantially equivalent to this Agreement; provided that such stockholders' agreement shall terminate upon the same terms and conditions as provided herein.

Section 5.04 Waivers. No waiver of any breach of any of the terms of this Agreement shall be effective unless such waiver is made expressly in writing and executed and delivered by the party against whom such waiver is claimed. No waiver of any breach shall be deemed to be a further or continuing waiver of such breach or a waiver of any other or subsequent breach. Except as otherwise expressly provided herein, no failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof, or the exercise of any other right, power or remedy.

Section 5.05 Other Businesses; Waiver of Certain Duties. (a) Each Stockholder (for itself and on behalf of the Company) hereby, to the fullest extent permitted by applicable law:

(i) confirms that none of the Sponsors has any duty to any other Stockholder or to the Company or any of its subsidiaries other than the specific covenants and agreements set forth in this Agreement;

(ii) acknowledges and agrees that, (A) in the event of any conflict of interest between the Company or any of its subsidiaries, on the one hand, and any Sponsor, on the other hand, such Sponsor (or its respective Sponsor Directors acting in his or her capacity as a director) may act in its best interest and (B) no Sponsor (or its respective Sponsor Directors acting in his or her capacity as a director), shall be obligated (1) to reveal to the Company or its subsidiaries confidential information belonging to or relating to the business of such person or (2) to recommend or take any action in its capacity as such Stockholder or director, as the case may be, that prefers the interest of the Company or its subsidiaries over the interest of such person; and

(iii) waives any claim or cause of action against any Sponsor, any Sponsor Director and any officer, employee, agent or Affiliate of any such person that may from time to time arise in respect of a breach by any such person of any duty or obligation disclaimed under Section 5.05(c)(i) through (ii).

(b) Each Stockholder agrees that the waivers, limitations, acknowledgments and agreements set forth in this Section 5.05 shall not apply to any alleged claim or cause of action against a Sponsor Director, Sponsor, any of a Sponsor's Affiliates or any of their respective employees, officers, directors, agents or authorized representatives based upon the breach or nonperformance by such person of this Agreement or other agreement to which such person is a party.

The provisions of this Section 5.05, to the extent that they restrict the duties and liabilities of a Sponsor or Sponsor Director otherwise existing at law or in equity, are agreed by the Stockholders to replace such other duties and liabilities of such Sponsors or Sponsor Director to the fullest extent permitted by applicable law.

Section 5.06 Confidentiality.

(a) The Company hereby agrees that it and its subsidiaries, and it and its subsidiaries' respective employees, directors, officers and agents, with the exception of the Silver Lake Sumeru Affiliated Persons and the Iconiq Affiliated Persons (each, an "Affiliated Person"), shall keep confidential, and shall not disclose to any third Person or use for its own benefit, without prior approval of Silver Lake Sumeru or Iconiq, as applicable, any non-public information with respect to such Sponsor, or any of its subsidiaries or Affiliates (including any Person in which such Sponsor holds, or contemplates acquiring, an investment, but excluding the Company and its subsidiaries) (collectively "Sponsor Confidential Information") that is in the Company's or such Affiliated Persons' possession on the date hereof or disclosed after the date of this Agreement to the Company or such Affiliated Persons by or on behalf of such Sponsor, or its subsidiaries or Affiliates, provided, that the Company and the Affiliated Persons may disclose any such Sponsor Confidential Information (i) that has become generally available to the public, was or has come into the Company's or the Affiliated Persons' possession on a non-confidential basis, without a breach of any confidentiality obligations by the Person disclosing such Sponsor Confidential Information, or has been independently developed by the Company or the Affiliated Persons, without use of Sponsor Confidential Information, (ii) to the Company's Affiliates, and its and their respective directors, officers, representatives, agents and employees and professional advisers who need to know such Sponsor Confidential Information and agree to keep it confidential on terms consistent with this Section 5.06(a), (iii) to the extent necessary in order to comply with any law, order, regulation or ruling applicable to the Company or its Affiliates, or to a regulatory agency with applicable jurisdiction, and (iv) as may be required in response to any summons or subpoena or in connection with any litigation or arbitration, it being agreed that, unless such Sponsor Confidential Information has been generally available to the public, if such Sponsor Confidential Information is being requested pursuant to a summons or subpoena or a discovery request in connection with a litigation, then (x) the Company shall give Silver Lake Sumeru or Iconiq, as applicable, notice of such request and shall cooperate with such Sponsor so that such Sponsor may, in its discretion, seek a protective order or other appropriate remedy, if available, and (y) in the event that such protective order is not obtained (or sought by such Sponsor after notice), the Company (a) shall furnish only that portion of the Sponsor Confidential Information which, in the written opinion of counsel, is legally required to be furnished and (b) will exercise its reasonable efforts to obtain adequate assurances that confidential treatment will be accorded such Sponsor Confidential Information by its recipients.

(b) The Company grants permission to Silver Lake Sumeru and Iconiq to use the name and logo of the Company in marketing materials used by Silver Lake Sumeru, Iconiq and their respective Affiliates. Silver Lake Sumeru, Iconiq and their respective Affiliates shall include a trademark attribution notice giving notice of the Company's ownership of its trademarks in any marketing materials in which the Company's name and logo appear.

(c) Notwithstanding anything to the contrary contained in this Agreement, the provisions of this Section 5.06 shall survive termination of this Agreement with respect to matters arising before or after such termination, and shall remain in full force and effect until such time as such provisions are explicitly waived and revoked by Silver Lake Sumeru or Iconiq, as applicable or the Company. Such waiver and revocation shall be made in writing to the Company or such Sponsor and shall take effect at the time specified therein or, if no time is specified therein, at the time of receipt thereof by the Company or such Sponsor.

Section 5.07 Assignment; Benefit.

(a) The rights and obligations hereunder shall not be assignable without the prior written consent of the other parties hereto except as provided under Article IV. Any assignment of rights or obligations in violation of this Section 5.07 shall be null and void.

(b) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and permitted assigns, and there shall be no third-party beneficiaries to this Agreement, except as expressly stated.

Section 5.08 Termination. The provisions of Article IV shall terminate as specified therein. The remainder of this Agreement shall terminate automatically (without any action by any party hereto) as to each Stockholder when such Stockholder ceases to hold at least 1% of the issued and outstanding Common Shares.

Section 5.09 Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 5.10 Entire Agreement; Amendment. This Agreement sets forth the entire understanding and agreement between the parties with respect to the transactions contemplated herein and supersedes and replaces any prior understanding, agreement or statement of intent, in each case written or oral, of any kind and every nature with respect hereto. No provision of this Agreement may be amended, modified or waived in whole or in part at any time without an agreement in writing executed by each Sponsor; provided that (a) any amendment that would have a material adverse effect on a Stockholder shall require the written consent of that Stockholder and (b) this Section 5.10 may not be amended without the prior written consent of all Stockholders.

Section 5.11 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

Section 5.12 Notices. Unless otherwise specified herein, all notices, consents, approvals, reports, designations, requests, waivers, elections and other communications authorized or required to be given pursuant to this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by personal hand-delivery, by facsimile transmission, by electronic mail, by mailing the same in a sealed envelope, registered first-class mail, postage prepaid, return receipt requested, or by air courier

guaranteeing overnight delivery, sent to the Stockholders at the following addresses (or such other address as such Stockholders may specify by notice to the Company:

If to the Company:

BlackLine, Inc.
21300 Victory Boulevard, 12th Floor
Woodland Hills, CA 91367
Attention: Karole Morgan-Prager
Telephone: ###
Fax: ###

with a copy (which shall not constitute notice) to:

Wilson Sonsini Goodrich & Rosati
650 Page Mill Road
Palo Alto, California 94304
Attention: Katharine A. Martin
Telephone: ###
Fax: ###

if to Silver Lake Sumeru, to:

Silver Lake Sumeru Fund, L.P.
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
Attention: Hollie Moore Haynes
Jason Babcoke
Telephone: ###
Fax: ###

with a copy (which shall not constitute notice) to:

Silver Lake Sumeru Fund, L.P.
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
Attention: Legal Department
Telephone: ###
Fax: ###

with a copy (which shall not constitute notice) to:

Kirkland & Ellis, LLP
3330 Hillview Avenue
Palo Alto, California 94304
Attention: Adam D. Phillips
Telephone: ###

Fax: ###

If to Iconiq, to:

Iconiq Strategic Partners, L.P.
394 Pacific, 2nd Floor
San Francisco, CA 94111
Attention: Kevin Foster
Telephone: ###

with a copy (which shall not constitute notice) to:

Goodwin Procter LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018-1405
Attention: Ilan Nissan and Jane Greyf
Telephone: ### and ###
Fax: ### and ###

If to Tucker or Spanicciati, to the address on file with the Company.

If to an Other Stockholder, to the address set forth in the Schedule of Other Stockholders.

Section 5.13 Governing Law; Jurisdiction. THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF. ANY ACTION OR PROCEEDING AGAINST THE PARTIES RELATING IN ANY WAY TO THIS AGREEMENT MAY BE BROUGHT AND ENFORCED EXCLUSIVELY IN THE COURTS OF THE STATE OF DELAWARE OR (TO THE EXTENT SUBJECT MATTER JURISDICTION EXISTS THEREFOR) THE U.S. DISTRICT COURT FOR THE DISTRICT OF DELAWARE, AND THE PARTIES IRREVOCABLY SUBMIT TO THE JURISDICTION OF BOTH SUCH COURTS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING.

Section 5.14 Waiver of Jury Trial. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, EACH STOCKHOLDER WAIVES, AND COVENANTS THAT SUCH PARTY WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM OR PROCEEDING ARISING OUT OF THIS AGREEMENT OR THE SUBJECT MATTER HEREOF OR IN ANY WAY CONNECTED WITH THE DEALINGS OF ANY STOCKHOLDER OR THE COMPANY IN CONNECTION WITH ANY OF THE ABOVE, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER IN CONTRACT, TORT OR OTHERWISE. The Company or any Stockholder may file an original counterpart or a copy of this Section 5.14 with any court as written evidence of the consent of the Stockholders to the waiver of their rights to trial by jury.

Section 5.15 Specific Performance. It is hereby agreed and acknowledged that it will be impossible to measure in money the damages that would be suffered if the parties fail to comply with any of the obligations herein imposed on them and that, in the event of any such failure, an aggrieved Person will be irreparably damaged and will not have an adequate remedy at law. Any such party shall, therefore, be entitled (in addition to any other remedy to which such party may be entitled at law or in equity) to injunctive relief, including specific performance, to enforce such obligations, without the posting of any bond and if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that there is an adequate remedy at law.

Section 5.16 No Third Party Liability. This Agreement may only be enforced against the named parties hereto. All claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), may be made only against the entities that are expressly identified as parties hereto; and no past, present or future director, officer, employee, incorporator, member, partner, stockholder, Affiliate, agent, attorney or representative of any party hereto (including any Person negotiating or executing this Agreement on behalf of a party hereto), unless party to this Agreement, shall have any liability or obligation with respect to this Agreement or with respect any claim or cause of action (whether in contract or tort) that may arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including a representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement).

Section 5.17 Aggregation of Shares. All Common Shares beneficially owned by a Sponsor shall be aggregated together for purposes of determining the availability of any rights hereunder. As among the members of any Sponsor, such Sponsor may allocate the ability to exercise any rights under this Agreement in any manner that such Sponsor sees fit.

