

HUBSPOT INC  
Form DEF 14A  
April 28, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

HUBSPOT, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

(3)

Edgar Filing: HUBSPOT INC - Form DEF 14A

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

April 28, 2016

Dear HubSpot Stockholder:

I am pleased to invite you to attend the 2016 Annual Meeting of Stockholders (the “Annual Meeting”) of HubSpot, Inc. (“HubSpot”) to be held on Thursday, June 23, 2016 at 9:00 a.m. Eastern Time at our offices, which are located at 25 First Street, 2nd Floor, Cambridge, MA 02141.

Details regarding the meeting and the business to be conducted are more fully described in the accompanying Notice of 2016 Annual Meeting of Stockholders and Proxy Statement.

Pursuant to the Securities and Exchange Commission rules that allow issuers to furnish proxy materials to stockholders over the Internet, we are posting the proxy materials on the Internet and delivering a notice of the Internet availability of the proxy materials. On or about April 28, 2016, we will begin mailing to our stockholders a Notice of Internet Availability (the “Notice”) containing instructions on how to access or request a copy of our Proxy Statement for the 2016 Annual Meeting of Stockholders and our Annual Report on Form 10-K for the year ended December 31, 2015.

Your vote is important. Whether or not you plan to attend the Annual Meeting, I hope you will vote as soon as possible. You may vote over the Internet or in person at the Annual Meeting or, if you requested printed copies of proxy materials, you also may vote by mailing a proxy card or voting by telephone. Please review the instructions on the Notice or on the proxy card regarding your voting options.

Thank you for being a HubSpot stockholder. We look forward to seeing you at our Annual Meeting.

Sincerely,

Brian Halligan

Chief Executive Officer

#### YOUR VOTE IS IMPORTANT

In order to ensure your representation at the meeting, whether or not you plan to attend the meeting, please vote your shares as promptly as possible over the Internet by following the instructions on your Notice or, if you requested printed copies of your proxy materials, by following the instructions on your proxy card. Your participation will help to ensure the presence of a quorum at the meeting and save HubSpot the extra expense associated with additional solicitation. If you hold your shares through a broker, your broker is not permitted to vote on your behalf in the election of directors, unless you provide specific instructions to the broker by completing and returning any voting instruction form that the broker provides (or following any instructions that allow you to vote your broker-held shares via telephone or the Internet). For your vote to be counted, you will need to communicate your voting decision before the date of the Annual Meeting. Voting your shares in advance will not prevent you from attending the Annual Meeting, revoking your earlier submitted proxy or voting your stock in person.



HUBSPOT, INC.

25 First Street, 2nd Floor

Cambridge, MA 02141

#### NOTICE OF 2016 ANNUAL MEETING OF STOCKHOLDERS

Notice is hereby given that HubSpot, Inc. will hold its 2016 Annual Meeting of Stockholders (the “Annual Meeting”) on Thursday, June 23, 2016 at 9:00 a.m. Eastern Time at our offices, which are located at 25 First Street, 2nd Floor, Cambridge MA 02141, for the following purposes:

- To elect three Class II directors, Lorrie Norrington, Dharmesh Shah and David Skok, to hold office until the 2019 annual meeting of stockholders and until their successors are duly elected and qualified, subject to their earlier resignation or removal;
  - To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016; and
- To transact any other business that properly comes before the Annual Meeting (including adjournments and postponements thereof).

Only stockholders of record at the close of business on April 26, 2016 are entitled to notice of and to vote at the Annual Meeting as set forth in the Proxy Statement. If you plan to attend the Annual Meeting in person, you should be prepared to present photo identification such as a valid driver’s license and verification of stock ownership for admittance. You are entitled to attend the Annual Meeting only if you were a stockholder as of the close of business on April 26, 2016 or hold a valid proxy for the Annual Meeting. If you are a stockholder of record, your ownership as of the record date will be verified prior to admittance into the meeting. If you are not a stockholder of record but hold shares through a broker, trustee, or nominee, you must provide proof of beneficial ownership as of the record date, such as an account statement or similar evidence of ownership. Please allow ample time for the admittance process. For instructions on how to vote your shares, please refer to the instructions on the Notice of Internet Availability of Proxy Materials you received in the mail, the section titled “Voting” beginning on page 1 of this Proxy Statement or, if you requested to receive printed proxy materials, your enclosed proxy card.

By Order of the Board of Directors,

John P. Kelleher

General Counsel and Secretary

Cambridge, Massachusetts

April 28, 2016

## TABLE OF CONTENTS

<u>GENERAL INFORMATION</u>	1
<u>Record Date</u>	1
<u>Quorum</u>	1
<u>Shares Outstanding</u>	1
<u>Voting</u>	1
<u>Revoking Your Proxy</u>	1
<u>Votes Required to Adopt Proposals</u>	2
<u>Effect of Abstentions and Broker Non-Votes</u>	2
<u>Voting Instructions</u>	2
<u>Voting Results</u>	2
<u>Additional Solicitation/Costs</u>	2
<u>Householding</u>	2
<u>PROPOSAL ONE – ELECTION OF DIRECTORS</u>	3
<u>Number of Directors; Board Structure</u>	3
<u>Nominees</u>	3
<u>Recommendation of the Board</u>	3
<u>Nominees for Election for a Three-Year Term Ending at the 2019 Annual Meeting</u>	3
<u>Directors Continuing in Office Until the 2017 Annual Meeting</u>	4
<u>Directors Continuing in Office Until the 2018 Annual Meeting</u>	4
<u>Executive Officers</u>	4
<u>CORPORATE GOVERNANCE</u>	6
<u>Board Independence</u>	6
<u>Code of Business Conduct and Ethics</u>	6
<u>Corporate Governance Guidelines</u>	6
<u>Board and Committee Meetings</u>	6
<u>Annual Meeting Attendance</u>	7
<u>Committees</u>	7
<u>Stockholder Communications</u>	9
<u>Board Leadership Structure and Board’s Role in Risk Oversight</u>	9
<u>Compensation Risk Assessment</u>	9
<u>Anti-Hedging and Anti-Pledging Policies</u>	9
<u>PROPOSAL TWO – RATIFICATION OF THE APPOINTMENT OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	10
<u>Change in Independent Registered Public Accounting Firm</u>	10
<u>Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm</u>	11
<u>Audit Fees</u>	11
<u>Recommendation of the Board</u>	11
<u>Report of the Audit Committee of the Board of Directors</u>	11

<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	13
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	15
<u>EXECUTIVE COMPENSATION</u>	16
<u>Compensation Discussion and Analysis</u>	16
<u>Compensation Committee Interlocks and Insider Participation</u>	23
<u>Tabular Disclosure Regarding Executive Compensation</u>	23
<u>Equity Compensation Plan Information</u>	28
<u>Report of the Compensation Committee</u>	28
<u>RELATED PARTY TRANSACTIONS</u>	29
<u>Certain Relationships and Transactions</u>	29
<u>Policies and Procedures for Related Party Transactions</u>	30
<u>TRANSACTION OF OTHER BUSINESS</u>	30
<u>ADDITIONAL INFORMATION</u>	30
<u>Procedures for Submitting Stockholder Proposals</u>	30

---

PROXY STATEMENT

FOR THE 2016 ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD THURSDAY, JUNE 23, 2016

GENERAL INFORMATION

Our Board of Directors (the “Board”) solicits your proxy on our behalf for the 2016 Annual Meeting of Stockholders (the “Annual Meeting”) and at any postponement or adjournment of the Annual Meeting for the purposes set forth in this Proxy Statement and the accompanying Notice of Internet Availability of Proxy Materials (the “Notice”). The Annual Meeting will be held at 9:00 a.m. Eastern Time on Thursday, June 23, 2016 at our offices, which are located at 25 First Street, 2nd Floor, Cambridge MA 02141. We made this Proxy Statement available to stockholders beginning on April 28, 2016.

In this Proxy Statement the terms “HubSpot,” “the company,” “we,” “us,” and “our” refer to HubSpot, Inc. The mailing address of our principal executive offices is HubSpot, Inc., 25 First Street, 2nd Floor, Cambridge MA 02141.

**Internet Availability of Proxy Materials** We are providing access to our proxy materials over the Internet. On April 28, 2016, we mailed the Notice to stockholders, unless they requested a printed copy of proxy materials. The Notice contains instructions on how to access our proxy materials and how to vote. If you would like to receive a paper or e-mail copy of our proxy materials, please follow the instructions in the Notice. If you requested printed versions of these materials by mail, they will also include a proxy card for the Annual Meeting.

**Record Date** April 26, 2016.

**Quorum** A majority of the shares of all issued and outstanding stock entitled to vote on the record date must be present in person or represented by proxy to constitute a quorum.

**Shares Outstanding** 34,910,476 shares of common stock outstanding as of April 26, 2016.

**Voting** There are four ways a stockholder of record can vote:

(1) By Internet: You may vote over the Internet by following the instructions provided in the Notice.

(2) By Telephone: You can vote by telephone by following the instructions in the Notice.

(3) By Mail: If you requested printed copies of proxy materials, you can vote by mailing your proxy as described in the proxy materials.

(4) In Person: If you are a stockholder as of the record date, you may vote in person at the meeting. Submitting a proxy will not prevent a stockholder from attending the Annual Meeting, revoking their earlier-submitted proxy, and voting in person.

In order to be counted, proxies submitted by telephone or Internet must be received by 11:59 p.m. Eastern Time on June 22, 2016. Proxies submitted by U.S. mail must be received before the start of



the Annual Meeting.

If you hold your shares through a bank or broker, please follow their instructions.

Revoking Your  
Proxy

Stockholders of record may revoke their proxies by attending the Annual Meeting and voting in person, by filing an instrument in writing revoking the proxy or by filing another duly executed proxy bearing a later date with our Secretary before the vote is counted or by voting again using the telephone or Internet before the cutoff time (your latest telephone or Internet proxy is the one that will be counted). If you hold shares through a bank or broker, you may revoke any prior voting instructions by contacting that firm.

## Edgar Filing: HUBSPOT INC - Form DEF 14A

Votes Required to Adopt Proposals	<p>Each share of our common stock outstanding on the record date is entitled to one vote on any proposal presented at the Annual Meeting:</p> <p>For Proposal One, the election of directors, the three nominees receiving the plurality of votes properly cast will be elected as directors.</p> <p>For Proposal Two, a majority of the votes properly cast is required to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016.</p>
Effect of Abstentions and Broker Non-Votes	<p>Votes withheld from any nominee, abstentions and “broker nonvotes” (i.e., where a broker has not received voting instructions from the beneficial owner and for which the broker does not have discretionary power to vote on a particular matter) are counted as present for purposes of determining the presence of a quorum. Shares voting “withheld” have no effect on the election of directors. Abstentions have no effect on the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016.</p> <p>Under the rules that govern brokers holding shares for their customers, brokers who do not receive voting instructions from their customers have the discretion to vote uninstructed shares on routine matters, but do not have discretion to vote such uninstructed shares on non-routine matters. Only Proposal Two, the ratification of the appointment of PricewaterhouseCoopers LLP, is considered a routine matter where brokers are permitted to vote shares held by them without instruction. If your shares are held through a broker, those shares will not be voted in the election of directors unless you affirmatively provide the broker instructions on how to vote.</p>
Voting Instructions	<p>If you complete and submit your proxy voting instructions, the persons named as proxies will follow your instructions. If you submit proxy voting instructions but do not direct how your shares should be voted on each item, the persons named as proxies will vote for the election of the nominees for directors and for the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm. The persons named as proxies will vote on any other matters properly presented at the Annual Meeting in accordance with their best judgment, although we have not received timely notice of any other matters that may be properly presented for voting at the Annual Meeting.</p>
Voting Results	<p>We will announce preliminary results at the Annual Meeting. We will report final results by filing a Form 8-K within four business days after the Annual Meeting. If final results are not available at that time, we will provide preliminary voting results in the Form 8-K and will provide the final results in an amendment to the Form 8-K as soon as they become available.</p>
Additional Solicitation/Costs	<p>We are paying for the distribution of the proxy materials and solicitation of the proxies. As part of this process, we reimburse brokerage houses and other custodians, nominees</p>

and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy and solicitation materials to our stockholders. Proxy solicitation expenses that we will pay include those for preparation, mailing, returning and tabulating the proxies. Our directors, officers, and employees may also solicit proxies on our behalf in person, by telephone, email or facsimile, but they do not receive additional compensation for providing those services.