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

BLACKLINE, INC.

By: /s/ Therese Tucker
Name: Therese Tucker
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

SILVER LAKE SUMERU FUND, L.P.

By: Silver Lake Technology Associates Sumeru, L.P.,
its general partner

By: SLTA Sumeru (GP), L.L.C.,
its general partner

By: Silver Lake Group, L.L.C.,
its managing member

/s/ Hollie Haynes
Name: Hollie Moore Haynes
Title: Managing Director

SILVER LAKE TECHNOLOGY INVESTORS SUMERU, L.P.

By: Silver Lake Technology Associates Sumeru, L.P.,
its general partner

By: SLTA Sumeru (GP), L.L.C.,
its general partner

By: Silver Lake Group, L.L.C.,
its managing member

/s/ Hollie Haynes
Name: Hollie Moore Haynes
Title: Managing Director

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

ICONIQ STRATEGIC PARTNERS, L.P.

By: ICONIQ Strategic Partners GP, L.P.
its General Partner

By: ICONIQ Strategic Partners TT GP, Ltd.,
its General Partner

/s/ Kevin Foster
Name: Kevin Foster
Title: Authorized Signatory

ICONIQ STRATEGIC PARTNERS-B, L.P.

By: ICONIQ Strategic Partners GP, L.P.
its General Partner

By: ICONIQ Strategic Partners TT GP, Ltd.,
its General Partner

/s/ Kevin Foster
Name: Kevin Foster
Title: Authorized Signatory

ICONIQ STRATEGIC PARTNERS CO-INVEST, L.P., BL SERIES

By: ICONIQ Strategic Partners GP, L.P.
its General Partner

By: ICONIQ Strategic Partners TT GP, Ltd.,
its General Partner

/s/ Kevin Foster
Name: Kevin Foster
Title: Authorized Signatory

ICONIQ STRATEGIC PARTNERS CO-INVEST, L.P., BL2 SERIES

By: ICONIQ Strategic Partners GP, L.P.
its General Partner

By: ICONIQ Strategic Partners TT GP, Ltd.,
its General Partner

/s/ Kevin Foster
Name: Kevin Foster
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

THERESE TUCKER

By: /s/ Therese Tucker

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

MARIO SPANICCIATI

By: /s/ Mario Spanicciati

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

ISAAC TUCKER 2012 IRREVOCABLE TRUST

/s/ Therese Tucker
Name: Therese Tucker
Title: Trustee

ROSEANNA TUCKER 2012 IRREVOCABLE TRUST

/s/ Therese Tucker
Name: Therese Tucker
Title: Trustee

SAFETY NET GRAT

/s/ Therese Tucker
Name: Therese Tucker
Title: Trustee

CS 2015 GRAT

/s/ Therese Tucker
Name: Therese Tucker
Title: Trustee

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

TUCKER LEGACY TRUST

/s/ Karen Seimetz
Name: Karen Seimetz
Title: Trustee

IN WITNESS WHEREOF, the parties hereto have executed this Stockholders Agreement on the day and year first above written.

SPANICCIATI FAMILY 2013 DYNASTY TRUST

/s/ Michael Tranter

Name: Michael Tranter

Title: Trustee of the Spanicciati Family 2013 Dynasty Trust, and not individually or in any other capacity

SPANICCIATI FAMILY 2013 IRREVOCABLE TRUST

/s/ Michael Tranter

Name: Michael Tranter

Title: Trustee of the Spanicciati Family 2013 Irrevocable Trust, and not individually or in any other capacity

/s/ Diana Laurenti

Name: Diana Laurenti

Title: Trustee of the Spanicciati Family 2013 Irrevocable Trust, and not individually or in any other capacity

SCHEDULE OF OTHER STOCKHOLDERS

Name	Address
Tucker Trusts	
Roseanna Tucker 2012 Irrevocable Trust	###
Isaac Tucker 2012 Irrevocable Trust	###
Tucker Legacy Trust	###
Safety Net GRAT	###
CS 2015 GRAT	###
Spanicciati Trusts	
Spanicciati Family 2013 Irrevocable Trust	###
Spanicciati Family 2013 Dynasty Trust	###

Exhibit 4.3

AMENDED AND RESTATED

REGISTRATION RIGHTS AGREEMENT

BY AND AMONG

BLACKLINE, INC.

SILVER LAKE SUMERU FUND, L.P.

SILVER LAKE TECHNOLOGY INVESTORS SUMERU L.P.

ICONIQ STRATEGIC PARTNERS, L.P.

ICONIQ STRATEGIC PARTNERS-B, L.P.

ICONIQ STRATEGIC PARTNERS CO-INVEST, L.P., BL SERIES

ICONIQ STRATEGIC PARTNERS CO-INVEST, L.P., BL2 SERIES
THERESE TUCKER

AND

MARIO SPANICCIATI

DATED AS OF October 27, 2016

TABLE OF CONTENTS

AMENDED AND RESTATED
REGISTRATION RIGHTS AGREEMENT

THIS AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT (the "Agreement"), dated as of October 27, 2016, by and among BlackLine, Inc., a Delaware corporation ("BlackLine"), (together with its successors, the "Company"), Silver Lake Sumeru, Iconiq, Tucker, Spanicciati (each as defined below), each of the other Persons listed as "Other Stockholders" on the Schedule of Other Stockholders as of the date hereof and such other Persons, if any, from time to time that become party hereto as holders of Registrable Securities (as defined below) pursuant to Section 3.06. This Agreement amends and restates in its entirety the Registration Rights Agreement by and among Silver Lake Sumeru, Iconiq, each of the Other Stockholders party thereto and BlackLine, Inc., dated as of September 3, 2013 (the "Existing Registration Rights Agreement").

WITNESSETH:

WHEREAS, the parties entered into the Existing Registration Rights Agreement regarding Registrable Securities of the Company;

WHEREAS, on October 27, 2016, the Company will price an initial public offering (the "IPO") of Common Shares (as defined below) pursuant to an Underwriting Agreement dated October 27, 2016 (the "Underwriting Agreement");

WHEREAS, the parties believe that it is in the best interests of the Company and the other parties hereto to set forth their agreements regarding registration rights applicable to the Registrable Securities of the Company and certain other matters following the closing of the IPO (the "IPO Closing").

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, covenants and agreements of the parties hereto, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Adverse Disclosure" means public disclosure of material non-public information that, in the Board of Directors' good faith judgment, after consultation with independent outside counsel to the Company, (i) would be required to be made in any Registration Statement or report filed with the SEC by the Company so that such Registration Statement would not be misleading; (ii) would not be required to be made at such time but for the filing of such Registration Statement or report; and (iii) the Company has a bona fide business purpose for not disclosing publicly.

"Agreement" has the meaning set forth in the preamble.

"Affiliate" has the meaning specified in Rule 12b-2 under the Exchange Act; provided, that no Holder shall be deemed an Affiliate of the Company or any of its subsidiaries for purposes of this Agreement. The term "Affiliated" has a correlative meaning.

"BlackLine Stockholders' Agreement" means the Amended and Restated Stockholders' Agreement, by and among the Company, Silver Lake Sumeru, Iconiq, Tucker and Spanicciati, dated as of the date hereof, as amended, modified or supplemented from time to time.

"Block Trade" means any bought deal or block sale to a financial institution.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day other than a Saturday, Sunday or a day on which commercial banks located in New York, New York are required or authorized by law to be closed.

"Common Share Equivalents" means securities (including, without limitation, warrants) exercisable, exchangeable or convertible into Common Shares.

"Common Shares" means the shares of common stock, par value $.01 per share and any shares of capital stock of the Company issued or issuable with respect to such common stock by way of a stock dividend or distribution payable thereon or stock split, reverse stock split, recapitalization, reclassification, reorganization, exchange, subdivision or combination thereof.

"Company" has the meaning set forth in the preamble and shall include the Company's successors by merger, acquisition, reorganization, conversion or otherwise.

"Company Public Sale" has the meaning set forth in Section 2.03(a).

"Demand Notice" has the meaning set forth in Section 2.01(e).

"Demand Period" has the meaning set forth in Section 2.01(d).

"Demand Registration" has the meaning set forth in Section 2.01(a).

"Demand Registration Statement" has the meaning set forth in Section 2.01(a).

"Demand Request" has the meaning set forth in Section 2.01(a).

"Demand Rights Holder" means each of Silver Lake Sumeru, Iconiq, Tucker and Spanicciati.

"Demand Suspension" has the meaning set forth in Section 2.01(f).

"Demanding Holder" has the meaning set forth in Section 2.01(a).

"Effectiveness Date" means the date immediately following the IPO Closing.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and any successor thereto, and any rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

"FINRA" means the Financial Industry Regulatory Authority, Inc.

"Holder" means any holder of Registrable Securities who is a party hereto or who succeeds to rights hereunder pursuant to Section 3.06.

"Iconiq" means Iconiq Strategic Partners, L.P., Iconiq Strategic Partners-B, L.P., Iconiq Strategic Partners Co-Invest, L.P., BL Series, Iconiq Strategic Partners Co-Invest, L.P., BL2 Series and their respective Affiliates and permitted assignees hereunder.

"IPO" has the meaning set forth in the Recitals.

"IPO Closing" has the meaning set forth in the Recitals.

"Issuer Free Writing Prospectus" means an issuer free writing prospectus, as defined in Rule 433 under the Securities Act, relating to an offer of the Registrable Securities.

"Long-Form Registration Statement" has the meaning set forth in Section 2.01(a).

"Marketed Underwritten Offering" means an Underwritten Offering for which the senior executive officers of the Company will participate in customary "road show" presentations pursuant to Section 2.05(a)(xxiv).

"Participating Holder" means, with respect to any Registration, any Holder of Registrable Securities covered by the applicable Registration Statement.

"Participation Conditions" has the meaning set forth in Section 2.02(e)(ii).

"Person" means any individual, partnership, corporation, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

"Piggyback Registration" has the meaning set forth in Section 2.03(a).

"Potential Takedown Participant" has the meaning set forth in Section 2.02(e)(ii).

"Pro Rata Portion" means a number of such shares equal to the aggregate number of Registrable Securities to be sold in a Public Offering (excluding any shares to be registered or sold for the account of the Company) multiplied by a fraction, the numerator of which is the aggregate number of Registrable Securities held by such Holder immediately after giving effect to the consummation of the IPO, and the denominator of which is the aggregate number of Registrable Securities held by all Holders immediately after giving effect to the consummation of the IPO requesting that their Registrable Securities be sold in such Public Offering. If a Holder transfers Registrable Securities pursuant to Section 3.06, the numerator and denominator referred to above will be calculated as follows: (i) for the transferring Holder, the aggregate

number of Registrable Securities held by such Holder immediately after giving effect to the consummation of the IPO shall be deemed to be decreased by the amount of Registrable Securities transferred and (ii) for the Holder to which Registrable Securities have been transferred, such Holder shall be deemed to have held the Registrable Securities transferred to it as if it had held such Registrable Securities immediately after giving effect to the consummation of the IPO.

"Prospectus" means the prospectus included in any Registration Statement, all amendments and supplements to such prospectus, including pre- and post-effective amendments to such Registration Statement, and all other material incorporated by reference in such prospectus.

"Public Offering" means the offer and sale of Registrable Securities for cash pursuant to an effective Registration Statement under the Securities Act (other than a Registration Statement on Form S-4 or Form S-8 or any successor form).

"Public Sale" means a Company Public Sale or an Underwritten Offering.

"Registrable Securities" means (i) any Common Shares (including any issuable or issued upon exercise, exchange or conversion of any Common Share Equivalents) that are owned or held of record, directly or indirectly, by a Holder immediately after giving effect to the consummation of the IPO and (ii) any securities that may be issued or distributed or be issuable in respect of any Common Shares by way of conversion, dividend, stock split or other distribution, merger, consolidation, exchange, recapitalization or reclassification or similar transaction that are owned or held of record, directly or indirectly, by a Holder; provided, however, that any such Registrable Securities shall cease to be Registrable Securities to the extent (x) a Registration Statement with respect to the sale of such Registrable Securities has been declared effective under the Securities Act and such Registrable Securities have been disposed of in accordance with the plan of distribution set forth in such Registration Statement, (y) such Registrable Securities have been sold pursuant to Rule 144 (or any similar or analogous rule promulgated under the Securities Act) under the Securities Act, or (z) such Registrable Securities shall have been otherwise transferred and such securities may be publicly resold without Registration under the Securities Act.

"Registration" means a registration with the SEC of the Company's securities for offer and sale to the public under a Registration Statement. The term "Register" shall have a correlative meaning.

"Registration Expenses" has the meaning set forth in Section 2.08.

"Registration Statement" means any registration statement of the Company filed with, or to be filed with, the SEC under the rules and regulations promulgated under the Securities Act, including the related Prospectus, amendments and supplements to such registration statement, including pre- and post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement.

"Released Percentage" has the meaning set forth in Section 2.04(a).

"Representatives" means, with respect to any Person, any of such Person's officers, directors, employees, agents, attorneys, accountants, actuaries, consultants, equity financing partners or financial advisors or other Person associated with, or acting on behalf of, such Person.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, and any successor thereto, and any rules and regulations promulgated thereunder, all as the same shall be in effect from time to time.

"Shelf Period" has the meaning set forth in Section 2.02(b).

"Shelf Registration" means a Registration effected pursuant to Section 2.02.

"Shelf Registration Statement" means a Registration Statement of the Company filed with the SEC on either (i) Form S-3 (or any successor form or other appropriate form under the Securities Act) or (ii) if the Company is not permitted to file a Registration Statement on Form S-3, an Registration Statement on Form S-1 (or any successor form or other appropriate form under the Securities Act), in each case for an offering to be made on a continuous basis pursuant to Rule 415 under the Securities Act (or any similar rule that may be adopted by the SEC) covering the Registrable Securities, as applicable.

"Shelf Suspension" has the meaning set forth in Section 2.02(f).

"Shelf Takedown" means a Public Offering pursuant to an effective Shelf Registration Statement.

"Shelf Takedown Notice" has the meaning set forth in Section 2.02(e)(ii).

"Shelf Takedown Request" has the meaning set forth in Section 2.02(e)(i).

"Short-Form Registration Statement" has the meaning set forth in Section 2.01(a).

"Silver Lake Sumeru" means, collectively, Silver Lake Sumeru Fund, L.P., Silver Lake Technology Investors Sumeru L.P. and their respective Affiliates and their permitted assignees hereunder.

"Spanicciati" means Mario Spanicciati and the Spanicciati Trusts.

"Spanicciati Trusts" means the stockholders listed under the heading "Spanicciati Trusts" on the Schedule of Other Stockholders.

"Tucker" means Therese Tucker and the Tucker Trusts.

"Tucker Trusts" means the stockholders listed under the heading "Tucker Trusts" on the Schedule of Other Stockholders.

"Underwritten Offering" means an underwritten Public Offering, including any bought deal or block sale to a financial institution conducted as an underwritten Public Offering.

"Underwritten Shelf Takedown" means an Underwritten Offering pursuant to an effective Shelf Registration Statement.

Section 1.02 Other Interpretive Provisions.

(a) The meanings of defined terms are equally applicable to the singular and plural forms thereof.

(b) The words "hereof", "herein", "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and any subsection, Section, Exhibit, Schedule and Annex references are to this Agreement unless otherwise specified.

(c) The term "including" is not limiting and means "including without limitation."

(d) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(e) Whenever the context requires, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms.

ARTICLE II
REGISTRATION RIGHTS

Section 2.01 Demand Registration.

(a) Demand by the Demand Rights Holders. Subject to the limitations set forth in Section 2.01(b), if at any time on or after the Effectiveness Date, there is no currently effective Shelf Registration Statement on file with the SEC, a Demand Rights Holder may from time to time and at any time make a written request (a "Demand Request") to the Company for Registration of all or part of the Registrable Securities held by such Demand Rights Holder (a "Demanding Holder") (i) on Form S-1 or any similar long-form Registration Statement (a "Long-Form Registration") (if the Company is not eligible for a Short-Form Registration (as defined below)) or (ii) on Form S-3 or any similar short-form Registration Statement (a "Short-Form Registration") if the Company is qualified to use such short form. Any such requested Long-Form Registration or Short-Form Registration shall hereinafter be referred to as a "Demand Registration." Each request for a Demand Registration shall specify the kind and aggregate amount of Registrable Securities to be Registered and the intended methods of disposition thereof. Within (i) forty-five (45) days in the case of a request for a Long-Form Registration or (ii) thirty (30) days in the case of a request for a Short-Form Registration, the Company shall use its reasonable best efforts to file a Registration Statement relating to such Demand Registration (a "Demand Registration Statement"), and shall use its reasonable best efforts to cause such Demand Registration Statement to be declared effective as

promptly as practicable under (x) the Securities Act and (y) the "Blue Sky" laws of such jurisdictions as any Participating Holder or any underwriter, if any, reasonably requests.

(b) Limitation on Demand Registrations.

(i) Silver Lake Sumeru shall have the right to request an unlimited number of Long-Form Registrations and Short-Form Registrations.

(ii) Beginning 12 months following the IPO Closing, Iconiq will have the right to request up to two (2) Short-Form Registrations (which may not include a Marketed Underwritten Offering) provided (A) that Iconiq has not requested a Demand Registration and has not been offered the opportunity to participate in a Registration under Section 2.01, 2.02 or 2.03 within 120 days preceding the date of such request and (B) that Iconiq beneficially owns Registrable Securities equal to at least 3% of the Common Shares that are issued and outstanding at the time of such request.

(iii) In addition to (ii) above, beginning 24 months following the IPO Closing, each of Iconiq, Tucker and Spanicciati (collectively, the "Limited Demand Holders") will have the right to request up to five (5) Short-Form Registrations (which may not include a Marketed Underwritten Offering) provided (A) that the requesting Limited Demand Holder has not requested a Demand Registration and has not been offered the opportunity to participate in a Registration under Section 2.01, 2.02 or 2.03 within 60 days preceding the date of such request and (B) that the requesting Limited Demand Holder beneficially owns Registrable Securities equal to at least 5% of the Common Shares (or 3% in the case of Iconiq) that are issued and outstanding at the time of such request.

(iv) In addition to (ii) and (iii) above, beginning 12 months following the IPO Closing, Iconiq will have the right to request one (1) Short-Form Registration (which shall be a Marketed Underwritten Offering) provided (A) that Iconiq has not requested a Demand Registration and has not been offered the opportunity to participate in a Registration under Section 2.01, 2.02 or 2.03 within 270 days preceding the date of such request and (B) that Iconiq beneficially owns Registrable Securities equal to at least 3% of the Common Shares that are issued and outstanding at the time of such request.

(v) In addition to (ii), (iii) and (iv) above, beginning 24 months following the IPO Closing, the Limited Demand Holders will collectively have the right to request one (1) Short-Form Registration (which shall be a Marketed Underwritten Offering) provided (A) that the requesting Limited Demand Holder has not requested a Demand Registration and has not been offered the opportunity to participate in a Registration under Section 2.01, 2.02 or 2.03 within 270 days preceding the date of such request and (B) that the requesting Limited Demand Holder beneficially owns Registrable Securities equal to at least 5% of the Common Shares (or 3% in the case of Iconiq) that are issued and outstanding at the time of such request.

At any time the Company is not qualified to use Form S-3, references in items (ii) through (v) above to a Short-Form Registration shall instead refer to a Long-Form Registration.

(c) Demand Withdrawal. A Demanding Holder and any other Holder that has requested its Registrable Securities be included in a Demand Registration pursuant to Section 2.01(e) may withdraw all or any portion of its Registrable Securities from a Demand Registration at any time prior to the effectiveness of the applicable Demand Registration Statement. The Company shall continue all efforts to secure effectiveness of the applicable Demand Registration Statement in respect of the Registrable Securities of any other Holder that has requested inclusion in the Demand Registration pursuant to Section 2.01(e) so long as at least one of the Demand Rights Holders has requested and not withdrawn all of its Registrable Securities to be included in such Demand Registration; provided, however, if all Demand Rights Holders have requested for their Registrable Securities to be withdrawn from such Demand Registration, the Company shall immediately cease all efforts to secure effectiveness of the applicable Demand Registration Statement, even if one or more non- Demand Rights Holders have requested for Registrable Securities to be included in such applicable Demand Request pursuant to Section 2.01(e).

(d) Effective Registration. The Company shall, with respect to each Demand Registration, use its reasonable best efforts to cause the Demand Registration Statement to remain effective for not less than one hundred eighty (180) consecutive days (or such shorter period as shall terminate when all Registrable Securities covered by such Demand Registration Statement have been sold or withdrawn), or if such Registration Statement relates to an Underwritten Offering, such longer period as, in the opinion of counsel for the underwriter or underwriters, a Prospectus is required by law to be delivered in connection with sales of Registrable Securities by an underwriter or dealer (the applicable period, the "Demand Period").

(e) Demand Notice. Promptly upon receipt of any Demand Request pursuant to Section 2.01(a) (but in no event more than three (3) Business Days thereafter), the Company shall deliver a written notice (a "Demand Notice") of any such Registration request to all other Holders, and the Company shall include in such Demand Registration all such Registrable Securities with respect to which the Company has received written requests for inclusion therein within five (5) Business Days after the date that the Demand Notice has been delivered. All requests made pursuant to this Section 2.01(e) shall specify the aggregate amount of Registrable Securities to be registered and the intended method of distribution of such securities.

(f) Delay in Filing; Suspension of Registration. If the filing, initial effectiveness or continued use of a Demand Registration Statement at any time would require the Company to make an Adverse Disclosure, the Company may, upon giving prompt written notice of such action to the Holders, delay the filing or initial effectiveness of, or suspend use of, the Demand Registration Statement (a "Demand Suspension"); provided, however, that the Company shall not be permitted to exercise a Demand Suspension or Shelf Suspension (as defined in Section 2.02(f)) (i) more than

once during any twelve (12)-month period, or (ii) for a period exceeding sixty (60) days on any one occasion. In the case of a Demand Suspension, the Holders agree to suspend use of the applicable Prospectus in connection with any sale or purchase, or offer to sell or purchase, Registrable Securities, upon receipt of the notice referred to above. The Company shall immediately notify the Holders upon the termination of any Demand Suspension, and, subject to clause (ii) above of this paragraph, shall amend or supplement the Prospectus, if necessary, so it does not contain any untrue statement or omission and furnish to the Holders such numbers of copies of the Prospectus as so amended or supplemented as the Holders may reasonably request. The Company agrees, if necessary, to supplement or make amendments to the Demand Registration Statement, if required by the registration form used by the Company for the Demand Registration or by the instructions applicable to such registration form or by the Securities Act or the rules or regulations promulgated thereunder or as may reasonably be requested by the Demanding Holder.