#### Householding

Some banks, brokers, and other nominee record holders may be participating in the practice of “householding” proxy statements and annual reports. This means that only one copy of the Notice, Proxy Statement, and Annual Report on Form 10-K for the year ended December 31, 2015, as applicable, is being delivered to multiple stockholders sharing an address unless we have received contrary instructions. We will promptly deliver a separate copy of any of these documents to you if you write to us at Investor Relations at HubSpot, Inc., 25 First Street, 2nd Floor, Cambridge, MA 02141 or call (888) 482-7768. If you want to receive separate copies of the Notice, Proxy Statement, or Annual Report on Form 10-K in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker, or other nominee record holder, or you may contact us at the above address or telephone number.

## PROPOSAL ONE

### ELECTION OF DIRECTORS

#### Number of Directors; Board Structure

Our Board is divided into three staggered classes of directors as nearly equal in number as possible. One class is elected each year at the annual meeting of stockholders for a term of three years. The term of the Class II directors expires at the Annual Meeting. The term of the Class III directors expires at the 2017 annual meeting. The term of the Class I directors expires at the 2018 annual meeting. Directors are elected to hold office for a three-year term or until the election and qualification of their successors in office.

#### Nominees

Based on the recommendation of the Nominating and Corporate Governance Committee of our Board, our Board has nominated Lorrie Norrington, Dharmesh Shah and David Skok for election as directors to serve for a three-year term ending at the 2019 annual meeting or until their successors are elected and qualified. Each of the nominees is a current member of our Board and has consented to serve if elected.

Unless you direct otherwise through your proxy voting instructions, the persons named as proxies will vote all proxies received “for” the election of each nominee. If any nominee is unable or unwilling to serve at the time of the Annual Meeting, the persons named as proxies may vote for a substitute nominee chosen by the present Board. In the alternative, the proxies may vote only for the remaining nominees, leaving a vacancy on the Board. The Board may fill such vacancy at a later date or reduce the size of the Board. We have no reason to believe that any of the nominees will be unwilling or unable to serve if elected as a director.

#### Recommendation of the Board

### THE BOARD RECOMMENDS THAT YOU VOTE “FOR” THE ELECTION OF EACH OF THE FOLLOWING NOMINEES.

The biographies of each of the nominees and continuing directors below contain information regarding each such person’s service as a director, business experience, director positions held currently or at any time during the last five years and the experiences, qualifications, attributes or skills that caused the nominating and corporate governance committee to determine that the person should serve as a director of the company. In addition to the information presented below regarding each such person’s specific experience, qualifications, attributes and skills that led the Board and its nominating and corporate governance committee to the conclusion that he or she should serve as a director, we also believe that each of our directors has a reputation for integrity, honesty and adherence to high ethical standards. Each of our directors has demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to HubSpot and our Board. Finally, we value our directors’ experience in relevant areas of business management and on other boards of directors and board committees.

Our corporate governance guidelines also dictate that a majority of the Board be comprised of independent directors whom the Board has determined have no material relationship with HubSpot and who are otherwise “independent” directors under the published listing requirements of the New York Stock Exchange (“NYSE”).

#### Nominees for Election for a Three-Year Term Ending at the 2019 Annual Meeting

Lorrie Norrington, 56, has served as a member of our board of directors since September 2013. Ms. Norrington currently serves as an Operating Partner of Lead Edge Capital, a private equity firm, and as an advisor to several

technology businesses. Prior to Lead Edge, Ms. Norrington was the President of eBay Marketplaces, eBay, and served in several roles at eBay from 2005 to 2010. Prior to joining eBay, she was the chief executive officer of Shopping.com from 2005 to 2006 and was an executive vice president at Intuit from 2001 to 2005. Ms. Norrington currently serves on the board of directors of two other public companies, Autodesk and Colgate-Palmolive and also served on the board of directors of DIRECTV until its sale to AT&T in July 2015 and McAfee Inc. until its sale to Intel in February 2011. Ms. Norrington was selected to serve as a director on our Board due to her broad industry experience and experience as a current and former director of other public companies.

Dharmesh Shah, 48, a founder of the company, has served as our chief technology officer and a member of our board of directors since 2005. Prior to HubSpot, he was founder and chief executive officer of Pyramid Digital Solutions, a software company, which was acquired by SunGard Data Systems in 2005. Mr. Shah is also an author and angel investor. Mr. Shah was selected to serve as a director on our Board due to his knowledge of the company and our business and his service as our chief technology officer.

David Skok, 60, has served as a member of our board of directors since May 2008. Since 2001, Mr. Skok has served as a General Partner at Matrix Partners. Mr. Skok currently serves on the boards of directors of several private companies. Mr. Skok was selected to serve as a director on our Board due to his experience as a seasoned investor and a current and former director of many companies and his knowledge of the industry in which we operate.

#### Directors Continuing in Office Until the 2017 Annual Meeting

Julie Herendeen, 50, has served as a member of our board of directors since April 2016. From September 2014 until April 2016, Ms. Herendeen served as Vice President of Marketing of Dropbox. Prior to Dropbox, Ms. Herendeen was the Chief Marketing Officer of Lookout, a mobile security company, from February 2010 to August 2014. Before Lookout, Ms. Herendeen spent five years at Yahoo and prior to that she held various positions at Shutterfly, Netscape and Apple. Ms. Herendeen was selected to serve as a director on our Board due to her extensive marketing and product expertise as well as her experience scaling technology businesses as the voice of the customer.

Michael Simon, 51, has served as a member of our board of directors since June 2011. From 2003 until December 2015, Mr. Simon served as the co-founder, chairman and chief executive officer of LogMeIn. Mr. Simon currently serves as chairman of the board of LogMeIn and also serves as an advisor to the chief executive officer at LogMeIn. Mr. Simon also serves on the Graduate Studies Advisory Council at the University of Notre Dame. Mr. Simon was selected to serve as a director on our Board due to his broad industry and leadership experience.

#### Directors Continuing in Office Until the 2018 Annual Meeting

Brian Halligan, 48, a founder of the company, has served as our chief executive officer and a member of our board of directors since 2005, and has served as chairman of our board of directors since March 2014. Mr. Halligan is also an author and a senior lecturer at the Massachusetts Institute of Technology. Prior to founding HubSpot, Mr. Halligan served as venture partner at Longworth Ventures. From 2000 until 2004, he also worked as the vice president of sales of Groove Networks, which was later acquired by Microsoft. Mr. Halligan serves on the board of directors of Fleetmatics Group, a global provider of fleet management solutions. Mr. Halligan was selected to serve as a director on our Board due to his knowledge of HubSpot and our business and his service as our chief executive officer.

Ron Gill, 50, has served as a member of our board of directors since June 2012. Mr. Gill has held multiple positions at NetSuite, Inc. since joining in 2007 and has served as chief financial officer since 2010. Prior to joining NetSuite, Ron was vice president, finance at Hyperion Solutions. Previously, he held a variety of financial positions with several technology companies, including SAP, Dell and Sony. Mr. Gill was selected to serve as a director on our Board due to his broad industry experience and extensive financial leadership experience. Mr. Gill qualifies as an “audit committee financial expert” under SEC guidelines.

Larry Bohn, 64, has served as a member of our board of directors since July 2007. Mr. Bohn is a Managing Director of General Catalyst Partners, a venture capital firm, which he joined in 2002. Prior to joining General Catalyst, Mr. Bohn served as the president, chief executive officer and chairman of the board of directors of NetGenesis, a leading software and analytic solutions provider. Mr. Bohn has also served as President of PC Docs a developer of document management software for enterprise networks. He previously served on the board of directors of Demandware until January 2016 and currently serves on the board of directors of several private software and technology companies, including BlackDuck, BigCommerce, L2, GoodData and Semantic Machines. Mr. Bohn was selected to serve as a director on our Board due to his experience as a seasoned investor and a current and former director of many companies, and his knowledge of the industry in which we operate.

#### Executive Officers

In addition to Mr. Halligan, our chief executive officer, and Mr. Shah, our chief technology officer, who also serve as directors, our executive officers are:

John Kelleher, 50, has served as our general counsel since June 2012. Previously, from 2003, Mr. Kelleher served as the senior vice president and general counsel of Endeca Technologies until its acquisition by Oracle in December 2011. Prior to his legal career, Mr. Kelleher was a Lieutenant in the U.S. Navy.

John Kinzer, 47, has served as our chief financial officer since November 2013. From 2012 to 2013, prior to joining HubSpot, he served as the chief financial officer of BackOffice Associates. From 2001 to 2012, Mr. Kinzer worked for Blackboard, serving as chief financial officer from 2010 to 2012. He has also worked at MCI and Arthur Andersen.

Hunter Madeley, 49, has served as our chief sales officer since April 2016. Prior to that he served as our senior vice president global sales from April 2014 to March 2016. After a sabbatical, Mr. Madeley served as a vice president commercial sales at salesforce.com

from September 2010 to March 2014. From 2002 to 2004, Mr. Madeley served in several leadership roles at ADP, including as a vice president sales and a director of sales.

J.D. Sherman, 50, has served as our chief operating officer since March 2012 and as our president since March 2014. From 2005 to 2012, Mr. Sherman served as the chief financial officer of Akamai Technologies. From 1990 to 2005, he served in various positions at IBM including as vice president of financial planning and assistant controller of corporate financial strategy and budgets. He currently serves on the board of directors of Fiserv, Inc. and also served on the board of directors of Cypress Semiconductor until March 2015.



## CORPORATE GOVERNANCE

### Board Independence

The Board has determined that each of our directors, except for Mr. Halligan as chief executive officer and Mr. Shah as chief technology officer, has no relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and is “independent” within the meaning of our director independence standards and the director independence standards of NYSE and the SEC. Furthermore, the Board has determined that each member of each of the committees of the Board is independent within the meaning of the NYSE’s, the SEC’s, and our applicable committees’ independence standards, including Rule 10a-3(b)(1) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In making that determination, the Board considered all relevant facts and circumstances, including (but not limited to) the director’s commercial, industrial, banking, consulting, legal, accounting, charitable, and familial relationships. There are no family relationships among any of our directors or executive officers. In addition, a majority of the members of the Board meets the independence standards under the rules of the NYSE.

At least annually, the Board will evaluate all relationships between us and each director in light of relevant facts and circumstances for the purposes of determining whether a material relationship exists that might signal a potential conflict of interest or otherwise interfere with such director’s ability to satisfy his or her responsibilities as an independent director. Based on this evaluation, the Board will make an annual determination of whether each director is independent within the meaning of the NYSE’s, the SEC’s, and our applicable committees’ independence standards.

### Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics (a/k/a our Code of Use Good Judgment) that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. The current version of the Code of Use Good Judgment is available on our website at [http://ir.hubspot.com/files/doc\\_governance/Code-of-Use-Good-Judgment.pdf](http://ir.hubspot.com/files/doc_governance/Code-of-Use-Good-Judgment.pdf). A copy of the Code of Use Good Judgment may also be obtained, free of charge, upon a request directed to: HubSpot, Inc., 25 First Street, 2nd Floor, Cambridge, MA 02141, Attention: General Counsel. We intend to disclose any amendment or waiver of a provision of the Code of Use Good Judgment that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, by posting such information on our website (available at <http://www.hubspot.com>) and/or in our public filings with the SEC.

### Corporate Governance Guidelines

The Board has adopted corporate governance guidelines to assist and guide its members in the exercise of its responsibilities. These guidelines should be interpreted in accordance with any requirements imposed by applicable federal or state law or regulation, the NYSE and our certificate of incorporation and bylaws. Our corporate governance guidelines are available on our website at [http://ir.hubspot.com/files/doc\\_governance/Corporate-Governance-Guidelines.pdf](http://ir.hubspot.com/files/doc_governance/Corporate-Governance-Guidelines.pdf). Although these corporate governance guidelines have been approved by the Board, it is expected that these guidelines will evolve over time as customary practice and legal requirements change. In particular, those guidelines that encompass legal, regulatory or exchange requirements as they currently exist will be deemed to be modified as and to the extent that such legal, regulatory or exchange requirements are modified. In addition, the guidelines may also be amended by the Board at any time as it deems appropriate.

### Board and Committee Meetings

The Board meets on a regularly scheduled basis during the year to review significant developments affecting us and to act on matters requiring their approval. It also holds special meetings when important matters require action between

scheduled meetings. Members of senior management regularly attend meetings to report on and discuss their areas of responsibility. During 2015, the Board held eight meetings. The Board has three standing committees:

- the audit committee, which held nine meetings in 2015;
- the compensation committee, which held five meetings in 2015; and
- the nominating and corporate governance committee, which held four meetings in 2015.