(g) Underwritten Offering. If a Demanding Holder so requests in connection with an offering with estimated gross proceeds of at least $10,000,000 (based on the most recent closing stock price at the time of the demand), subject to the limitations set forth in Section 2.01(b), an offering of Registrable Securities pursuant to a Demand Registration shall be in the form of an Underwritten Offering, and such Demanding Holder shall have the right to select the managing underwriter or underwriters to administer the offering; provided that such managing underwriter or underwriters shall be reasonably acceptable to the Company and the other participating Demand Rights Holders.

(h) Priority of Securities Registered Pursuant to Demand Registrations. If the managing underwriter or underwriters of a proposed Underwritten Offering of the Registrable Securities included in a Demand Registration (or, in the case of a Demand Registration not being underwritten, the Demand Rights Holders), advise the Board of Directors in writing that, in its or their opinion, the number of securities requested to be included in such Demand Registration exceeds the number which can be sold in such offering without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, the securities to be included in such Demand Registration (i) first, shall be allocated pro rata among the Holders (including the Demanding Holder) that have requested to participate in such Demand Registration based on the relative number of Registrable Securities held by each such Holder immediately after giving effect to the consummation of the IPO (provided that any securities thereby allocated to a Holder that exceed such Holder's request shall be reallocated among the remaining requesting Holders in like manner) and (ii) next, and only if all the securities referred to in clause (i) have been included, the number of securities that the Company and any other holder that has a right to participate in such registration proposes to include in such Registration that, in the opinion of the managing underwriter or underwriters (or the Demand Rights Holders, as the case may be) can be sold without having such adverse effect.

(i) Distributions of Registrable Securities to Partners or Members. In the event any Holder requests to participate in a registration pursuant to this Section 2.01 in connection with a distribution of Registrable Securities to its partners or members, the

registration shall provide for resale by such partners or members, if requested by the Holder.

Section 2.02 Shelf Registration.

(a) Filing. After the Effectiveness Date, within forty-five (45) days, in the case of a Shelf Registration Statement on Form S-1, or thirty (30) days, in the case of a Shelf Registration Statement on Form S-3, following a request as may be made from time to time by one or more Demand Rights Holders (subject to the limitations on Demand Requests set forth in Section 2.01(b), with each request under this Section 2.02, including any request to increase the number of shares included on a Shelf Registration Statement after the effectiveness of such Shelf Registration Statement, counting as a request for one Short-Form Registration under Section 2.01(b)), the Company shall file with the SEC a Shelf Registration Statement pursuant to Rule 415 of the Securities Act relating to the offer and sale by Holders from time to time of the number of Registrable Securities specified in the requests of the Demand Rights Holder(s) pursuant to this Section 2.02 and the other Holders pursuant to Section 2.02(c) in accordance with the methods of distribution elected by the participating Demand Rights Holder (s) and set forth in the Shelf Registration Statement and, as promptly as practicable thereafter, shall use its reasonable best efforts to cause such Shelf Registration Statement to be declared effective under the Securities Act. If a Demand Rights Holder makes a request pursuant to this Section 2.02(a) to file a Shelf Registration Statement, the Company shall promptly (and, in any event, within three (3) Business Days) notify the other Demand Rights Holders. No later than five (5) Business Days after the receipt of the foregoing notification regarding the filing of the Shelf Registration Statement pursuant to this Section 2.02(a), the other Demand Rights Holders shall notify the Company in writing of the number of its Registrable Securities (if any) that such Demand Rights Holders are requesting to be registered on such Shelf Registration Statement. At any time prior to or after the filing of a Shelf Registration Statement, any of the Demand Rights Holders may request that the number of its Registrable Securities (if any) previously requested to be registered on such Shelf Registration Statement be increased to a larger number of its Registrable Securities and the Company shall thereafter use its reasonable best efforts to effect such increase for such Shelf Registration Statement as promptly as practicable thereafter. The aggregate number of Registrable Securities that the Demand Rights Holders request to be so registered on such Shelf Registration Statement (as increased from time to time at the election of any of the Demand Rights Holders pursuant to the immediately foregoing sentence) shall be referred to in this Section 2.02 as the "Demand Rights Holders Shelf Registration Amount." If, on the date of any such request, the Company does not qualify to file a Shelf Registration Statement under the Securities Act, the provisions of this Section 2.02 shall not apply, and the provisions of Section 2.01 shall apply instead.

(b) Continued Effectiveness. The Company shall use its reasonable best efforts to keep such Shelf Registration Statement continuously effective under the Securities Act in order to permit the Prospectus forming a part thereof to be usable by Holders until the earlier of (i) the date as of which all Registrable Securities have been sold pursuant to the Shelf Registration Statement or another registration statement filed under the Securities Act (but in no event prior to the applicable period referred to in

Section 4(3) of the Securities Act and Rule 174 thereunder) and (ii) the date as of which each of the Holders is permitted to sell its Registrable Securities without Registration pursuant to Rule 144 under the Securities Act without volume limitation or other restrictions on transfer thereunder (such period of effectiveness, the "Shelf Period"). Subject to Section 2.02(f), the Company shall not be deemed to have used its reasonable best efforts to keep the Shelf Registration Statement effective during the Shelf Period if the Company voluntarily takes any action or omits to take any action that would result in Holders of Registrable Securities covered thereby not being able to offer and sell any Registrable Securities pursuant to such Shelf Registration Statement during the Shelf Period, unless such action or omission is required by applicable law.

(c) Shelf Notice. Promptly upon receipt of any request by a Demand Rights Holder to file a Shelf Registration Statement or any request by a Demand Rights Holder to increase the number of its Registrable Securities registered on such Shelf Registration Statement pursuant to Section 2.02(a) (but in no event more than eight (8) Business Days thereafter), the Company shall deliver a written notice (a "Shelf Notice") of any such request to all Other Demand Rights Holders specifying the Demand Rights Holder Shelf Registration Amount and the Pro Ration Percentage and the Company shall include in such Shelf Registration Statement the number of Registrable Securities with respect to which the Company has received written requests for inclusion therein within five (5) Business Days after the date that the Shelf Notice has been delivered; provided, that no non-Demand Rights Holder may request the inclusion in such Shelf Registration Statement a percentage of such Holder's Registrable Securities in excess of the Pro Ration Percentage. For purposes of this Section 2.02(c), the "Pro Ration Percentage" means, as of the date of determination with respect to any particular Shelf Registration, the percentage determined by multiplying (i) 100 by (ii) a fraction, the numerator of which is the Demand Rights Holder Shelf Registration Amount in effect as of such date with respect to such Shelf Registration and the denominator of which is the aggregate number of Registrable Securities beneficially owned by the Demand Rights Holders and their Affiliates immediately after giving effect to the consummation of the IPO. If a Demand Rights Holder transfers Registrable Securities pursuant to Section 3.06, the denominator referred to above will be decreased by such amount of Registrable Securities transferred.

(d) Underwritten Offering.

(i) If a Demand Rights Holder so elects in connection with an offering with estimated gross proceeds of at least $10,000,000 (based on the most recent closing stock price at the time of the demand), subject to the limitations set forth in Section 2.01(b), an offering of Registrable Securities pursuant to the Shelf Registration Statement shall be in the form of an Underwritten Offering, and the Company shall amend or supplement the Shelf Registration Statement for the purpose of such Underwritten Shelf Takedown, such Demand Rights Holder shall have the right to select the managing underwriter or underwriters to administer such offering; provided that such managing underwriter or underwriters shall be reasonably acceptable to the Company and the other participating Demand Rights Holders.

(ii) The provisions of Section 2.01(h) shall apply to any Underwritten Offering pursuant to this Section 2.02(d).

(e) Shelf Takedown.

(i) At any time during which the Company has an effective Shelf Registration Statement with respect to a Holder's Registrable Securities, by notice to the Company specifying the intended method or methods of disposition thereof, a Demand Rights Holder may make a written request (a "Shelf Takedown Request") to the Company to effect a Public Offering of all or a portion of such Demand Rights Holder's Registrable Securities that are covered by such Shelf Registration Statement and as soon as practicable the Company shall promptly amend or supplement the Shelf Registration Statement for such purpose. Each Demand Rights Holder shall be entitled to one Shelf Takedown Request for each Demand Registration such Holder may be entitled to pursuant to Section 2.01(b) and any additional Shelf Takedown Request shall count as an additional Demand Registration for purposes of Section 2.01(b).

(ii) Promptly upon receipt of a Shelf Takedown Request (but in no event later than (A) 5:00 p.m. New York City time one (1) Business Day thereafter for any Block Trade and (B) two (2) Business Days thereafter for any other proposed Shelf Takedown) for any Shelf Takedown, the Company shall deliver a notice (a "Shelf Takedown Notice") to each other Holder with Registrable Securities covered by the applicable Registration Statement, or to all other Holders if such Registration Statement is undesignated (each a "Potential Takedown Participant"). The Shelf Takedown Notice shall offer each such Potential Takedown Participant the opportunity to include in any Shelf Takedown that number of Registrable Securities as each such Potential Takedown Participant may request in writing. The Company shall include in the Shelf Takedown all such Registrable Securities with respect to which the Company has received written requests for inclusion therein (A) by 10:00 p.m. New York City time on the date that the Shelf Takedown Notice has been delivered, in the case of any Block Trade, and (B) within two (2) Business Days after the date that the Shelf Takedown Notice has been delivered, in the case of any other proposed Shelf Takedown. Any Potential Takedown Participant's request to participate in a Shelf Takedown shall be binding on the Potential Takedown Participant; provided that each such Potential Takedown Participant that elects to participate may condition its participation on the Underwritten Shelf Takedown being completed within ten (10) Business Days of its acceptance at a price per share (after giving effect to any underwriters' discounts or commissions) to such Potential Takedown Participant of not less than ninety-two percent (92%) of the closing price for the shares on their principal trading market on the Business Day immediately prior to such Potential Takedown Participant's election to participate (the "Participation Conditions"). Notwithstanding the delivery of any Shelf Takedown Notice, but subject to the Participation Conditions (to the extent applicable), all determinations as to whether to complete any Shelf Takedown and as to the timing, manner, price and other terms of any Shelf Takedown contemplated by

this Section 2.02(e)(ii) shall be determined by the Demand Rights Holder making the Shelf Takedown Request, and the Company shall use its reasonable best efforts to cause any Shelf Takedown to occur as promptly as practicable; provided that if such Shelf Takedown is to be completed and subject to the Participation Conditions (to the extent applicable), each Potential Takedown Participant's Pro Rata Portion shall be included in such Shelf Takedown if such Potential Takedown Participant has complied with the requirements set forth in this Section 2.02(e)(ii).