Each of the incumbent directors of the Board, except for Mr. Skok, attended at least 75% of the aggregate of all meetings of the Board and meetings of committees of our Board upon which they served (during the periods that they served) during 2015. The Board regularly holds executive sessions of the independent directors. Executive sessions do not include employee directors or directors who do not qualify as independent under NYSE and SEC rules.

## Annual Meeting Attendance

It is our policy that members of our Board are encouraged to attend annual meetings of our stockholders.

## Committees

Our bylaws provide that the Board may delegate responsibility to committees. The Board has three standing committees: an audit committee, a compensation committee, and a nominating and corporate governance committee. The Board has also adopted a written charter for each of the three standing committees. Each committee charter is available in the corporate governance section of our website at <http://ir.hubspot.com/investors/corporate-governance>.

### Audit Committee

Ms. Herendeen and Messrs. Gill and Skok currently serve on the audit committee, which is chaired by Mr. Gill. The Board has determined that each member of the audit committee is “independent” for audit committee purposes as that term is defined under Rule 10A-3 of the Exchange Act, and the applicable NYSE rules. Each member of the audit committee meets the requirements for financial literacy under the applicable rules and regulations of the SEC and NYSE. The Board has designated Mr. Gill as an “audit committee financial expert,” as defined under the applicable rules of the SEC. The audit committee’s responsibilities include:

- overseeing the work of our independent registered public accounting firm;
- approving the hiring, discharging and compensation of our independent registered public accounting firm;
- approving engagements of the independent registered public accounting firm to render any audit or permissible non-audit services;
- reviewing the qualifications and independence of the independent registered public accounting firm;
- monitoring the rotation of partners of the independent registered public accounting firm on our engagement team as required by law;
- reviewing our consolidated financial statements and reviewing our critical accounting policies and estimates;
- reviewing the adequacy and effectiveness of our internal controls; and
- reviewing and discussing with management and the independent registered public accounting firm the results of our annual audit and our interim consolidated financial statements.

The audit committee met nine times during the fiscal year ended December 31, 2015. The audit committee operates under a written charter adopted by the Board of Directors, a current copy of which is available at the Corporate Governance section of our website at <http://ir.hubspot.com/investors/corporate-governance>.

### Compensation Committee

Messrs. Bohn, Simon and Skok currently serve on the compensation committee, which is chaired by Mr. Simon. The Board has determined that each member of the compensation committee is “independent” as that term is defined in the applicable SEC and NYSE rules. The compensation committee’s responsibilities include:

- reviewing and approving corporate goals and objectives relevant to compensation of our chief executive officer and other executive officers;
- evaluating the performance of our executive officers in light of established goals and objectives;
- reviewing and recommending compensation of our executive officers based on its evaluations;
- reviewing and recommending compensation of our directors; and
- administering the issuance of stock options and other awards under our stock plans.

The compensation committee met five times during the fiscal year ended December 31, 2015. The compensation committee operates under a written charter adopted by the Board of Directors, a current copy of which is available at the Corporate Governance section of our website at <http://ir.hubspot.com/investors/corporate-governance>.



## Nominating and Corporate Governance Committee

Mr. Bohn and Ms. Herendeen and Norrington currently serve on the nominating and corporate governance committee, which is chaired by Ms. Norrington. The Board has determined that each member of the nominating and corporate governance committee is “independent” as that term is defined in the applicable SEC and NYSE rules. The nominating and corporate governance committee’s responsibilities include:

- evaluating and making recommendations regarding the organization and governance of the board of directors and its committees;
- assessing the performance of members of the board of directors and making recommendations regarding committee and chair assignments;
- reviewing and making recommendations with regard to our corporate succession plans for our chief executive officer and other executive officers;
- recommending desired qualifications for board of directors membership and conducting searches for potential members of the board of directors; and
- reviewing and making recommendations with regard to our corporate governance guidelines.

The nominating and corporate governance committee met four times during the fiscal year ended December 31, 2015. The nominating and corporate governance committee operates under a written charter adopted by the Board of Directors, a current copy of which is available at the Corporate Governance section of our website at <http://ir.hubspot.com/investors/corporate-governance>.

## Identifying and Evaluating Director Nominees

The Board has delegated the director selection and nomination process to the nominating and corporate governance committee, with the expectation that other members of the Board, and of management, will be requested to take part in the process as appropriate.

Generally, the nominating and corporate governance committee identifies candidates for director nominees in consultation with management, through the use of search firms or other advisors, through the recommendations submitted by stockholders or through such other methods as the nominating and corporate governance committee deems to be helpful to identify candidates. Once candidates have been identified, the nominating and corporate governance committee confirms that the candidates meet all of the minimum qualifications for director nominees established by the nominating and corporate governance committee. The nominating and corporate governance committee may gather information about the candidates through interviews, detailed questionnaires, comprehensive background checks or any other means that the nominating and corporate governance committee deems to be appropriate in the evaluation process. The nominating and corporate governance committee then meets as a group to discuss and evaluate the qualities and skills of each candidate, both on an individual basis and taking into account the overall composition and needs of the Board. Based on the results of the evaluation process, the nominating and corporate governance committee recommends candidates for the Board’s approval as director nominees for election to the Board.

## Minimum Qualifications

In evaluating proposed director candidates, the nominating and corporate governance committee may consider all facts and circumstances that it deems appropriate or advisable, including, among other things, the skills of the proposed director candidate, his or her depth and breadth of professional experience or other background characteristics, his or her independence, the current size and composition of our Board and the needs of our Board and its respective committees. Some of the qualifications that our nominating and corporate governance committee considers include, without limitation, integrity, judgment, diversity of experience, expertise, business acumen, understanding of our business and industry, potential conflicts of interest and other commitments. Nominees must also have proven achievement and competence in their field and the ability to provide guidance to our management team

and make significant contributions to our success, and an understanding of the fiduciary responsibilities that are required of a director. Director candidates must have sufficient time available in the judgment of our nominating and corporate governance committee to perform all board of director and committee responsibilities. Members of our Board are expected to prepare for, attend, and participate in all board of director and applicable committee meetings.

While we do not have a specific policy with regard to the consideration of diversity in identifying director nominees, in identifying and evaluating proposed director candidates, we value diversity of perspective and the nominating and corporate governance committee considers, in addition to the minimum qualifications and other criteria for Board membership approved by the Board from time to time, whether, if elected, the nominee assists in achieving a mix of board members that represents a diversity of race, ethnicity, gender, age, background, and professional experience.

## Stockholder Recommendations

Stockholders may submit recommendations for director candidates to the nominating and corporate governance committee by sending the individual's name and qualifications to our Secretary at HubSpot, Inc., 25 First Street, 2nd Floor, Cambridge, MA 02141, who will forward all recommendations to the nominating and corporate governance committee. The nominating and corporate governance committee will evaluate any candidates recommended by stockholders against the same criteria and pursuant to the same policies and procedures applicable to the evaluation of candidates proposed by directors or management.

## Stockholder Communications

The Board provides to every securityholder the ability to communicate with the Board, as a whole, and with individual directors on the Board through an established process for securityholder communication. For a securityholder communication directed to the Board of Directors as a whole, securityholders may send such communication to the attention of the Company's Secretary via U.S. Mail or Expedited Delivery Service to: HubSpot, Inc., 25 First Street, 2nd Floor, Cambridge, MA 02141, Attn: Board of Directors, c/o Secretary.

For a securityholder communication directed to an individual director in his or her capacity as a member of the Board, securityholders may send such communication to the attention of the individual director via U.S. Mail or Expedited Delivery Service to: HubSpot, Inc., 25 First Street, 2nd Floor, Cambridge, MA 02141, Attn: [Name of Individual Director], c/o Secretary.

We will forward by U.S. Mail any such securityholder communication to each director, and the Chairman of the Board in his or her capacity as a representative of the Board, to whom such securityholder communication is addressed to the address specified by each such director and the Chairman of the Board, unless there are safety or security concerns that mitigate against further transmission.

## Board Leadership Structure and Board's Role in Risk Oversight

Mr. Halligan serves as our chief executive officer and as chairman of the board. The board of directors believes that having our chief executive officer as chairman of the board facilitates the board of directors' decision-making process because Mr. Halligan has first-hand knowledge of our operations and the major issues facing us. This also enables Mr. Halligan to act as the key link between the board of directors and other members of management.

Our board of directors has appointed Ms. Norrington to serve as our lead independent director. As lead independent director, Ms. Norrington presides over meetings of our independent directors, serves as a liaison between our chairman of the board of directors and the independent directors and performs such additional duties as our board of directors may otherwise determine and delegate.

One of the key functions of our board of directors is informed oversight of our risk management process. Our board of directors does not have a standing risk management committee, but rather administers this oversight function directly through the board of directors as a whole, as well as through its standing committees that address risks inherent in their respective areas of oversight. In particular, our board of directors is responsible for monitoring and assessing strategic risk exposure. Our audit committee is responsible for reviewing and discussing our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies with respect to risk assessment and risk management. Our audit committee also monitors compliance with legal and regulatory requirements, in addition to oversight of the performance of our external audit function. Our nominating and corporate governance committee monitors the effectiveness of our corporate governance guidelines. Our compensation committee reviews and discusses the risks arising from our compensation philosophy and practices applicable to all employees that are reasonably likely to have a materially adverse effect on us.

## Compensation Risk Assessment

We believe that although a portion of the compensation provided to our executive officers and other employees is performance-based, our executive compensation program does not encourage excessive or unnecessary risk taking. Our compensation programs are designed to encourage our executive officers and other employees to remain focused on both short-term and long-term strategic goals, in particular in connection with our pay-for-performance compensation philosophy. As a result, we do not believe that our compensation programs are reasonably likely to have a material adverse effect on us.

## Anti-Hedging and Anti-Pledging Policies

Our insider trading policies prohibit all directors, executive officers, and employees from buying our securities on margin, or holding such securities in a margin account and, without the prior approval of the audit committee, buying or selling derivatives on such securities, engaging in short sales involving such securities or pledging our securities as collateral for a loan. To date, no such requests have been made or approved.



## PROPOSAL TWO

### RATIFICATION OF THE APPOINTMENT OF

### OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our independent registered public accounting firm for the fiscal year ending December 31, 2015 was Deloitte & Touche LLP (“Deloitte”). After considering a change in our independent registered accounting firm, our audit committee appointed PricewaterhouseCoopers LLP as our independent registered public accounting firm to perform the audit of our consolidated financial statements for the fiscal year ending December 31, 2016, and we are asking you and other stockholders to ratify this appointment.

The audit committee annually reviews the independent registered public accounting firm’s independence, including reviewing all relationships between the independent registered public accounting firm and us and any disclosed relationships or services that may impact the objectivity and independence of the independent registered public accounting firm, and the independent registered public accounting firm’s performance. As a matter of good corporate governance, the Board determined to submit to stockholders for ratification the appointment of PricewaterhouseCoopers LLP. A majority of the votes properly cast is required in order to ratify the appointment of PricewaterhouseCoopers LLP. In the event that a majority of the votes properly cast do not ratify this appointment of PricewaterhouseCoopers LLP, we will review our future appointment of PricewaterhouseCoopers LLP.

We expect that a representative of PricewaterhouseCoopers LLP will attend the Annual Meeting and the representative will have an opportunity to make a statement if he or she so chooses. The representative will also be available to respond to appropriate questions from stockholders.

### Change in Independent Registered Public Accounting Firm

On March 22, 2016, the audit committee (i) dismissed Deloitte as our independent registered public accounting firm effective as of that date and (ii) approved the appointment of PricewaterhouseCoopers LLP as our new independent registered public accounting firm subject to clearance of PricewaterhouseCoopers LLP’s internal acceptance process. Deloitte & Touche LLP had served as the Company’s independent registered public accounting firm since 2009. Deloitte’s reports on our financial statements for the fiscal years ended December 31, 2015 and 2014 did not contain any adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

During the fiscal years ended December 31, 2015 and 2014 and through March 22, 2016, there was no “disagreement” (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K) with Deloitte on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Deloitte, would have caused Deloitte to make reference to the subject matter of such disagreements in connection with its reports on the financial statements for such years.

During the fiscal years ended December 31, 2015 and 2014 and through March 22, 2016, there was no “reportable event” (as defined in Item 304(a)(1)(v) of Regulation S-K), except that, as previously disclosed, we previously reported that there was a material weakness in our internal control over financial reporting for the periods ended June 30, 2015 and September 30, 2015. Based on certain of our employees violating our Code of Business Conduct and Ethics, it was determined that an entity-level control did not operate effectively, and such ineffectiveness constituted a material

weakness. We implemented changes in the fourth quarter of 2015 in our internal control over financial reporting in accordance with our remediation plan. These changes included developing and implementing a Company-wide Code of Business Conduct and Ethics training program and annual employee certification. This entity-level control deficiency did not result in a misstatement of our financial statements and the material weakness was remediated as of December 31, 2015. This reportable event was discussed among our management, the audit committee, our board of directors and Deloitte. Deloitte has been authorized by us to respond fully to the inquiries of PricewaterhouseCoopers LLP, the successor accountant, concerning this reportable event.

Deloitte furnished us with a letter addressed to the SEC stating that it agrees with the above statements, a copy of which was filed as Exhibit 16.1 with our Current Report on Form 8-K filed with the SEC on March 28, 2016.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

We have adopted a policy under which the audit committee must pre-approve all audit and permissible non-audit services to be provided by the independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval would generally be requested annually, with any pre-approval detailed as to the particular service, which must be classified in one of the four categories of services listed below. The audit committee may also, on a case-by-case basis, pre-approve particular services that are not contained in the annual pre-approval request. In connection with this pre-approval policy, the audit committee also considers whether the categories of pre-approved services are consistent with the rules on accountant independence of the SEC and the Public Company Accounting Oversight Board.

In addition, in the event time constraints require pre-approval prior to the audit committee’s next scheduled meeting, the audit committee has authorized its Chairperson to pre-approve services. Engagements so pre-approved are to be reported to the audit committee at its next scheduled meeting.

Audit Fees

The following table sets forth the fees billed by Deloitte & Touche LLP for audit, audit-related, tax and all other services rendered for 2015 and 2014 (in thousands):

Fee Category	2015	2014
Audit Fees	\$1,445	\$752
Audit-Related Fees	114	890
Tax Fees	213	190
Total Fees	\$1,772	\$1,832

**Audit Fees.** Represents fees billed for services provided in connection with the audits of our annual financial statements and internal control over financial reporting, and reviews of our quarterly financial statements.

**Audit-Related Fees.** Represents fees billed for services provided in connection with the submission of our Registration Statements on Form S-1 in connection with our public stock offerings.

**Tax Fees.** Represents fees billed for professional services provided for tax compliance, advice and planning.

The Audit Committee pre-approved all services performed since the pre-approval policy was adopted.

Recommendation of the Board

THE BOARD RECOMMENDS THAT YOU VOTE “FOR” RATIFICATION OF THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2016.

Report of the Audit Committee of the Board of Directors

The information contained in this audit committee report shall not be deemed to be (1) “soliciting material,” (2) “filed” with the SEC, (3) subject to Regulations 14A or 14C of the Exchange Act, or (4) subject to the liabilities of Section 18 of the Exchange Act. No portion of this audit committee report shall be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, through any general statement incorporating by reference in its entirety the proxy statement in which this report appears, except to the extent that HubSpot specifically incorporates this report or a portion of it by reference. In addition, this report shall not be deemed filed under either the Securities Act or the Exchange Act.

This report is submitted by the audit committee of the Board. None of the members of the audit committee is an officer or employee of HubSpot, and the Board has determined that each member of the audit committee is “independent” for audit committee purposes as that term is defined under Rule 10A-3 of the Exchange Act, and the applicable NYSE Market rules. Each member of the audit committee meets the requirements for financial literacy under the applicable rules and regulations of the SEC and NYSE. The Board has designated Mr. Gill as an “audit committee financial expert,” as defined under the applicable rules of the SEC. The audit committee operates under a written charter adopted by the Board.

The Audit Committee's general role is to assist the Board in monitoring our financial reporting process and related matters. Its specific responsibilities are set forth in its charter.

The Audit Committee has reviewed the company's consolidated financial statements for 2015 and met with management, as well as with representatives of Deloitte & Touche LLP, the company's independent registered public accounting firm, to discuss the consolidated financial statements. The Audit Committee also discussed with members of Deloitte & Touche LLP the matters required to be discussed by the Statement on Auditing Standards No. 61, as amended (AICPA Performance Standards Vol. 1. AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

The Audit Committee reviewed management's report on its assessment of the effectiveness of the company's internal control over financial reporting and the independent registered public accounting firm's report on the effectiveness of the company's internal control over financial reporting. The Audit Committee meets with representatives of the independent registered public accounting firm, with and without management present, to discuss the results of their examinations; their evaluations of the company's internal control, including internal control over financial reporting; and the overall quality of the company's financial reporting.

In addition, the Audit Committee received the written disclosures and the letter from Deloitte & Touche LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence, and discussed with members of Deloitte & Touche LLP its independence.

Based on these discussions, the financial statement review and other matters it deemed relevant, the Audit Committee recommended to the Board that the company's audited consolidated financial statements for 2015 be included in its Annual Report on Form 10-K for 2015.

Audit Committee

Ron Gill (Chairperson)

David Skok

## SECURITY OWNERSHIP OF

## CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information known to us regarding the beneficial ownership of our common stock as of April 10, 2016, for:

- each person known by us to be the beneficial owner of more than 5% of our common stock;
- our named executive officers;
- each of our directors and director nominees; and
- all executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Except as noted by footnote, and subject to community property laws where applicable, we believe, based on the information provided to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

The table lists applicable percentage ownership based on 34,898,980 shares of common stock outstanding as of April 10, 2016 unless indicated otherwise. Options to purchase shares of our common stock that are exercisable, and shares of our common stock that may be acquired upon the vesting of restricted stock units (“RSUs”), in each case, within 60 days of April 10, 2016, are deemed to be beneficially owned by the persons holding these options or RSUs, as applicable, for the purpose of computing percentage ownership of that person, but are not treated as outstanding for the purpose of computing any other person’s ownership percentage. Unless otherwise indicated, the address for each beneficial owner is c/o HubSpot, Inc. 25 First Street, 2nd Floor, Cambridge, MA 02141.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage	
<b>5% Stockholders</b>			
FMR LLC(1)	5,114,492	15.0	%
Entities affiliated with Wellington Management Group LLP(2)	2,320,447	6.8	%
Gilder, Gagnon, Howe & Co. LLC(3)	2,256,792	6.6	%
Alliance Bernstein L.P.(4)	2,246,679	6.6	%
Entities affiliated with General Catalyst Partners(5)	2,111,271	6.1	%
Dharmesh Shah(6)	1,831,441	5.3	%
<b>Executive Officers and Directors</b>			
Brian Halligan (7)	762,349	2.2	%
John Kinzer(8)	43,222	*	
John Kelleher(9)	46,389	*	
JD Sherman (10)	70,058	*	
Larry Bohn(5)	2,111,271	6.1	%
Ron Gill(11)	10,870	*	
Lorrie Norrington(12)	4,970	*	
Michael Simon(13)	30,308	*	
Dharmesh Shah(6)	1,831,441	5.3	%
David Skok(14)	1,525,530	4.4	%
Julie Herendeen (15)	-	*	
All executive officers and directors as a group (12)	6,465,166	18.5	%

persons)(16)

\*Represents beneficial ownership of less than 1% of our outstanding common stock.

- (1) This information is as of December 31, 2015 and is based solely on a Schedule 13G filed by FMR LLC (“FMR”) with the SEC on February 12, 2016. FMR reports sole voting power over 437,196 shares and sole dispositive power over 5,114,492 shares. The percent owned is based on the calculation provided by the FMR Schedule 13G. The address of FMR is 245 Summer Street, Boston, Massachusetts 02210.
- (2) This information is as of December 31, 2015 and is based solely on a Schedule 13G filed by Wellington Management Group LLP, Wellington Group Holdings LLP, Wellington Investment Advisors Holdings LLP and Wellington Management Company LLP (together, the “Wellington Funds”) with the SEC on February 11, 2016. Wellington Management Company LLP reports

shared voting power over 2,115,530 shares and sole dispositive power over 2,214,674 shares. Wellington Group Holdings LLP, Wellington Investment Advisors Holdings LLP and Wellington Management Group LLP each report shared voting power over 2,120,312 shares and shared dispositive power over 2,320,447 shares. The percent owned is based on the calculation provided by the Wellington Funds Schedule 13G. The address of the Wellington Funds is c/o Wellington Management Company LLP 280 Congress Street Boston, MA 02210.

- (3) This information is as of December 31, 2015 and is based solely on a Schedule 13G filed by Gilder, Gagnon, Howe & Co. LLC. (“GGH & Co.”) with the SEC on February 12, 2016. GGH & Co. reports sole voting and dispositive power over 41,282 shares and shared dispositive power over 2,215,510 shares. The percent owned is based on the calculation provided by the GGH & Co. Schedule 13G. The address of GGH & Co. is 3 Columbus Circle, New York, NY 10019.
- (4) This information is as of December 31, 2015 and is based solely on a Schedule 13G filed by AllianceBernstein L.P. with the SEC on February 16, 2016. AllianceBernstein L.P. reports sole voting power over 1,971,641 shares, sole dispositive power over 2,201,359 shares and shared dispositive power over 45,320 shares. The percent owned is based on the calculation provided by the AllianceBernstein L.P. Schedule 13G. The address of AllianceBernstein is 1345 Avenue of the Americas, New York NY 01015.
- (5) Consists of (i) 21,872 shares held directly by Larry Bohn, (ii) 2,046,678 shares of common stock held by General Catalyst Group V, L.P. (“GCG V”) and (iii) 42,721 shares of common stock held by GC Entrepreneurs Fund V, L.P. (“GCEF V”). General Catalyst Partners V, L.P. (“GCP V”), as the sole general partner of GCG V and GCEF V, and General Catalyst GP V, LLC (“GCGP V”), as the sole general partner of GCP V, may be deemed to share voting and dispositive power over the shares held of record by GCG V and GCEF V. Each of David Fialkow, David Orfao and Joel Cutler, who are Managing Directors of GCGP V, may be deemed to share voting and dispositive power over the shares held of record by GCG V and GCEF V. The address for Mr. Bohn and General Catalyst Partners is 20 University Road, 4th Floor, Cambridge, MA 02138.
- (6) Consists of (i) 1,829,288 shares held directly by Mr. Shah and (ii) 2,153 shares issuable upon exercise of stock options, and that may be acquired upon the vesting of RSUs, in each case, within 60 days of April 10, 2016.
- (7) Consists of (i) 752,664 shares held directly by Mr. Halligan and (ii) 9,685 shares issuable upon exercise of stock options, and that may be acquired upon the vesting of RSUs, in each case, within 60 days of April 10, 2016.
- (8) Consists of (i) 33,849 shares held directly by Mr. Kinzer and (ii) 9,373 shares issuable upon exercise of stock options, and that may be acquired upon the vesting of RSUs, in each case, within 60 days of April 10, 2016.
- (9) Consists of (i) 39,190 shares held directly by Mr. Kelleher and (ii) 7,199 shares issuable upon exercise of stock options, and that may be acquired upon the vesting of RSUs, in each case, within 60 days of April 10, 2016.
- (10) Consists of (i) 67,905 shares held directly by Mr. Sherman and (ii) 2,153 shares issuable upon exercise of stock options, and that may be acquired upon the vesting of RSUs, in each case, within 60 days of April 10, 2016.
- (11) Consists of (i) 6,300 shares held directly by Mr. Gill and (ii) 4,570 shares issuable upon exercise of stock options, and that may be acquired upon the vesting of RSUs, in each case, within 60 days of April 10, 2016.
- (12) Consists of (i) 400 shares of common stock held directly by Ms. Norrington and (ii) 4,570 shares issuable upon exercise of stock options, and that may be acquired upon the vesting of RSUs, in each case, within 60 days of April 10, 2016.
- (13) Consists of (i) 20,738 shares held directly by Mr. Simon, (ii) 5,000 shares held by the Simon Family Children’s Trust dtd 12/15/2006 and (iii) 4,570 shares issuable upon exercise of stock options, and that may be acquired upon the vesting of RSUs, in each case, within 60 days of April 10, 2016.
- (14) Consists of (i) 11,005 shares held directly by Mr. Skok, (ii) 1,511,347 shares of common stock held by Matrix Partners VIII, L.P., or Matrix VIII, (ii) 834 shares of common stock held by Weston & Co. VIII LLC as nominee for Matrix VIII US Management Co., LLC (“Matrix VIII US MC”), which is the beneficial owner of such shares (the “Matrix VIII US MC Shares”) and (iii) 2,344 shares of common stock held by Matrix VIII US MC. Matrix VIII US MC is the sole general partner of Matrix VIII, and Mr. Skok is a managing member of Matrix VIII US MC. Mr. Skok, by virtue of his management position in Matrix VIII US MC, has sole voting and dispositive power with respect to the shares held by Matrix VIII and the Matrix VIII US MC shares, except to the extent of his respective pecuniary interests therein. The address for each of Mr. Skok, Matrix Partners VIII, L.P. and Matrix VIII US Management Co., LLC is 101 Main Street, 17th Floor, Cambridge, MA 02142.
- (15)



Ms. Herendeen joined our board of directors on April 26, 2016. Ms. Herendeen does not hold any shares issuable upon exercise of stock options, and that may be acquired upon the vesting of RSUs, in each case, within 60 days of April 10, 2016.