(f) Suspension of Registration. If the continued use of such Shelf Registration Statement at any time would require the Company to make an Adverse Disclosure, the Company may, upon giving prompt written notice of such action to the Holders, suspend use of the Shelf Registration Statement (a "Shelf Suspension"); provided that the Company shall not be permitted to exercise a Shelf Suspension or Demand Suspension (i) more than one time during any twelve (12)-month period, or (ii) for a period exceeding sixty (60) days on any one occasion. In the case of a Shelf Suspension, the Holders agree to suspend use of the applicable Prospectus in connection with any sale or purchase of, or offer to sell or purchase, Registrable Securities, upon receipt of the notice referred to above. The Company shall immediately notify the Holders upon the termination of any Shelf Suspension and shall, subject to clause (ii) above in this paragraph, amend or supplement the Prospectus, if necessary, so it does not contain any untrue statement or omission and furnish to the Holders such numbers of copies of the Prospectus as so amended or supplemented as the Holders may reasonably request. The Company agrees, if necessary, to supplement or make amendments to the Shelf Registration Statement, if required by the registration form used by the Company for the Shelf Registration or by the instructions applicable to such registration form or by the Securities Act or the rules or regulations promulgated thereunder or as may reasonably be requested by the Demand Rights Holders.

Section 2.03 Piggyback Registration.

(a) Participation. If the Company at any time proposes to file a Registration Statement under the Securities Act with respect to any offering of its equity securities for its own account or for the account of any other Persons (other than (i) a Registration under Section 2.01 or 2.02, (ii) a Registration on Form S-4 or S-8 or any successor form to such Forms (iii) a Registration of securities solely relating to an offering and sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit plan arrangement, (iv) pursuant to a registration by which the Company is offering to exchange its own securities for other securities, (v) pursuant to a registration statement relating solely to a dividend reinvestment or similar plan, or (vi) pursuant to a registration statement by which only the initial purchasers and subsequent transferees of debt securities of the Company or any of its subsidiaries that are convertible or exchangeable for Common Stock and that are initially issued pursuant to an applicable exemption from the registration requirements of the Securities Act may resell such notes and sell the Common Stock into which such notes may be converted or exchanged) (a "Company Public Sale"), then, as soon as reasonably practicable, the Company shall give written notice of such proposed filing to the Holders, and such notice

shall offer the Holders the opportunity to Register under such Registration Statement such number of Registrable Securities as each such Holder may request in writing (a "Piggyback Registration"). Subject to Section 2.03(b), the Company shall include in such Registration Statement all such Registrable Securities that are requested to be included therein within five (5) days after the receipt by such Holders of any such notice; provided that if at any time after giving written notice of its intention to Register any securities and prior to the effective date of the Registration Statement filed in connection with such Registration, the Company shall determine for any reason not to Register or to delay Registration of such securities, the Company shall give written notice of such determination to each Holder and, thereupon, (i) in the case of a determination not to Register, shall be relieved of its obligation to Register any Registrable Securities in connection with such Registration (but not from its obligation to pay the Registration Expenses in connection therewith), without prejudice, however, to the rights of the Demand Rights Holders to request that such Registration be effected as a Demand Registration under Section 2.01, and (ii) in the case of a determination to delay Registering, in the absence of a request for a Demand Registration, shall be permitted to delay Registering any Registrable Securities, for the same period as the delay in Registering such other securities. If the offering pursuant to such Registration Statement is to be underwritten, then each Holder making a request for a Piggyback Registration pursuant to this Section 2.03(a) must, and the Company shall make such arrangements with the managing underwriter or underwriters so that each such Holder may, participate in such Underwritten Offering. If the offering pursuant to such Registration Statement is to be on any other basis, then each Holder making a request for a Piggyback Registration pursuant to this Section 2.03(a) must, and the Company shall make such arrangements so that each such Holder may, participate in such offering on such basis. Each Holder shall be permitted to withdraw all or part of its Registrable Securities from a Piggyback Registration at any time prior to the effectiveness of such Registration Statement.

(b) Priority of Piggyback Registration. If the managing underwriter or underwriters of any proposed Underwritten Offering of Registrable Securities included in a Piggyback Registration informs the Company and the Holders of Registrable Securities in writing that, in its or their opinion, the number of securities which such Holders and any other Persons intend to include in such offering exceeds the number which can be sold in such offering without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, then the securities to be included in such Registration shall be (i) first, 100% of the securities proposed to be sold in such Registration by the Company or (subject to Section 2.07) any Person (other than a Holder) exercising a contractual right to demand Registration, as the case may be, proposes to sell, and (ii) second, and only if all the securities referred to in clause (i) have been included, the number of Registrable Securities that, in the opinion of such managing underwriter or underwriters, can be sold without having such adverse effect, with such number to be allocated pro rata among the Holders that have requested to participate in such Registration based on the relative number of Registrable Securities held by each such Holder immediately after giving effect to the consummation of the IPO (provided that any securities thereby allocated to a Holder that exceed such Holder's request shall be reallocated among the remaining requesting Holders in like manner) and (iii) third, and only if all of the Registrable

Securities referred to in clause (ii) have been included in such Registration, any other securities eligible for inclusion in such Registration.

(c) No Effect on Demand Registrations. No Registration of Registrable Securities effected pursuant to a request under this Section 2.03 shall be deemed to have been effected pursuant to Sections 2.01 and 2.02 or shall relieve the Company of its obligations under Sections 2.01 and 2.02.

Section 2.04 Black-out Periods.

(a) Black-out Periods for Holders. In the event of a Company Public Sale of the Company's equity securities in an Underwritten Offering, the Holders agree, if requested by the managing underwriter or underwriters in such Underwritten Offering, not to effect any public sale or distribution of any securities (except, in each case, as part of the applicable Registration, if permitted) that are the same as or similar to those being Registered in connection with such Company Public Sale, or any securities convertible into or exchangeable or exercisable for such securities, during the period beginning seven (7) days before and ninety (90) days (or such lesser period as may be permitted by the Company or such managing underwriter or underwriters) after, the effective date of the Registration Statement filed in connection with such Registration, to the extent timely notified in writing by the Company or the managing underwriter or underwriters; provided, however, such restrictions shall not apply to (i) securities acquired in the public market subsequent to the IPO, (ii) distributions-in-kind to a Holder's partners (including direct and indirect limited partners) or members and (iii) transfers to Affiliates but only if such Affiliates agree to be bound by the restrictions herein; and provided further, that if the managing underwriter or underwriters in such Underwritten Offering release a Holder from their agreement not to dispose of any of its securities prior to its expiration, as to a certain percentage of their shares of Common Stock subject to such agreement (the "Released Percentage"), all other Holders that beneficially own greater than 1% of the issued and outstanding Common Stock of the Company will automatically be released from the restrictions in this section as to the Released Percentage of their Common Stock.

(b) Black-out Period for the Company and Others. In the case of a Registration of Registrable Securities pursuant to Sections 2.01 and 2.02 for an Underwritten Offering, the Company and the Holders agree, if requested by the participating Demand Rights Holders or the managing underwriter or underwriters with respect to such Registration, (i) not to effect any public sale or distribution of any securities that are the same as or similar to those being Registered, or any securities convertible into or exchangeable or exercisable for such securities, during the period beginning seven (7) days before, and ending ninety (90) days (or such lesser period as may be permitted by the participating Demand Rights Holders or such managing underwriter or underwriters and subject to any exceptions as may be set forth in an underwriting agreement or lock-up agreement entered into by the Company or the Holders, as applicable) after, the effective date of the Registration Statement filed in connection with such Registration (or, in the case of an offering under a Shelf Registration Statement, the date of the closing under the underwriting agreement in connection therewith), to the extent timely notified in writing by the Demand Rights

Holders or the managing underwriter or underwriters and (ii) with respect to the Holders, to enter into customary lock-up agreements with the managing underwriter or underwriters with respect to such Registration in such form as agreed to by the holders of a majority of the Registrable Securities participating in such Underwritten Offering. Notwithstanding the foregoing, the Company may effect a public sale or distribution of securities of the type described above and during the periods described above if such sale or distribution is made as part of any Registration of securities for offering and sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit plan arrangement, any dividend reinvestment plan, or a business acquisition or combination. The Company agrees to use its reasonable best efforts to obtain from (i) each holder of restricted securities of the Company which securities are the same as or similar to the Registrable Securities being Registered, or any restricted securities convertible into or exchangeable or exercisable for any of such securities, and (ii) all directors and officers of the Company, an agreement not to effect any public sale or distribution of such securities during any such period referred to in this paragraph, except as part of any such Registration, if permitted. Without limiting the foregoing (but subject to Section 2.07), if after the date hereof the Company grants any Person (other than a Holder) any rights to demand or participate in a Registration, the Company agrees that the agreement with respect thereto shall include such Person's agreement to comply with any black-out period required by this Section as if it were a Holder hereunder.

Section 2.05 Registration Procedures.

(a) In connection with the Company's Registration obligations under Sections 2.01, 2.02 and 2.03, the Company shall use its reasonable best efforts to effect such Registration and to permit the sale of such Registrable Securities in accordance with the intended method or methods of distribution thereof as expeditiously as reasonably practicable (it being understood that, in the case of a Block Trade, the Company shall use reasonable best efforts to facilitate and effect such Block Trade within one (1) Business Day of receiving the Shelf Takedown Request, provided that the requesting Demand Rights Holder shall use reasonable best efforts to give the Company advance notice of its consideration of executing a Block Trade), and in connection therewith the Company shall:

(i) prepare the required Registration Statement including all exhibits and financial statements required under the Securities Act to be filed therewith, and before filing a Registration Statement or Prospectus, or any amendments or supplements thereto, (x) furnish to the underwriters, if any, and to Participating Holders, copies of all documents prepared to be filed, which documents shall be subject to the review of such underwriters and such Holders and their respective counsel and (y) except in the case of a Registration under Section 2.03, not file any Registration Statement or Prospectus or amendments or supplements thereto to which the Demand Rights Holders or the underwriters, if any, shall reasonably object;

(ii) as soon as reasonably practicable (in the case of a Demand Registration or Shelf Registration, no later than thirty (30) days after a request for

a Demand Registration or Shelf Registration on Form S-3 or forty-five (45) days after a request for a Demand Registration or Shelf Registration on Form S-1) file with the SEC a Registration Statement relating to the Registrable Securities including all exhibits and financial statements required by the SEC to be filed therewith, and use its reasonable best efforts to cause such Registration Statement to become effective under the Securities Act as promptly as practicable;

(iii) prepare and file with the SEC such pre- and post-effective amendments to such Registration Statement and supplements to the Prospectus as may be (x) reasonably requested by a Demand Rights Holder participating in the applicable offering (to the extent such request relates to information relating to such Holder), (y) reasonably requested by any other Participating Holder (to the extent such request relates to information relating to such Holder), or (z) necessary to keep such Registration effective for the period of time required by this Agreement, and comply with provisions of the applicable securities laws with respect to the sale or other disposition of all securities covered by such Registration Statement during such period in accordance with the intended method or methods of disposition by the sellers thereof set forth in such Registration Statement;