(16) See footnotes 5 through 15 above. Includes 50,522 shares issuable upon exercise of stock options, and that may be acquired upon the vesting of RSUs, in each case, within 60 days of April 10, 2016.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers and persons who own more than 10% of our common stock, to file with the SEC initial reports of beneficial ownership and reports of changes in beneficial ownership. Officers, directors and greater than 10% stockholders are required by SEC regulations to furnish us with copies of all such reports.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, we believe that for 2015, all required reports were filed on a timely basis under Section 16(a), except for four late Form 4 transactions for each of Mr. Halligan, Mr. Kelleher, Mr. Sherman and Mr. Shah, five late Form 4 transactions for Mr. Kinzer, six late Form 4 transactions for Mr. Madeley, and two late Form 4 transactions for each of Mr. Gill, Ms. Norrington and Mr. Simon.

## EXECUTIVE COMPENSATION

## Compensation Discussion and Analysis

This Compensation Discussion and Analysis section describes how our executive compensation programs are designed and operate with respect to our named executive officers. For 2015, our named executive officers were:

Name	Title
Brian Halligan	Chief Executive Officer
John Kinzer	Chief Financial Officer
J.D. Sherman	President and Chief Operating Officer
Dharmesh Shah	Chief Technology Officer
John Kelleher	General Counsel

## Executive Summary and Compensation Philosophy

Our compensation committee designs our executive compensation programs with the goal of attracting, retaining and motivating high-caliber executive officers, while simultaneously promoting the achievement of key company performance measures to align the incentives of our executive officers with our stockholders' interests. We compete with many other public and private companies within our region and across the country for executives. Accordingly, the compensation committee generally targets overall compensation for our executive officers to be competitive in our industry and region. Variations to this targeted compensation may occur depending on the experience level of the individual and other market factors, such as the demand for executives with certain skills and experience and the costs associated with recruiting qualified executives from other established companies. We intend to provide a competitive total compensation package and will share our success with our executive officers, as well as our other employees, when our objectives are met.

In 2015 we delivered strong financial performance, with highlights that included:

- 57% year-over-year revenue growth to \$181.9 million in 2015 compared to \$115.9 million in 2014;
- 14 percentage point improvement in non-GAAP operating margin to (13.8%) in 2015 compared to (27.7%) in 2014;
- Generated positive cash flow for the first time in the second quarter of 2015 in the amount of \$1.6 million and used (\$0.4) million of operating cash flow in the full year 2015 compared to using (\$12.5) million of operating cash flow in 2014;
- 33% growth in total customers to 18,116 as of December 31, 2015 compared to 13,607 as of December 31, 2014;
- and
- Increased average subscription revenue per customer during the fourth quarter of 2015 to \$11,135 from \$9,530 in the fourth quarter of 2014.

The compensation of our named executive officers in 2015 consisted of the following elements:

Compensation Element	Objective
Base salary	To attract and retain talented executives.
Annual cash incentive compensation	To motivate and reward executives for the achievement of key company objectives set by the compensation committee at the beginning of the year. To retain and motivate executives and align their interests with those of our stockholders.

Long-term equity  
incentive  
compensation

Other Benefits

General employee medical and dental plans, unlimited vacation, life and disability insurance and Section 401(k) plan matching contributions designed to provide employee benefits competitive with those offered by our peer group and other companies with which we compete for talent.

Each of the elements of our executive compensation program is discussed in more detail below. Our compensation elements are designed to be flexible, to complement each other and to serve the compensation objectives described above. While we have not adopted any formal policies for allocating compensation between fixed and variable compensation, we generally target our long-term equity incentive compensation to be a significant majority of total compensation. Our mix of compensation elements is designed to reward recent results and motivate long-term performance through a combination of short-term cash and long-term equity incentive awards.

## Determining Executive Compensation

### Role of the Compensation Committee

The compensation committee of our board of directors oversees our executive compensation program and annually reviews and approves all executive compensation decisions. The compensation committee meets near the beginning of each fiscal year to review our executive compensation programs, establish the company performance measures used to set the annual cash bonus opportunities for the fiscal year and review the total compensation for our executive officers to ensure consistency with our overall compensation philosophy. As part of their executive compensation review, the compensation committee is provided with relevant information, such as the competitive market data described further below, to use as a reference when setting each individual compensation element and total compensation levels.

### Role of our Chief Executive Officer and Other Executive Officers

Our Chief Executive Officer, President and Chief Financial Officer assist the compensation committee in identifying the key performance and incentive measures that may be used in setting annual cash incentive compensation opportunities and also provide input on key contributors and performers within the company so as to ensure their compensation accurately reflects their responsibilities, performance, experience levels and expected future contributions. Although our Chief Executive Officer, President and Chief Financial Officer do not participate in decisions involving their own compensation, their recommendations and input, along with input from other executive officers, are often taken into consideration by the compensation committee when making compensation decisions.

### Role of the Compensation Consultant

The compensation committee has retained Compensia, a nationally recognized compensation consulting firm, to serve as its compensation consultant. In compliance with the disclosure requirements of the SEC regarding the independence of compensation consultants, the compensation committee has assessed each of the six independence factors established by the SEC and has determined that the engagement of Compensia does not raise any conflicts of interest or similar concerns. In addition, the compensation committee evaluated the independence of its other outside advisors to the compensation committee, including outside legal counsel, considering the same independence factors and concluded their work for the compensation committee does not raise any conflicts of interest.

Compensia reports directly to the compensation committee and does not provide any non-compensation related services to the Company. Compensia does not make specific compensation-related recommendations, although it does use the competitive market data described below to provide ranges for base salary, annual cash incentive awards and long-term incentive awards that are consistent with the company's compensation peer group for the compensation committee to consider. Compensia attends certain compensation committee meetings, executive sessions and preparatory meetings with the committee chair and certain executive officers, as requested by the compensation committee.

### Use of Competitive Market Data and Peer Groups

The compensation committee directs Compensia to provide it with competitive market data and analysis based on a select group of peer companies and published survey data, as well as information about current market practices and trends, compensation structures and peer group compensation ranges. The comparative market data Compensia provides is based on a compensation peer group selected by the compensation committee with input and guidance from Compensia and published survey data in cases where there is insufficient data within the peer companies. Typically, the compensation peer group is comprised of software companies that are considered similar to us as of the end of the previous fiscal year based on various financial measures such as revenue, market capitalization and growth.

For 2015 our compensation peer group consisted of the following 17 software companies:

Callidus Software Inc.	Five9, Inc.	PROS Holdings, Inc.
ChannelAdvisor Corporation	Imperva, Inc.	Qualys, Inc.
Constant Contact, Inc.	Jive Software, Inc.	SciQuest, Inc.
Cornerstone OnDemand, Inc.	LogMeIn, Inc.	SPS Commerce, Inc.
Cvent, Inc.	Marin Software Incorporated	Zendesk, Inc.
Demandware, Inc.	Marketo, Inc.	

The compensation committee may replace some or all of these companies with others from time to time as changes in market positions and company size, including our own, may suggest more representative peer group companies.

## Elements of Compensation

### Base Salaries

Base salaries for our named executive officers were established initially at the time the individual was hired, taking into account competitive market data provided by Compensia and internal pay equity considerations, as well as the individual's qualifications and experience. Base salaries of our named executive officers are reviewed by our Chief Executive Officer and President and approved annually by the compensation committee. Adjustments to base salaries are also based on:

- Each named executive officer's position, level of responsibility and seniority.
- The relative ease or difficulty of replacing the individual with a well-qualified person and the number of well-qualified candidates available to assume the person's role.

The compensation committee does not assign a specific weight to any single factor in making decisions regarding base salary adjustments.

In January 2015, after reviewing the base salaries of our named executive officers, the compensation committee determined the following base salary adjustments were necessary in order to make their total cash compensation more competitive with the amounts paid to similarly situated executives at the companies in our peer group.

The following table sets forth the base salary for our named executive officers for fiscal 2014 and 2015:

	2014 Base	2015 Base	% Change	
Named Executive Officer	Salary(1)	Salary(1)		
Brian Halligan	\$259,560	\$312,500	20.4	%
John Kinzer	\$265,000	\$281,250	6.1	%
J.D. Sherman	\$259,560	\$281,250	8.4	%
Dharmesh Shah	\$259,560	\$281,250	8.4	%
John Kelleher	\$200,000	\$209,375	4.7	%

(1) Salary changes are effective as of April 1<sup>st</sup> of the applicable year.

### Annual Cash Incentive Compensation

The named executive officers, as well as other executive officers, participate in our Senior Executive Cash Incentive Bonus Plan, which provides an opportunity to earn a cash bonus upon achievement of company performance objectives approved by the compensation committee. This program was established to further align individual contributions with our significant corporate goals and to increase focus on executing key business deliverables.

**Target Cash Incentive Opportunity.** As with base salaries, the target annual cash incentive compensation opportunities (generally expressed as a percentage of base salary) for our named executive officers were established initially at the time the individual was hired, taking into account competitive market data and internal pay equity considerations, as well as the individual's qualifications and experience. Adjustments to target annual cash incentive compensation opportunities are based on an individual's performance, as well as competitive market data and internal pay equity considerations. Along with base salaries, target annual cash incentive compensation opportunities are

reviewed and approved annually by the compensation committee.

In 2015, the compensation committee did not make any changes to the target annual cash incentive compensation opportunities for the named executive officers.



The following table sets forth the target annual cash incentive compensation opportunities for the named executive officers under our Senior Executive Cash Incentive Bonus Plan for 2014 and 2015:

Named Executive Officer	2014		2015		% Change	
	Target Bonus (% of annual base salary)	(1)	Target Bonus (% of annual base salary)	(1)		
Brian Halligan	60 %	(1)	60 %	(1)	0 %	(1)
John Kinzer	60 %	(1)	60 %	(1)	0 %	(1)
J.D. Sherman	60 %	(1)	60 %	(1)	0 %	(1)
Dharmesh Shah	60 %	(1)	60 %	(1)	0 %	(1)
John Kelleher	60 %	(1)	60 %	(1)	0 %	(1)

(1) Bonus target changes are effective as of April 1<sup>st</sup> of the applicable year.

Cash Incentive Determinations. Under the Senior Executive Cash Incentive Bonus Plan, each year (generally during the first quarter) the compensation committee approves company-wide performance objectives, which serve as the basis for determining the eligibility for, and amount of, bonuses to be paid under the program. For 2015, performance under the Senior Executive Cash Incentive Bonus Plan was measured and paid out semi-annually as of June 30<sup>th</sup> and December 31<sup>st</sup>. For 2015, the compensation committee selected monthly recurring revenue run rate, or MRR at June 30, 2015 and December 31, 2015 and non-GAAP operating margin for the six months ended June 30, 2015 and for the six months ended December 31, 2015 as the performance objectives, weighted at 70% for MRR and 30% for non-GAAP operating margin. For purposes of the Senior Executive Cash Incentive Bonus Plan, we define MRR as the monthly value of our customer subscription contracts as of the specified point in time and we define non-GAAP operating margin as operating margin, calculated in accordance with GAAP, excluding our stock-based compensation expense and the amortization of acquired intangibles. The compensation committee determines the target levels for each of these performance objectives in consultation with management and after taking into consideration our performance for the immediately preceding year. The compensation committee establishes target levels it believes are necessary to provide a competitive overall compensation package in light of each named executive officer's base salary and to motivate the named executive officers to achieve an aggressive level of growth. Our 2015 MRR and non-GAAP operating margin target levels compared to our actual results were:

	Target	Actual
2015 – First Half (June 30, 2015)		
MRR	\$13.046 million	\$13.52 million
Non-GAAP Operating Margin	(20.5 %)	(14.7 %)
2015 – Second Half (December 31, 2015)		
MRR	\$15.909 million	\$17.132 million
Non-GAAP Operating Margin	(17.6 %)	(13.1 %)

The above-referenced performance objectives should not be interpreted as a prediction of how we will perform in future periods. As described above, the purpose of these objectives was to establish a method for determining the payment of annual cash incentive compensation. You are cautioned not to rely on these performance goals as a prediction of our future performance.