(iv) notify the Participating Holders and the managing underwriter or underwriters, if any, and (if requested) confirm such notice in writing and provide copies of the relevant documents, as soon as reasonably practicable after notice thereof is received by the Company (a) when the applicable Registration Statement or any amendment thereto has been filed or becomes effective, and when the applicable Prospectus or any amendment or supplement to such Prospectus has been filed, (b) of any written comments by the SEC or any request by the SEC or any other federal or state governmental authority for amendments or supplements to such Registration Statement or such Prospectus or for additional information, (c) of the issuance by the SEC of any stop order suspending the effectiveness of such Registration Statement or any order by the SEC or any other regulatory authority preventing or suspending the use of any preliminary or final Prospectus or the initiation or threatening of any proceedings for such purposes, (d) if, at any time, the representations and warranties of the Company in any applicable underwriting agreement cease to be true and correct in all material respects, and (e) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for offering or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(v) promptly notify the Participating Holders and the managing underwriter or underwriters, if any, when the Company becomes aware of the happening of any event as a result of which the applicable Registration Statement or the Prospectus included in such Registration Statement (as then in effect) contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein (in the case of such Prospectus and any preliminary Prospectus, in light of the circumstances under which they were

made) not misleading, when any Issuer Free Writing Prospectus includes information that may conflict with the information contained in the Registration Statement, or, if for any other reason it shall be necessary during such time period to amend or supplement such Registration Statement or Prospectus in order to comply with the Securities Act and, in either case as promptly as reasonably practicable thereafter, prepare and file with the SEC, and furnish without charge to the Participating Holders and the managing underwriter or underwriters, if any, an amendment or supplement to such Registration Statement or Prospectus which shall correct such misstatement or omission or effect such compliance;

(vi) to the extent the Company is eligible under the relevant provisions of Rule 430B under the Securities Act, if the Company files any Shelf Registration Statement, the Company shall include in such Shelf Registration Statement such disclosures as may be required by Rule 430B under the Securities Act (referring to the unnamed selling security holders in a generic manner by identifying the initial offering of the securities to the Holders) in order to ensure that the Holders may be added to such Shelf Registration Statement at a later time through the filing of a Prospectus supplement rather than a post-effective amendment;

(vii) use its reasonable best efforts to prevent, or obtain the withdrawal of, any stop order or other order suspending the use of any preliminary or final Prospectus;

(viii) promptly incorporate in a Prospectus supplement, Issuer Free Writing Prospectus or post-effective amendment such information as the managing underwriter or underwriters and the Demand Rights Holders agree should be included therein relating to the plan of distribution with respect to such Registrable Securities; and make all required filings of such Prospectus supplement, Issuer Free Writing Prospectus or post-effective amendment as soon as reasonably practicable after being notified of the matters to be incorporated in such Prospectus supplement, Issuer Free Writing Prospectus or post-effective amendment;

(ix) furnish to each Participating Holder and each underwriter, if any, without charge, as many conformed copies as such Holder or underwriter may reasonably request of the applicable Registration Statement and any amendment or post-effective amendment or supplement thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

(x) deliver to each Participating Holder and each underwriter, if any, without charge, as many copies of the applicable Prospectus (including each preliminary prospectus) and any amendment or supplement thereto as such Holder or underwriter may reasonably request (it being understood that the Company consents to the use of such Prospectus or any amendment or supplement thereto by such Holder and the underwriters, if any, in connection with the offering and

sale of the Registrable Securities covered by such Prospectus or any amendment or supplement thereto) and such other documents as such Holder or underwriter may reasonably request in order to facilitate the disposition of the Registrable Securities by such Holder or underwriter;

(xi) on or prior to the date on which the applicable Registration Statement is declared effective, use its reasonable best efforts to register or qualify, and cooperate with the Participating Holders, the managing underwriter or underwriters, if any, and their respective counsel, in connection with the registration or qualification of such Registrable Securities for offer and sale under the securities or "Blue Sky" laws of each state and other jurisdiction of the United States as any Participating Holder or managing underwriter or underwriters, if any, or their respective counsel reasonably request in writing and do any and all other acts or things reasonably necessary or advisable to keep such registration or qualification in effect for such period as required by Section 2.01(d) or Section 2.02(b), whichever is applicable, provided that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to taxation or general service of process in any such jurisdiction where it is not then so subject;

(xii) cooperate with the Participating Holders and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates or book entry entitlements (if reasonably requested) representing Registrable Securities to be sold and, to the extent permitted by applicable law, not bearing any restrictive legends; and enable such Registrable Securities to be in such denominations and registered in such names as the managing underwriters may request at least two business days prior to any sale of Registrable Securities to the underwriters;

(xiii) use its reasonable best efforts to cause the Registrable Securities covered by the applicable Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof or the underwriter or underwriters, if any, to consummate the disposition of such Registrable Securities;

(xiv) not later than the effective date of the applicable Registration Statement, provide a CUSIP number for all Registrable Securities and provide the applicable transfer agent with printed certificates, book entry entitlements or other evidence for the Registrable Securities in a form eligible for deposit with The Depository Trust Company;

(xv) make such representations and warranties to the Participating Holders and the underwriters or agents, if any, in form, substance and scope as are customarily made by issuers in secondary underwritten public offerings;

(xvi) enter into such customary agreements (including underwriting and indemnification agreements) as the Demand Rights Holders or the managing

underwriter or underwriters, if any, reasonably request in order to expedite or facilitate the registration and disposition of such Registrable Securities;

(xvii) obtain for delivery to the Participating Holders and to the underwriter or underwriters, if any, an opinion or opinions from counsel for the Company dated the effective date of the Registration Statement or, in the event of an Underwritten Offering, the date of the closing under the underwriting agreement, in customary form, scope and substance, which opinions shall be reasonably satisfactory to such Holders or underwriters, as the case may be, and their respective counsel;

(xviii) in the case of an Underwritten Offering, (a) obtain for delivery to the Company and the managing underwriter or underwriters, with copies to the Participating Holders, a cold comfort letter from the Company's independent certified public accountants or independent auditors (and, if necessary, any other independent certified public accountants or independent auditors of any subsidiary of the Company or any business acquired by the Company for which financial statements and financial data are, or are required to be, included in the Registration Statement) in customary form and covering such matters of the type customarily covered by cold comfort letters as the managing underwriter or underwriters reasonably request, dated the date of execution of the underwriting agreement and brought down to the closing under the underwriting agreement and (b) obtain the required consents from the Company's independent certified public accountants and, if applicable, independent auditors to include the accountants' or auditors' report, as applicable, relating to the specified financial statements in the Registration Statement and to be named as an expert in the Registration Statement;

(xix) cooperate with each Participating Holder and each underwriter, if any, participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA;

(xx) use its reasonable best efforts to comply with all applicable securities laws and make available to its security holders, as soon as reasonably practicable, an earnings statement satisfying the provisions of Section 11(a) of the Securities Act and the rules and regulations promulgated thereunder;

(xxi) provide and cause to be maintained a transfer agent and registrar for all Registrable Securities covered by the applicable Registration Statement from and after a date not later than the effective date of such Registration Statement;

(xxii) use its best efforts to cause all Registrable Securities covered by the applicable Registration Statement to be listed on any national securities exchange on which similar securities of the Company are then listed or quoted

and on each inter-dealer quotation system on which similar securities of the Company then quoted;

(xxiii) make available upon reasonable notice at reasonable times and for reasonable periods for inspection by the Demand Rights Holders, by any underwriter participating in any disposition to be effected pursuant to such Registration Statement and by any attorney, accountant or other agent retained by the Demand Rights Holders or any such underwriter (collectively, "Representatives"), all pertinent financial and other records, pertinent corporate documents and properties of the Company, and cause all of the Company's officers, directors and employees and the independent public accountants who have certified its financial statements to make themselves available to discuss the business of the Company and to supply all information reasonably requested by any such Person in connection with such Registration Statement (collectively, "Confidential Information") as shall be necessary to enable them to exercise their due diligence responsibility; provided that any such Person gaining access to Confidential Information pursuant to this Section 2.05(a)(xxii) shall agree to hold in strict confidence and shall not make any disclosure or use any Confidential Information, unless (w) the release of such information is requested or required by deposition, interrogatory, requests for information or documents by a governmental entity, subpoena or similar process), or disclosure of such information, in the opinion of counsel to such Person, is otherwise required by law (provided that such Person shall give prompt and timely written notice prior to such release or disclosure, to the extent permitted by law, and shall reasonably cooperate with the Company should the Company, at the Company's sole expense, desire to seek a protective order prior to release or disclosure), (x) such information is or becomes publicly known other than through a breach of this or any other agreement of which such Person has knowledge, (y) such information is or becomes available to such Person on a non-confidential basis from a source other than the Company or (z) such information is independently developed by such Person without the use of or access to any Confidential Information, and each Person shall be responsible for any breach of the terms of this Section 2.05(a)(xxiii) by such Person or its Representatives, and shall take all appropriate steps to safeguard Confidential Information from disclosure, misuse, espionage, loss and theft;

(xxiv) in the case of a Marketed Underwritten Offering, use reasonable best efforts to cause the senior executive officers of the Company to participate in the customary "road show" presentations that may be reasonably requested by the managing underwriter or underwriters in any such Underwritten Offering and otherwise to facilitate, cooperate with, and participate in each proposed offering contemplated herein and customary selling efforts related thereto;

(xxv) take no direct or indirect action prohibited by Regulation M under the Exchange Act; and

(xxvi) take all reasonable action to ensure that any Issuer Free Writing Prospectus utilized in connection with any Registration complies in all material respects with the Securities Act, is filed in accordance with the Securities Act to the extent required thereby, is retained in accordance with the Securities Act to the extent required thereby and, when taken together with the related Prospectus, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. subject to all other provisions of this Agreement, take all such other commercially reasonable actions as are necessary or advisable in order to expedite or facilitate the disposition of such Registrable Securities in accordance with the terms of this Agreement.

(b) The Company may require each Participating Holder to furnish, in writing if requested, to the Company such information regarding the distribution of such securities and such other information relating to such Holder and its ownership of Registrable Securities as the Company may from time to time reasonably request in writing. Each Participating Holder agrees to furnish such information to the Company and to cooperate with the Company as reasonably necessary to enable the Company to comply with the provisions of this Agreement.

(c) Each Participating Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 2.05(a)(v), such Holder will forthwith discontinue disposition of Registrable Securities pursuant to such Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 2.05(a)(v), or until such Holder is advised in writing by the Company that the use of the Prospectus may be resumed, and if so directed by the Company, such Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice. In the event the Company shall give any such notice, the period during which the applicable Registration Statement is required to be maintained effective shall be extended by the number of days during the period from and including the date of the giving of such notice to and including the date when each seller of Registrable Securities covered by such Registration Statement either receives the copies of the supplemented or amended Prospectus contemplated by Section 2.05(a)(v) or is advised in writing by the Company that the use of the Prospectus may be resumed.

Section 2.06 Underwritten Offerings.

(a) Demand and Shelf Registrations. If requested by the underwriters for any Underwritten Offering requested by the Demand Rights Holders pursuant to a Registration under Section 2.01 or Section 2.02, the Company shall enter into an underwriting agreement with such underwriters for such offering, such agreement to be reasonably satisfactory in substance and form to the Company, the Demand Rights Holders and the underwriters, and to contain such representations and warranties by the Company and such other terms as are generally prevailing in agreements of that type, including indemnities no less favorable to the recipient thereof than those provided in

Section 2.09. The Participating Holders shall cooperate with the Company in the negotiation of such underwriting agreement and shall give consideration to the reasonable suggestions of the Company regarding the form thereof. Such Holders shall be parties to such underwriting agreement, which underwriting agreement shall (i) contain such representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such Holders as are customarily made by issuers to selling stockholders in secondary underwritten public offerings and (ii) provide that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement also shall be conditions precedent to the obligations of such Holders. Such Holders shall not be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holders, such Holder's title to the Registrable Securities, such Holder's intended method of distribution and any other representations required to be made by such Holder under applicable law, and the aggregate amount of the liability of such Holder shall not exceed such Holder's net proceeds from such Underwritten Offering.

(b) Piggyback Registrations. If the Company proposes to register any of its securities under the Securities Act as contemplated by Section 2.03 and such securities are to be distributed in an Underwritten Offering through one or more underwriters, the Company shall, if requested by any Holder pursuant to Section 2.03 and subject to the provisions of Section 2.03(b), use its reasonable best efforts to arrange for such underwriters to include on the same terms and conditions that apply to the other sellers in such Registration all the Registrable Securities to be offered and sold by such Holder among the securities of the Company to be distributed by such underwriters in such Registration. The Participating Holders shall be parties to the underwriting agreement between the Company and such underwriters, which underwriting agreement shall (i) contain such representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such Holders as are customarily made by issuers to selling stockholders in secondary underwritten public offerings and (ii) provide that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement also shall be conditions precedent to the obligations of such Holders. Any such Holder shall not be required to make any representations or warranties to, or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Holder and the information provided by such Holder that is included in the Registration Statement, such Holder's title to the Registrable Securities and such Holder's intended method of distribution or any other representations required to be made by such Holder under applicable law, and the aggregate amount of the liability of such Holder shall not exceed such Holder's net proceeds from such Underwritten Offering.

(c) Participation in Underwritten Registrations. Subject to the provisions of Sections 2.06(a) and (b) above, no Person may participate in any Underwritten Offering hereunder unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Persons entitled to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney,

indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

(d) Price and Underwriting Discounts. In the case of an Underwritten Offering under Sections 2.01 or 2.02, the price, underwriting discount and other financial terms for the Registrable Securities shall be determined by the Demanding Holder(s) (or, in the case of a Shelf Registration, the Demand Rights Holder(s) selling Registrable Securities under the Shelf Registration Statement). In addition, in the case of any Underwritten Offering, each of the Holders may withdraw their request to participate in the registration pursuant to Sections 2.01, 2.02 or 2.03 after being advised of such price, discount and other terms and shall not be required to enter into any agreements or documentation that would require otherwise.

Section 2.07 No Inconsistent Agreements; Additional Rights. The Company shall not hereafter enter into, and is not currently a party to, any agreement with respect to its securities that is inconsistent with the rights granted to the Holders by this Agreement. Without the consent of the Demand Rights Holders holding a majority of the Registrable Securities held by all Demand Rights Holders then outstanding, the Company shall not enter into any other agreement granting to any Person registration or similar rights the terms of which are senior to or pari passu with the registration rights granted to the Holders hereunder.

Section 2.08 Registration Expenses. All expenses incident to the Company's performance of or compliance with this Agreement shall be paid by the Company, including (i) all registration and filing fees, and any other fees and expenses associated with filings required to be made with the SEC or FINRA, (ii) all fees and expenses in connection with compliance with any securities or "Blue Sky" laws, (iii) all printing, duplicating, word processing, messenger, telephone, facsimile and delivery expenses (including expenses of printing certificates for the Registrable Securities in a form eligible for deposit with The Depository Trust Company and of printing prospectuses), (iv) all fees and disbursements of counsel for the Company and of all independent certified public accountants of the Company (including the expenses of any special audit and cold comfort letters required by or incident to such performance), (v) Securities Act liability insurance or similar insurance if the Company so desires or the underwriters so require in accordance with then-customary underwriting practice, (vi) all fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange or quotation of the Registrable Securities on any inter-dealer quotation system, (vii) all applicable rating agency fees with respect to the Registrable Securities, (viii) all reasonable fees and disbursements of legal counsel for each Demand Rights Holder participating in such Registration (or, in the case of a Shelf Registration, each Demand Rights Holder selling Registrable Securities under the Shelf Registration Statement), (ix) all fees and expenses of accountants selected by the Demanding Holder (or, in the case of a Shelf Registration, the Holder selling Registrable Securities under the Shelf Registration Statement), (x) any reasonable fees and disbursements of underwriters customarily paid by issuers or sellers of securities, (xi) all fees and expenses of any special experts or other Persons retained by the Company in connection with any Registration, (xii) all of the Company's internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties) and (xiii) all expenses related to the "road show" for any underwritten offering, including all travel, meals and lodging. All such expenses are referred to herein as "Registration Expenses." The Company shall not be required to pay

underwriting discounts and commissions and transfer taxes, if any, attributable to the sale of Registrable Securities.

Section 2.09 Indemnification.

(a) Indemnification by the Company. The Company agrees to indemnify and hold harmless, to the full extent permitted by law, each Holder, each member, limited or general partner thereof, each member, limited or general partner of each such member, limited or general partner, each of their respective Affiliates, officers, directors, shareholders, employees, advisors, and agents and each Person who controls (within the meaning of the Securities Act or the Exchange Act) such Persons and each of their respective Representatives from and against any and all losses, penalties, judgments, suits, costs, claims, damages, liabilities and expenses, joint or several (including reasonable costs of investigation and legal expenses) (each, a "Loss" and collectively "Losses") arising out of or based upon (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement under which such Registrable Securities were Registered under the Securities Act (including any final, preliminary or summary Prospectus contained therein or any amendment thereof or supplement thereto or any documents incorporated by reference therein) or any other disclosure document incident to such registration, produced by or on behalf of the Company or any of its subsidiaries including, without limitation, reports and other documents filed under the Exchange Act, (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus or preliminary Prospectus, in light of the circumstances under which they were made) not misleading or (iii) any actions or inactions or proceedings in respect of the foregoing whether or not such indemnified party is a party thereto; provided, that the Company shall not be liable to any particular indemnified party (A) to the extent that any such Loss arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any such Registration Statement or other document in reliance upon and in conformity with written information furnished to the Company by such indemnified party expressly for use in the preparation thereof or (B) to the extent that any such Loss arises out of or is based upon an untrue statement or omission in a preliminary Prospectus relating to Registrable Securities, if a Prospectus (as then amended or supplemented) that would have cured the defect was furnished to the indemnified party from whom the Person asserting the claim giving rise to such Loss purchased Registrable Securities at least five (5) days prior to the written confirmation of the sale of the Registrable Securities to such Person and a copy of such Prospectus (as amended and supplemented) was not sent or given by or on behalf of such indemnified party to such Person at or prior to the written confirmation of the sale of the Registrable Securities to such Person. This indemnity shall be in addition to any liability the Company may otherwise have. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Holder or any indemnified party and shall survive the transfer of such securities by such Holder. The Company shall also indemnify underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, their officers and directors and each Person who controls such Persons (within the meaning of the Securities Act and the

Exchange Act) to the same extent as provided above with respect to the indemnification of the indemnified parties.

(b) Indemnification by the Participating Holders. Each Participating Holder agrees (severally and not jointly) to indemnify and hold harmless, to the fullest extent permitted by law, the Company, its directors and officers, employees, advisors, and agents and each Person who controls the Company (within the meaning of the Securities Act or the Exchange Act) and each of their respective Representatives from and against any Losses resulting from (i) any untrue statement of a material fact in any Registration Statement under which such Registrable Securities were Registered under the Securities Act (including any final, preliminary or summary Prospectus contained therein or any amendment thereof or supplement thereto or any documents incorporated by reference therein), or (ii) any omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a Prospectus or preliminary Prospectus, in light of the circumstances under which they were made) not misleading, in each case, to the extent, but only to the extent, that such untrue statement or omission is contained in any information furnished in writing by such Holder to the Company specifically for inclusion in such Registration Statement and has not been corrected in a subsequent writing provided by the Holder to the Company at least two (2) business days prior to the sale of the Registrable Securities to the Person asserting the claim. In no event shall the liability of such Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder under the sale of Registrable Securities giving rise to such indemnification obligation. The Company shall be entitled to receive indemnities from underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, to the same extent as provided above (with appropriate modification) with respect to information furnished in writing by such Persons specifically for inclusion in any Prospectus or Registration Statement.

(c) Conduct of Indemnification Proceedings. Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that any delay or failure to so notify the indemnifying party shall relieve the indemnifying party of its obligations hereunder only to the extent, if at all, that it is actually and materially prejudiced by reason of such delay or failure) and (ii) permit such indemnifying party to participate in and assume the defense of such claim with counsel reasonably satisfactory to the indemnified party; provided that any Person entitled to indemnification hereunder shall have the right to select and employ separate counsel and to participate in or assume the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such Person unless (A) the indemnifying party has agreed in writing to pay such fees or expenses, (B) the indemnifying party shall have failed to assume the defense of such claim within a reasonable time after receipt of notice of such claim from the Person entitled to indemnification hereunder and employ counsel reasonably satisfactory to such Person, (C) the indemnified party has reasonably concluded (based upon advice of its counsel) that there may be legal defenses available to it or other indemnified parties that conflict with or are in addition to those available to the indemnifying party, or (D) in the reasonable judgment of any such Person (based upon advice of its counsel) a conflict

of interest may exist between such Person and the indemnifying party with respect to such claims (in which case, if the Person notifies the indemnifying party in writing that such Person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claim on behalf of such Person). If the indemnifying party assumes the defense, the indemnifying party shall not have the right to settle such action without the consent of the indemnified party. No indemnifying party shall consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of an unconditional release from all liability in respect to such claim or litigation without the prior written consent of such indemnified party. If such defense is not assumed by the indemnifying party, the indemnifying party will not be subject to any liability for any settlement made without its prior written consent, but such consent may not be unreasonably withheld. It is understood that the indemnifying party or parties shall not, except as specifically set forth in this Section 2.09(c), in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements or other charges of more than one separate firm admitted to practice in such jurisdiction at any one time unless (x) the employment of more than one counsel has been authorized in writing by the indemnifying party or parties, (y) an indemnified party has reasonably concluded (based on the advice of counsel) that there may be legal defenses available to it that are different from or in addition to those available to the other indemnified parties or (z) a conflict or potential conflict exists or may exist (based upon advice of counsel to an indemnified party) between such indemnified party and the other indemnified parties, in each of which cases the indemnifying party shall be obligated to pay the reasonable fees and expenses of such additional counsel or counsels.

(d) Contribution. If for any reason the indemnification provided for in paragraphs (a) and (b) of this Section 2.09 is unavailable to an indemnified party or insufficient in respect of any Losses referred to therein, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such Loss (i) in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party or parties on the other hand in connection with the acts, statements or omissions that resulted in such losses, as well as any other relevant equitable considerations. In connection with any Registration Statement filed with the SEC by the Company, the relative fault of the indemnifying party on the one hand and the indemnified party on the other hand shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just or equitable if contribution pursuant to this Section 2.09(d) were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in this Section 2.09(d). No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The amount paid or payable by an indemnified party as a result of the

Losses referred to in Sections 2.09(a) and 2.09(b) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 2.09(d), in connection with any Registration Statement filed by the Company, a Participating Holder shall not be required to contribute any amount in excess of the dollar amount of the net proceeds received by such Holder under the sale of Registrable Securities giving rise to such contribution obligation less any amounts paid by such Holder pursuant to Section 2.09(b). If indemnification is available under this Section 2.09, the indemnifying parties shall indemnify each indemnified party to the full extent provided in Sections 2.09(a) and 2.09(b) hereof without regard to the provisions of this Section 2.09(d). The remedies provided for in this Section 2.09 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

Section 2.10 Rules 144 and 144A and Regulation S. The Company covenants that it will:

a) use its reasonable best efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder (or, if the Company is not required to file such reports, it will, upon the reasonable request of the Demand Rights Holders, make publicly available such necessary information for so long as necessary to permit sales pursuant to Rules 144, 144A or Regulation S under the Securities Act);

b) it will take such further action as the Demand Rights Holders may reasonably request, all to the extent required from time to time to enable the Demand Rights Holders to sell Registrable Securities without Registration under the Securities Act within the limitation of the exemptions provided by (i) Rules 144, 144A or Regulation S under the Securities Act, as such Rules may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC; and

c) for so long as a Holder holds Registrable Securities, upon the reasonable request of a Holder, the Company will deliver to such Holder a written statement as to its compliance with the reporting requirements of Rule 144, and of the Securities Act and the Exchange Act.