After the end of each six-month period, the compensation committee reviews our actual achievement against the performance target levels and determines the amount of bonuses to be paid under the program. Under the Senior Executive Cash Bonus Program in 2015 we had to achieve 100% of the non-GAAP operating margin target level for the portion of the annual cash incentive compensation opportunity attributable to that objective to be paid for the applicable six month measurement period. No bonus was to be paid with respect to the non-GAAP operating margin performance objective if we achieved less than 100% of the target level and the maximum payout was capped at 100% of the target level. In addition, we had to achieve the minimum MRR target levels set forth below for any portion of the annual cash incentive opportunity attributable to the MRR performance objective to be paid for the applicable six month measurement period. MRR achievement at the minimum levels set forth below would result in a 50% payout with respect to the portion of the annual cash incentive compensation opportunity attributable to the MRR performance objective. No bonus is paid with respect to the MRR target for achievement levels below the minimums set forth below. Overachievement of the MRR target can increase payouts up to a maximum of 243% with respect to the portion of the bonus opportunity attributable to MRR and overall bonus payouts were capped at 200% of the total annual cash incentive compensation opportunity. The following table shows potential payouts for the two performance objectives at various achievement levels:

Payout % (1)	Weighting (% of total bonus opportunity)	Minimum							Target						
		50%	75%	100%	125%	150%	175%	200%	50%	75%	100%	125%	150%	175%	200%
2015 – First Half (June 30, 2015)															
MRR (2)	70	%	\$ 12.757	\$ 12.901	\$ 13.046	\$ 13.249	\$ 13.452	\$ 13.655	\$ 13.858						
Non-GAAP Operating Margin (3)	30	%			(20.5 %)										
2015 – Second Half (December 31, 2015)															
MRR (2)	70	%	\$ 15.198	\$ 15.553	\$ 15.909	\$ 16.413	\$ 16.917	\$ 17.421	\$ 17.925						
Non-GAAP Operating Margin (3)	30	%			(17.6 %)										

(1) Results are interpolated between percentages above the minimum.

(2) All target dollar amounts are expressed in millions.

(3) Payout is zero for non-GAAP operating margin portion of bonus if non-GAAP operating margin is below 100% of target.

For the first half of 2015, we achieved 158.6% of the MRR target level and over 100% of the non-GAAP operating margin target level, resulting in a total bonus payout equal to 141% of the target annual cash incentive compensation opportunities for that six-month period. For the second half of 2015, we achieved 160.7% of the MRR target level and over 100% of the non-GAAP operating margin target level, resulting in a total bonus payout equal to 142.5% of the target annual cash incentive compensation opportunities for that six-month period. As such the compensation committee awarded the named executive officers 141.75% of their respective full-year target annual cash incentive compensation opportunities.

Please refer to the “Summary Compensation Table” for the actual amounts paid to each of our named executive officers pursuant to our Senior Executive Cash Incentive Bonus Plan for 2015.

Long-Term Equity Incentive Compensation

The named executive officers are eligible to receive long-term equity incentive awards, which are intended to align their interests with the interests of our stockholders. Since the completion of our initial public offering, our long-term equity incentive compensation awards have been made in the form of options to purchase shares of our common stock and restricted stock units that may be settled for shares of our common stock subject to four-year vesting based on continued employment at a rate of 25% after one year with the remainder vesting in equal monthly installments thereafter. We believe that long-term equity incentive awards provide a strong link between our executive officers' compensation and our long-term performance and the creation of stockholder value. We also believe the time-based vesting requirement of our long-term equity incentive awards promote retention by providing an incentive for our executive officers to remain in our employment throughout the vesting period.

All stock option and restricted stock unit awards are approved by the compensation committee. The compensation committee grants long-term equity incentive awards to the named executive officers on an annual basis, generally in the first quarter of the year. In determining the size of long-term equity incentive awards for the named executive officers, the compensation committee reviews competitive market data provided by Compensia and grants awards intended to be competitive with the prevailing market practice. In addition to the competitive market data, the compensation committee also considers a number of other factors including the recommendations of our Chief Executive Officer, President and other senior executive officers (except with respect to their own awards), our company's overall performance, the individual executive officer's performance, the relative ease or difficulty of replacing the executive with a well-qualified person and the number of well-qualified candidates available to assume the executive's role, the amount of equity previously awarded to the executive as well as the portion of previously awarded equity that remains unvested and the company's annual equity burn rates.

For 2015, the compensation committee determined that the mix of our long-term equity incentive awards to executive officers would consist of 25% in value of stock options and 75% in value of restricted stock unit awards. After considering the factors described above, the compensation committee granted the following long-term equity incentive awards to the named executive officers in 2015:

Named Executive Officer	Restricted Stock	Stock
	Units (# of Shares)	Options (# of Shares)
Brian Halligan	42,500	28,333
John Kinzer	15,000	10,000
J.D. Sherman	25,000	16,667
Dharmesh Shah	25,000	16,667
John Kelleher	17,500	11,667

## 2016 CEO Compensation

As previously disclosed, in July 2015 our Board conducted an independent review into the conduct of certain of our employees and determined those employees had violated our Code of Business Conduct and Ethics. The Board also concluded that our Chief Executive Officer did not report the employees' actions in a timely manner. Although our Chief Executive Officer was not involved in the underlying conduct and his lack of timely reporting did not impede the review, the Board concluded that applying compensation sanctions to our Chief Executive Officer's compensation was appropriate. As a result, for 2016, (i) Mr. Halligan's base salary for the first six months of 2016 will be the minimum wage as required under Massachusetts law, (ii) Mr. Halligan will not be eligible for any cash incentive compensation for the first half of 2016 and (iii) Mr. Halligan's equity grant for 2016 was made in an amount equal to 50% of what he would have otherwise received based on market data and performance and other factors.

## Other Benefits

### Health and Welfare Benefits

Our named executive officers are eligible for the same employee benefits available to our employees generally. These include participation in a tax-qualified Section 401(k) plan with a company matching contribution and group health, dental, life and disability insurance plans. The type and extent of benefits offered are intended to be competitive within our industry and region.

### Severance and Change in Control Benefits

We do not have any employment or change in control arrangements with our executive officers, except that all of the current outstanding equity awards to our employees, including our named executive officers, under our 2014 Stock Option and Incentive Plan and our 2007 Equity Incentive Plan, include a "double-trigger" vesting acceleration provision in the event of a change in control of the company as further described below under "Potential Payments Upon Termination or Change in Control."

### Other Compensation Practices and Policies

**Perquisites and Personal Benefits.** As noted above, our named executive officers are eligible to participate in the same benefits as those offered to all full-time employees. We do not have any programs for providing material personal benefits or executive perquisites to our named executive officers.

**Stock Ownership Guidelines.** There are currently no stock ownership requirements or guidelines that any of our named executive officers, the non-employee members of our board of directors or other employees must meet or maintain.

**Anti-Hedging and Anti-Pledging Policies.** Our insider trading policies prohibit all members of our board of directors, executive officers, and other employees from buying our securities on margin, holding such securities in a margin account, buying or selling derivatives on such securities, and engaging in short sales involving such securities. In addition, our insider trading policies prohibits all members of our board of directors, executive officers, and other employees from pledging our securities as collateral for a loan.

**Tax Deductibility.** The compensation committee considers the potential future effects of Section 162(m) of the Internal Revenue Code on the compensation paid to our named executive officers. Section 162(m) places a limit of \$1 million on the amount of compensation that a publicly-held corporation may deduct in any one year with respect to its chief executive officer and each of the next three most highly compensated executive officers (other than its chief financial officer). In general, certain performance-based compensation approved by stockholders is not subject to this deduction limit. The compensation committee generally seeks to qualify certain equity-based compensation paid to our named executive officers (such as options to purchase shares of our common stock) for an exemption from the deductibility limitations of Section 162(m). However, the compensation committee reserves the discretion to authorize

compensation payments that do not comply with any of the exemptions in Section 162(m) when we believe that such payments are appropriate to attract and retain executive talent.

**Accounting for Stock-Based Compensation.** We follow Financial Accounting Standard Board, or FASB, Accounting Standards Codification Topic, or ASC, 718, Compensation — Stock Compensation, for our stock-based compensation awards to employees. FASB ASC Topic 718 requires companies to measure the compensation expense for all share-based payment awards made to employees and directors, including stock options, restricted stock awards and restricted stock unit awards, based on the grant date “fair value” of these awards. This calculation is performed for accounting purposes and reported in the compensation tables below, even though our executive officers may never realize any value from their awards. FASB ASC Topic 718 also requires companies to recognize the compensation cost of their stock-based compensation awards in their statements of operations over the period that an employee or director is required to render service in exchange for the option or other award. The compensation committee considers the impact of FASB ASC Topic 718 when making equity-based awards.

## Employee Benefit Plans

### Senior Executive Cash Incentive Bonus Plan

In August 2014 our board of directors adopted the Senior Executive Cash Incentive Bonus Plan, or the Bonus Plan. The Bonus Plan provides for cash bonus payments based upon the attainment of performance targets established by the compensation committee. The payment targets will be related to financial and operational measures or objectives with respect to our company, which we refer to as corporate performance goals, as well as individual performance objectives.

The compensation committee may select corporate performance goals from among the following: revenue; expense levels; cash flow (including, but not limited to, operating cash flow and free cash flow); business development and financing milestones; earnings before interest, taxes, depreciation and amortization; net income (loss) (either before or after interest, taxes, depreciation and/or amortization); changes in the market price of our common stock; economic value added; sales; acquisitions or strategic transactions; operating income (loss); return on capital, assets, equity, or investment; shareholder returns; return on sales; gross or net profit levels; productivity; expense; margins; operating efficiency; customer satisfaction; working capital; earnings (loss) per share of our common stock; sales or market shares and total customers; and Adjusted EBITDA, any of which may be measured in absolute terms, as compared to any incremental increase, in terms of growth, or as compared to results of a peer group.

Each executive officer who is selected to participate in the Bonus Plan will have a target bonus opportunity set for each performance period. The bonus formulas will be adopted in each performance period by the compensation committee and communicated to each executive. The corporate performance goals will be measured at the end of each performance period after our financial reports have been published or such other appropriate time as the compensation committee determines. If the corporate performance goals and individual performance objectives are met, payments will be made as soon as practicable following the end of each performance period. Subject to the rights contained in any agreement between the executive officer and us, an executive officer must be employed by us on the bonus payment date to be eligible to receive a bonus payment. The Bonus Plan also permits the compensation committee to approve additional bonuses to executive officers in its sole discretion. The compensation committee retains the authority to exercise negative discretion on the final achievement of performance targets, including in the case of acquisitions or other similar events impacting performance target levels.

### Retirement Plans

We maintain a tax-qualified Section 401(k) retirement plan for eligible employees in the United States. Under our Section 401(k) plan, employees may elect to defer up to 96% of their eligible compensation subject to applicable annual limits set pursuant to the Code. We currently provide an employee matching contribution under the Section

401(k) plan. Employees are 100% vested in their contributions to the Section 401(k) plan and any employer contributions after one year of service. We intend for the Section 401(k) plan to qualify, depending on the employee's election, under Section 401(a) of the Code so that contributions by employees, and income earned on those contributions, are not taxable to employees until withdrawn from the Section 401(k) plan.

#### Indemnification of Officers and Directors

We have agreed to indemnify our directors and officers in certain circumstances. See "Related Party Transactions—Limitation of Liability and Indemnification of Officers and Directors."



## Compensation Committee Interlocks and Insider Participation

During 2015, the compensation committee was comprised of Messrs. Bohn, Simon and Skok. None of the members of the compensation committee is an officer or employee of our company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

## Tabular Disclosure Regarding Executive Compensation

The following tables provide information regarding the compensation awarded to or earned during our fiscal years ended December 31, 2015, 2014 and 2013 by our named executive officers.

## 2015 Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Stock Bonus Awards (\$)	Awards (\$) (1)	Option Awards (\$) (2)	Non-Equity Incentive Plan	All Other	Total (\$)
						Compensation (\$) (3)	Compensation (\$) (4)	
Brian Halligan Chief Executive Officer	2015	299,265	—	1,477,300	453,480	254,584	2,310	2,486,939
	2014	259,560	—	215,195	121,109	251,708	1,810	849,382
	2013	238,183	—	—	—	132,376	1,767	372,326
John Kinzer Chief Financial Officer	2015	277,188	—	521,400	160,054	235,766	2,310	1,196,718
	2014	265,000	—	—	—	256,984	299,429	(5) 821,413
	2013	43,163	—	—	(6) 724,920	(7) 36,217	10,432	(5) 814,732
J.D. Sherman President and Chief Operating Officer	2015	275,828	—	869,000	266,761	234,616	2,742	1,648,947
	2014	259,560	—	80,700	40,361	251,708	1,810	634,139
	2013	259,560	—	—	—	132,376	1,810	393,746
Dharmesh Shah Chief Technology Officer	2015	275,828	—	869,000	266,761	234,616	2,310	1,648,515
John Kelleher General Counsel	2015	207,031	—	608,300	186,734	176,091	2,505	1,180,661

(1) The amounts reported represent the aggregate grant-date fair value of the RSU awards that may be settled for shares of our common stock, calculated in accordance with ASC Topic 718. Such grant-date fair value does not take into account any estimated forfeitures related to service-based vesting conditions. The assumptions used in calculating the grant-date fair value are set forth in the notes to our audited consolidated financial statements.

(2)

The amounts reported represent the aggregate grant-date fair value of the options to purchase shares of our common stock calculated in accordance with ASC Topic 718. Such grant-date fair value does not take into account any estimated forfeitures related to service-based vesting conditions. The assumptions used in calculating the grant-date fair value are set forth in the notes to our audited consolidated financial statements.

- (3) The amounts reported reflect performance-based payments awarded based on the achievement of certain corporate performance goals (and individual performance goals for years prior to 2015) under our Senior Executive Cash Incentive Bonus Plan.
- (4) The amounts reported include Section 401(k) matching contributions and group term life insurance.
- (5) The amounts reported also reflect company-paid relocation expenses of \$157,143 and related tax gross-up payments of \$140,476 for 2014 and company-paid relocation expenses of \$4,730 and related tax-gross up payments of \$4,229 for 2013.

(6) Mr. Kinzer was granted an RSU award that may be settled for 100,000 shares of our common stock in connection with his hiring in 2013. This RSU award is subject to the satisfaction of a service condition and a performance condition, both of which must be satisfied before the shares subject to the award are earned and may be settled in shares of our common stock. The service condition is satisfied over a period of four years. The performance condition will be satisfied on the earlier of (i) a sale of our company or (ii) April 9, 2015, in either case, prior to the earlier of (A) the expiration date or (B) the tenth anniversary of the grant date. These performance conditions were not considered probable as of December 31, 2013 and therefore there was no

grant-date fair value calculated in accordance with ASC Topic 718. Such grant-date fair value would have been \$1,440,000 assuming that the highest level of performance was achieved.

(7) Mr. Kinzer was granted an option to purchase 99,999 shares of our common stock with an exercise price of \$14.40 per share in connection with his hiring in 2013. The amounts reported represent the aggregate grant-date fair value of the stock options granted to Mr. Kinzer in 2013, calculated in accordance with ASC Topic 718. Such grant-date fair value does not take into account any estimated forfeitures related to service-based vesting conditions.

2015 Grants of Plan-Based Awards Table

Name	Date	Estimated Future Payouts			Estimated Future Payouts			All other Stock Awards: Number of Shares of Stock or Units (#) (2)	All other Option Awards: Number of Underlying Securities Options (#) (3)	Grant Date Exercise or Base Price of Option Awards (\$/Sh) (4)	Grant Date Fair Value of Option Awards (#) (5)
		Grant Under Non-Equity Incentive Plan Awards (1) Threshold (\$)	Target (\$)	Maximum (\$)	Grant Under Equity Incentive Plan Awards Threshold (#)	Target (#)	Maximum (#)				
Brian Halligan	—	179,559	359,118	—	—	—	—	—	—	—	
	2/10/15	—	—	—	—	—	42,500	—	—	1,477,300	
	2/10/15	—	—	—	—	—	—	28,333	\$ 34.76	453,480	
John Kinzer	—	166,313	332,625	—	—	—	—	—	—	—	
	2/10/15	—	—	—	—	—	15,000	—	—	521,400	
	2/10/15	—	—	—	—	—	—	10,000	\$ 34.76	160,054	
J.D. Sherman	—	165,497	330,993	—	—	—	—	—	—	—	
	2/10/15	—	—	—	—	—	25,000	—	—	869,000	
	2/10/15	—	—	—	—	—	—	16,667	\$ 34.76	266,761	
Dharmesh Shah	—	165,497	330,993	—	—	—	—	—	—	—	
	2/10/15	—	—	—	—	—	25,000	—	—	869,000	
	2/10/15	—	—	—	—	—	—	16,667	\$ 34.76	266,761	

John										
Kelleher	—	—	124,219	248,438	—	—	—			
	2/10/15	—	—	—	—	—	17,500	—	—	608,300
	2/10/15							11,667	\$ 34.76	186,734

- (1) The amounts reported in the "Estimated Future Payouts Under Non-Equity Incentive Plan Awards" column, sub-column "Threshold," reflect the minimum payment level of short-term incentive compensation for each of the named executive officers under our Senior Executive Cash Incentive Bonus Plan, which is zero. The amounts reported in the "Maximum," sub-column reflect that for 2015, the program provided the potential to earn a maximum of 200% of the target bonus opportunity. The specific components of the Senior Executive Cash Incentive Bonus Plan are described in the "Performance-Based Cash Incentive Compensation" section of this Proxy Statement. Non-equity incentive plan awards actually paid by the Company for services rendered in 2015 are reported in the "Non-Equity Incentive Plan Compensation" column of the "Summary Compensation Table" above.
- (2) Consists of RSU awards granted under our 2014 Stock Option and Incentive Plan. Each RSU award vests over four years with 25% of the shares of our common stock subject to the award vesting after one year and the remainder vesting in 36 equal monthly installments thereafter.
- (3) Consists of options to purchase shares of our common stock granted under our 2014 Stock Option and Incentive Plan. Each stock option vests over four years with 25% of the shares of our common stock subject to the award vesting after one year and the remainder vesting in 36 equal monthly installments thereafter.
- (4) The exercise price is equal to the closing market price of our common stock on the New York Stock Exchange on the date of grant.

(5) The amounts reported represent the aggregate grant-date fair value of the RSU awards and stock options calculated in

accordance with ASC Topic 718. Such grant-date fair value does not take into account any estimated forfeitures related to service-based vesting conditions. The assumptions used in calculating the grant-date fair value are set forth in the notes to our audited consolidated financial statements.

2015 Outstanding Equity Awards at Fiscal Year-End

Name	Grant Date	Start Date <sup>(3)</sup>	Option Awards <sup>(1)</sup> Equity Incentive Plan Awards:				Option Price (\$)	Expiration Date	Stock Awards <sup>(2)</sup> Market Value of Shares or Units of Stock That Have Not Vested <sup>(4)</sup>	
			Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Number of Securities Underlying Unearned Options (#)	Option Exercise Price			Number of Shares or Units of Stock That Have Not Vested	Value of Shares or Units of Stock That Have Not Vested (\$)
Brian Halligan	3/9/2010	3/9/2010	150,397	—		1.53	3/9/2020			
	5/8/2012	4/1/2012	211,094	55,572		5.76	5/8/2022			
	1/29/2014	1/1/2014	7,182	7,818		16.14	1/29/2024			
	1/29/2014	1/1/2014						6,950	391,355	
	2/10/2015	1/1/2015	—	28,333		34.76	2/10/2025			
	2/10/2015	1/1/2015						42,500	2,393,175	
John Kinzer	11/4/2013	11/4/2013	43,051	47,921		14.40	11/4/2023			
	11/4/2013	11/4/2013						47,921	2,698,432	
	2/10/2015	1/1/2015	—	10,000		34.76	2/10/2025			
	2/10/2015	1/1/2015						15,000	844,650	
J.D. Sherman	5/8/2012	3/1/2012	464,644	33,300		5.76	5/8/2022			
	1/29/2014	1/1/2014	2,394	2,605		16.14	1/29/2024			
	1/29/2014	1/1/2014						2,606	146,744	
	2/10/2015	1/1/2015	—	16,667		34.76	2/10/2025			
	2/10/2015	1/1/2015						25,000	1,407,750	
Dharmesh Shah	3/9/2010	3/9/2010	150,397			1.53	3/9/2020			
	1/29/2014	1/1/2014	2,394	2,606		16.14	1/29/2024			
	1/29/2014	1/1/2014						2,606	146,744	
	2/10/2015	1/1/2015	—	16,667		34.76	2/10/2025			

	2/10/2015	1/1/2015						25,000	1,407,750
John									
Kelleher	7/26/2012	6/25/2012	2,794	16,716	5.76	7/26/2022			
	1/29/2014	1/1/2014	1	2,606	16.14	1/29/2024			
	1/29/2014	1/1/2014						2,606	146,744
	2/10/2015	1/1/2015	—	11,667	34.76	2/10/2025			
	2/10/2015	1/1/2015						17,500	985,425

(1) Unless otherwise indicated, these stock options vest over four years, with 25% of the shares of our common stock subject to the option vesting on the first anniversary of the vesting start date and the remainder vesting in 36 equal monthly installments thereafter.

(2) Unless otherwise indicated, these RSU awards vest over four years, with 25% of the shares of our common stock subject to the awards vesting on the first anniversary of the vesting start date and the remainder vesting in 36 equal monthly installments thereafter.

(3) The vesting start date is fixed by the compensation committee when granting equity awards.

(4) Represents the fair market value of the unvested shares of our common stock as of December 31, 2015 based upon the closing market price of our common stock on that date of \$56.31 per share.

## 2015 Options Exercised and Stock Vested Table

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) <sup>(1)</sup>	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) <sup>(2)</sup>
Brian Halligan	—	—	6,383	270,260
John Kinzer	9,027	170,520	52,079	2,201,387
J.D. Sherman	—	—	2,394	101,366
Dharmesh Shah	—	—	2,394	101,366
John Kelleher	99,188	4,180,393	2,394	101,366

(1) The value realized on exercise is based on the difference between the fair market value of the shares of our common stock acquired upon exercise on the exercise date less the exercise price of the related stock option, multiplied by the number of shares for which the options were exercised.

(2) The value realized on vesting is based on the closing market price per share of our common stock on the vesting date, multiplied by the number of shares that vested.

## 2015 Potential Payments upon Termination or Change in Control

All current outstanding equity awards granted to our named executive officers under our 2014 Stock Option and Incentive Plan and our 2007 Equity Incentive include a “double-trigger” vesting acceleration provision in the event of a change in control of the Company. Pursuant to the forms of stock option agreement, restricted stock agreement and RSU agreement, in the case of a “sale event” (as defined in our 2014 Stock Option and Incentive Plan) or in the case of a “change of control” (as defined in our 2007 Equity Incentive Plan), in each case in which outstanding awards are assumed, substituted or otherwise continued by a successor entity, and the award holder’s employment or service relationship with us terminates, such holder’s awards will vest in full as of the date of termination if such termination occurs (i) within 12 months after such sale event or change of control or 90 days prior to such event and (ii) such termination is by us without “cause,” as defined in the applicable award agreement, or by such holder for “good reason” (as defined in the applicable award agreement).

The following table shows the potential payments and benefits to be received by each of our named executive officers in the event that his employment was terminated by us without cause or by the named executive officer for good reason within 12 months following or 90 days prior to such sale event or change of control. The amounts in the table below have been calculated based on the assumption that the sale event/change of control and employment termination took place on December 31, 2015.

	Equity Acceleration Benefits Payable Upon Termination	Without Cause/for Good Reason in connection with	Change in Control (1)
Named Executive Officer			
Brian Halligan			\$ 6,518,319
John Kinzer			5,766,951
J.D. Sherman			3,701,626
Dharmesh Shah			2,018,351
John Kelleher			2,333,270

(1) Consists of the vesting of outstanding equity awards that would accelerate pursuant to the “double-trigger” change in control provisions included in the applicable award agreements. Amounts in this column are calculated based on \$56.31 per share, the closing market price of our common stock on December 31, 2015.