ARTICLE III
MISCELLANEOUS

Section 3.01 Term. With respect to each Holder, the registration rights set forth in this Agreement will terminate at such time as such Holder no longer holds any Registrable Securities and this Agreement shall terminate upon the later of the expiration of the Shelf Period and such time as there are no Registrable Securities, except, in all cases, for the provisions of Sections 2.09 and 2.10 and all of this Article III, which shall survive any such termination.

Section 3.02 Injunctive Relief. It is hereby agreed and acknowledged that it will be impossible to measure in money the damage that would be suffered if the parties fail to comply

with any of the obligations herein imposed on them and that in the event of any such failure, an aggrieved Person will be irreparably damaged and will not have an adequate remedy at law. Any such Person shall, therefore, be entitled (in addition to any other remedy to which it may be entitled in law or in equity) to injunctive relief, including specific performance, to enforce such obligations, and if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that there is an adequate remedy at law.

Section 3.03 Attorneys' Fees. In any action or proceeding brought to enforce any provision of this Agreement or where any provision hereof is validly asserted as a defense, the successful party shall, to the extent permitted by applicable law, be entitled to recover reasonable attorneys' fees in addition to any other available remedy.

Section 3.04 Notices. Unless otherwise specified herein, all notices and other communications authorized or required to be given pursuant to this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by personal hand-delivery, by facsimile transmission, by electronic mail, by mailing the same in a sealed envelope, registered first-class mail, postage prepaid, return receipt requested, or by air courier guaranteeing overnight delivery, sent to the Person at the address given for such Person below or such other address as such Person may specify by notice to the Company:

If to the Company:

BlackLine, Inc.
21300 Victory Boulevard, 12th Floor
Woodland Hills, CA 91367
Attention: Karole Morgan-Prager
Telephone: ###
Fax: ###

with a copy (which shall not constitute notice) to:

Wilson Sonsini Goodrich & Rosati
650 Page Mill Road
Palo Alto, California 94304
Attention: Katharine A. Martin
Telephone: ###
Fax: ###

if to Silver Lake Sumeru, to:

Silver Lake Sumeru Fund, L.P.
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
Attention: Hollie Moore Haynes
Jason Babcoke
Telephone: ###
Fax: ###

with a copy (which shall not constitute notice) to:

Silver Lake Sumeru Fund, L.P.
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025
Attention: Legal Department
Telephone: ###
Fax: ###

with a copy (which shall not constitute notice) to:

Kirkland & Ellis, LLP
3330 Hillview Avenue
Palo Alto, California 94304
Attention: Adam D. Phillips
Telephone: ###
Fax: ###

If to Iconiq, to:

Iconiq Strategic Partners, L.P.
394 Pacific, 2nd Floor
San Francisco, CA 94111
Attention: Kevin Foster
Telephone: ###

with a copy (which shall not constitute notice) to:

Goodwin Procter LLP
The New York Times Building
620 Eighth Avenue
New York, NY 10018-1405
Attention: Ilan Nissan and Jane Greyf
Telephone: ### and ###
Fax: ### and ###

If to Tucker or Spanicciati, to the address on file with the Company.

If to an Other Stockholder, to the address set forth in the Schedule of Other Stockholders.

If to any other Holder who becomes party to this agreement after the date hereof, to the address on the counterpart signature page to this Agreement executed by such holder.

Section 3.05 Amendment. Any provision of this Agreement may be amended if, and only if, such amendment is in writing and signed by the Demand Rights Holders; provided that (a) any amendment that would have a material adverse effect on a Holder relative to the Demand Rights Holders shall require the written consent of that Holder and (b) this Section 3.05 may not be amended without the prior written consent of the Holders (other than the Demand Rights Holders) holding a majority of the outstanding Registrable Securities of such Holders.

Section 3.06 Successors, Assigns and Transferees. Each party may assign all or a portion of its rights hereunder to any Person to which such party transfers its ownership of all or any of its Registrable Securities. Such Persons (other than Affiliates of any such Persons) and any other Person that acquires Registrable Securities pursuant to the terms of the BlackLine Stockholders' Agreement, shall execute a counterpart to this Agreement and become a party hereto and such Person's Registrable Securities shall be subject to the terms of this Agreement.

Section 3.07 Binding Effect. Except as otherwise provided in this Agreement, the terms and provisions of this Agreement shall be binding on and inure to the benefit of each of the parties hereto and their respective successors.

Section 3.08 Third Parties. Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon any Person not a party hereto (other than each other Person entitled to indemnity or contribution under Section 2.09) any right, remedy or claim under or by virtue of this Agreement.

Section 3.09 Governing Law; Jurisdiction. THIS AGREEMENT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF. ANY ACTION OR PROCEEDING AGAINST THE PARTIES RELATING IN ANY WAY TO THIS AGREEMENT MAY BE BROUGHT AND ENFORCED EXCLUSIVELY IN THE COURTS OF THE STATE OF DELAWARE OR (TO THE EXTENT SUBJECT MATTER JURISDICTION EXISTS THEREFOR) THE U.S. DISTRICT COURT FOR THE DISTRICT OF DELAWARE, AND THE PARTIES IRREVOCABLY SUBMIT TO THE JURISDICTION OF BOTH SUCH COURTS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING.

Section 3.10 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE PARTIES HEREBY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 3.10.

Section 3.11 Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 3.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement.

Section 3.13 Headings. The heading references herein and in the table of contents hereto are for convenience purposes only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

Section 3.14 Exercise of Rights. As among the members of any Sponsor, such Sponsor may allocate the ability to exercise any rights under this Agreement in any manner that such Sponsor sees fit.

[***SIGNATURE PAGES TO FOLLOW]***

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BLACKLINE, INC.

By: /s/ Therese Tucker
Name: Therese Tucker
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

SILVER LAKE SUMERU FUND, L.P.

By: Silver Lake Technology Associates Sumeru, L.P.,
its general partner

By: SLTA Sumeru (GP), L.L.C.,
its general partner

By: Silver Lake Group, L.L.C.,
its managing member

/s/ Hollie Haynes
Name: Hollie Moore Haynes
Title: Managing Director

SILVER LAKE TECHNOLOGY INVESTORS SUMERU, L.P.

By: Silver Lake Technology Associates Sumeru, L.P.,
its general partner

By: SLTA Sumeru (GP), L.L.C.,
its general partner

By: Silver Lake Group, L.L.C.,
its managing member

/s/ Hollie Haynes
Name: Hollie Moore Haynes
Title: Managing Director

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ICONIQ STRATEGIC PARTNERS, L.P.

By: ICONIQ Strategic Partners GP, L.P.
its General Partner

By: ICONIQ Strategic Partners TT GP, Ltd.,
its General Partner

/s/ Kevin Foster
Name: Kevin Foster
Title: Authorized Signatory

ICONIQ STRATEGIC PARTNERS-B, L.P.

By: ICONIQ Strategic Partners GP, L.P.
its General Partner

By: ICONIQ Strategic Partners TT GP, Ltd.,
its General Partner

/s/ Kevin Foster
Name: Kevin Foster
Title: Authorized Signatory

ICONIQ STRATEGIC PARTNERS CO-INVEST, L.P., BL SERIES

By: ICONIQ Strategic Partners GP, L.P.
its General Partner

By: ICONIQ Strategic Partners TT GP, Ltd.,
its General Partner

/s/ Kevin Foster
Name: Kevin Foster
Title: Authorized Signatory

ICONIQ STRATEGIC PARTNERS CO-INVEST, L.P., BL2 SERIES

By: ICONIQ Strategic Partners GP, L.P.
its General Partner

By: ICONIQ Strategic Partners TT GP, Ltd.,
its General Partner

/s/ Kevin Foster
Name: Kevin Foster
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THERESE TUCKER

By: /s/ Therese Tucker

Signature page to Registration Rights Agreement

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

MARIO SPANICCIATI

By: /s/ Mario Spanicciati

Signature page to Registration Rights Agreement

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ISAAC TUCKER 2012 IRREVOCABLE TRUST

/s/ Therese Tucker
Name: Therese Tucker
Title: Trustee

ROSEANNA TUCKER 2012 IRREVOCABLE TRUST

/s/ Therese Tucker
Name: Therese Tucker
Title: Trustee

SAFETY NET GRAT

/s/ Therese Tucker
Name: Therese Tucker
Title: Trustee

CS 2015 GRAT

/s/ Therese Tucker
Name: Therese Tucker
Title: Trustee

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

TUCKER LEGACY TRUST

/s/ Karen Seimetz
Name: Karen Seimetz
Title: Trustee

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

SPANICCIATI FAMILY 2013 DYNASTY TRUST

/s/ Michael Tranter

Name: Michael Tranter

Title: Trustee of the Spanicciati Family 2013 Dynasty Trust, and not individually or in any other capacity

SPANICCIATI FAMILY 2013 IRREVOCABLE TRUST

/s/ Michael Tranter

Name: Michael Tranter

Title: Trustee of the Spanicciati Family 2013 Irrevocable Trust, and not individually or in any other capacity

/s/ Diana Laurenti

Name: Diana Laurenti

Title: Trustee of the Spanicciati Family 2013 Irrevocable Trust, and not individually or in any other capacity

SCHEDULE OF OTHER STOCKHOLDERS

Name	Address
Tucker Trusts	
Roseanna Tucker 2012 Irrevocable Trust	###
Isaac Tucker 2012 Irrevocable Trust	###
Tucker Legacy Trust	###
Safety Net GRAT	###
CS 2015 GRAT	###
Spanicciati Trusts	
Spanicciati Family 2013 Irrevocable Trust	###
Spanicciati Family 2013 Dynasty Trust	###

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Therese Tucker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BlackLine, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 12, 2016

BLACKLINE, INC.

By: /s/ Therese Tucker
Name: Therese Tucker
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark Partin, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BlackLine, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 12, 2016

BLACKLINE, INC.

By: /s/ Mark Partin
Name: Mark Partin
Title: Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Therese Tucker, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of BlackLine, Inc. for the fiscal quarter ended September 30, 2016 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of BlackLine, Inc.

Date: December 12, 2016

By: /s/ Therese Tucker
Name: Therese Tucker
Title: Chief Executive Officer
(Principal Executive Officer)

I, Mark Partin, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of BlackLine, Inc. for the fiscal quarter ended September 30, 2016 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of BlackLine, Inc.

Date: December 12, 2016

By: /s/ Mark Partin
Name: Mark Partin
Title: Chief Financial Officer
(Principal Financial Officer)