#### Director Compensation

The following table provides certain information concerning compensation earned by the directors who were not named executive officers during the year ended December 31, 2015 pursuant to our Non-Employee Director Compensation Policy. Mr. Halligan and Mr. Shah, who are also our chief executive officer and chief technology officer, respectively, receive no compensation for their services as directors and, consequently, are not included in this table. The compensation received by Mr. Halligan and Mr. Shah during 2015 is set forth in the section of this Proxy Statement captioned “Executive Compensation— 2015 Summary Compensation Table.” Non-employee directors affiliated with an investor in our company that holds one percent or more of our capital stock are not eligible to participate in the Non-Employee Director Compensation Policy.



## 2015 Director Compensation Table

Name	Fees Earned or Paid in			Total (\$)
	Cash (\$)	Stock Awards (\$) <sup>(1)</sup>	Option Awards (\$) <sup>(1)</sup>	
Ron Gill	45,000	100,000	34,888	179,888
Lorrie Norrington	33,000	100,000	34,888	167,888
Michael Simon	39,000	100,000	34,888	173,888

(1) The amounts reported represent the aggregate grant-date fair value of RSU awards that may be settled for shares of our common stock and options to purchase shares of our common stock calculated in accordance with ASC Topic 718. Such grant-date fair value does not take into account any estimated forfeitures related to service-based vesting conditions. The assumptions used in calculating the grant-date fair value are set forth in the notes to our audited consolidated financial statements.

Our non-employee/non-investor affiliate directors held the following aggregate number of shares of our common stock subject to unexercised stock option and unvested RSU awards as of December 31, 2015:

Name	Number of Securities Underlying Unexercised Options	Number of Unvested Restricted Stock Units
	Ron Gill	39,484
Lorrie Norrington	50,372	2,531
Michael Simon	69,523	2,531

Pursuant to our Non-Employee Director Compensation Policy in effect for 2015, non-employee/non-investor affiliate directors were paid an annual cash retainer of \$25,000 and committee members and committee chair received annual cash retainer fees as set forth below:

	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
--	-----------------	------------------------	---

Annual Committee Member Retainer	\$ 5,000	\$ 4,000	\$ 3,000
Annual Committee Chairman Retainer	\$ 15,000	\$ 10,000	\$ 5,000

In addition, each of our non-employee and non-investor affiliate directors received an annual equity award with a value of \$135,000, 25% of which was in the form of an option to purchase shares of our common stock and 75% of which was in the form of an RSU award that may be settled for shares of our common stock, as determined by the compensation committee, that vest upon the first anniversary of such grant date, provided, however, that all vesting ceases if the director resigns from our Board of Directors or otherwise ceases to serve as a director, unless the Board of Directors determines that the circumstances warrant continuation of vesting. All unvested options or RSUs held by a non-employee director accelerate and immediately vest if the non-employee director's service relationship ends within three months prior to or twelve months following a "sale event" (as defined in the Company's 2014 Stock Option and Incentive Plan).

We reimburse our non-employee directors for their travel, lodging and other reasonable expenses incurred in attending meetings of our board of directors and committees of the board of directors.

#### Modifications to Director Compensation for 2016

The compensation committee annually reviews, with the assistance of its compensation consultants, the compensation of non-employee directors in comparison to our compensation peer group. Effective January 2016, following a market analysis of director compensation conducted by the compensation committee, with assistance from Compensia, we modified our Non-Employee Director Compensation Policy to (1) add an annual cash retainer fee of \$7,500 for our lead independent director, (2) increase the annual cash retainer for board service from \$25,000 to \$30,000, (3) increase the annual cash retainer for the audit committee chair from \$15,000 to \$16,000, (4) increase the annual cash retainer for compensation committee members from \$4,000 to \$5,000, (5) increase the annual cash retainer for the nominating and corporate governance committee chair from \$5,000 to \$6,000 and (6) increase the values of the

annual equity award from \$135,000 to \$150,000 with newly elected directors receiving a pro-rated annual award rather than a separate one-time initial grant of \$135,000 in value.

### Equity Compensation Plan Information

The following table sets forth information regarding our equity compensation plans as of December 31, 2015:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and RSUs	Weighted-average Exercise Price of Outstanding Options (1)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (4)
Equity compensation plans approved by stockholders(2)	5,034,136 (3)	\$ 12.18	2,922,803 (4)
Equity compensation plans not approved by stockholders	—	—	—
<b>Total</b>	<b>5,034,136</b>	<b>\$ 12.18</b>	<b>2,922,803</b>

(1) The weighted-average exercise price is calculated based solely on the exercise prices of the outstanding options to purchase shares of our common stock. It does not reflect the shares of our common stock that will be issued upon the vesting of outstanding awards of RSUs, which have no exercise price.

(2) These plans consist of our 2007 Equity Incentive Plan (terminated in October 2014), our 2014 Stock Option and Incentive Plan, and our Employee Stock Purchase Plan.

(3) This number includes 3,412,790 shares of our common stock subject to outstanding awards granted under our 2007 Equity Incentive Plan, of which 2,933,745 shares were subject to outstanding options and 479,045 shares were subject to outstanding RSU awards, and 1,621,346 shares subject to outstanding awards granted under our 2014 Stock Option and Incentive Plan, of which 397,208 shares were subject to outstanding options and 1,224,138 shares were subject to outstanding RSU awards.

(4) This number includes 2,272,076 shares of our common stock available for issuance under our 2014 Stock Option, and 650,727 shares reserved for issuance under our Employee Stock Purchase Plan. The number of shares available for issuance under the 2014 Stock Option and Incentive Plan automatically increase each January 1 by 5% of the outstanding number of shares of our common stock on the immediately preceding December 31 or such lesser number of shares as determined by our compensation committee. The number of shares available for issuance

under the Employee Stock Purchase Plan automatically increase each January 1 by 1% of the outstanding number of shares of our common stock on the immediately preceding December 31 or such lesser number of shares as determined by our compensation committee.

Report of the Compensation Committee of the Board of Directors

The compensation committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on the review and discussions, the compensation committee recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement for the year ended December 31, 2015.

Compensation Committee

Michael Simon (Chairperson)

David Skok

Larry Bohn

## RELATED PARTY TRANSACTIONS

### Certain Relationships and Transactions

Other than compensation arrangements for our directors and named executive officers, which are described elsewhere in the “Executive Compensation” section of this proxy statement, below we describe transactions since January 1, 2015 to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed \$120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or any member of the immediate family of, or person sharing the household with, the foregoing persons, had or will have a direct or indirect material interest.

### Limitation of Liability and Indemnification of Officers and Directors

Our amended and restated certificate of incorporation contains provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the Delaware General Corporation Law is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the Delaware General Corporation Law.

In addition, we adopted amended and restated bylaws which provide that we will indemnify, to the fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise. Our amended and restated bylaws provide that we may indemnify to the fullest extent permitted by law any person who is or was a party or is threatened to be made a party to any action, suit, or proceeding by reason of the fact that he or she is or was one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to very limited exceptions.

Further, we have entered into indemnification agreements with each of our directors and executive officers that are broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions included in our amended and restated certificate of incorporation, amended and restated bylaws and in indemnification agreements that we entered into or may in the

future enter into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be harmed to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

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

The underwriting agreement provides for indemnification by the underwriters of us and our officers, directors and employees for certain liabilities arising under the Securities Act or otherwise.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

#### Other Transactions with Our Executive Officers and Directors and Affiliated Entities

We have granted stock options and RSUs to our executive officers and certain of our directors. See the section captioned “Executive Compensation—Outstanding Equity Awards at Fiscal Year-End” for a description of these stock options and RSUs.

#### Policies and Procedures for Related Party Transactions

The audit committee of our board of directors has the primary responsibility for reviewing and approving or disapproving “related party transactions,” which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed \$120,000 and in which a related person has or will have a direct or indirect material interest. For purposes of this policy, a related person is defined as a director, executive officer, nominee for director or greater than 5% beneficial owner of our common stock, in each case since the beginning of the most recently completed year, and their immediate family members. Our audit committee charter provides that the audit committee shall review and approve or disapprove any related party transactions. We also adopted a formal policy governing the review and approval of related party transactions.

All of the transactions described above were entered into prior to the adoption of this policy. Accordingly, each was approved by disinterested members of our board of directors after making a determination that the transaction was executed on terms no less favorable than those that could have been obtained from an unrelated third party.

#### TRANSACTION OF OTHER BUSINESS

The Board knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the Annual Meeting, the persons appointed in the accompanying proxy intend to vote the shares represented thereby in accordance with their best judgment on such matters, under applicable laws.

#### ADDITIONAL INFORMATION

##### Procedures for Submitting Stockholder Proposals

Requirements for Stockholder Proposals to be Brought Before the Annual Meeting. Our bylaws provide that, for nominations of persons for election to our Board or other proposals to be considered at an annual meeting of stockholders, a stockholder must give written notice to our Secretary at 25 First Street, 2nd Floor, Cambridge, MA

02141, not later than the close of business 90 days, nor earlier than the close of business 120 days, prior to the first anniversary of the date of the preceding year's annual meeting. However, the bylaws also provide that in the event the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice must be delivered not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Any nomination must include all information relating to the nominee that is required to be disclosed in solicitations of proxies for election of directors in election contests or is otherwise required under Regulation 14A of the Exchange Act, the person's written consent to be named in the proxy statement and to serve as a director if elected and such information as we might reasonably require to determine the eligibility of the person to serve as a director. As to other business, the notice must include a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, and any material interest of such stockholder (and the beneficial owner) in the proposal. The proposal must be a proper subject for stockholder action. In addition, to make a nomination or proposal, the stockholder must be of record at the time the notice is made and must provide certain information regarding itself (and the beneficial owner), including the name and address, as they appear on our books, of the stockholder proposing such business, the number of shares of our capital stock which are, directly or indirectly, owned beneficially or of record by the



stockholder proposing such business or its affiliates or associates (as defined in Rule 12b-2 promulgated under the Exchange Act) and certain additional information.

The advance notice requirements for the Annual Meeting are as follows: a stockholder's notice shall be timely if delivered to our Secretary at the address set forth above not later than the close of business on the later of the 90th day prior to the scheduled date of the Annual Meeting or the 10th day following the day on which public announcement of the date of the Annual Meeting is first made or sent by us.

Requirements for Stockholder Proposals to be Considered for Inclusion in the Company's Proxy Materials. In addition to the requirements stated above, any stockholder who wishes to submit a proposal for inclusion in our proxy materials must comply with Rule 14a-8 promulgated under the Exchange Act. For such proposals to be included in our proxy materials relating to our 2017 annual meeting of stockholders, all applicable requirements of Rule 14a-8 must be satisfied and we must receive such proposals no later than March 25, 2017. Such proposals must be delivered to our Secretary, c/o HubSpot, Inc., 25 First Street, 2nd Floor, Cambridge, MA 02141.

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED. KEEP THIS PORTION FOR YOUR RECORDS DETACH AND RETURN THIS PORTION ONLY TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: Signature [PLEASE SIGN WITHIN BOX] Date Signature (Joint Owners) Date To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below. 0 0 0 0 0 0000290308\_1 R1.0.1.25 For Withhold For All All All Except The Board of Directors recommends you vote FOR the following: 1. Election of Directors Nominees 01 Lorrie Norrington 02 Dharmesh Shah 03 David Skok HUBSPOT, INC. 25 FIRST STREET, 2ND FLOOR CAMBRIDGE, MA 02141 VOTE BY INTERNET - www.proxyvote.com Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form. ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years. VOTE BY PHONE - 1-800-690-6903 Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions. VOTE BY MAIL Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. The Board of Directors recommends you vote FOR the following proposal: For Against Abstain 2 Ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accountants for 2016; and NOTE: to transact such other business as may properly come before the meeting and at any adjournments or postponements thereof. Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

---

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Notice & Proxy Statement, Annual Report is/ are available at [www.proxyvote.com](http://www.proxyvote.com). HUBSPOT, INC. Annual Meeting of Shareholders June 23, 2016 9:00 AM This proxy is solicited by the Board of Directors The shareholder(s) hereby appoint(s) Brian Halligan, J.D. Sherman, John Kinzer, and John Kelleher, or any of them, as proxies, each with the power to appoint (his/her) substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of common stock of HUBSPOT, INC. that the shareholder(s) is/are entitled to vote at the Annual Meeting of Shareholders to be held at 9:00 AM, EDT on June 23, 2016, at 25 First Street, Cambridge, MA 02141, and any adjournment or postponement thereof. This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations. Continued and to be signed on reverse side 0000290308\_2 R1.0.1.25