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

AMENDMENT NO. 1
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

FIREEYE, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)
3577
(Primary Standard Industrial Classification Code Number)
20-1548921
(I.R.S. Employer Identification Number)

1440 McCarthy Blvd.
Milpitas, CA 95035
(408) 321-6300

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.
FireEye, Inc. is offering shares of its common stock. This is our initial public offering, and no public market currently exists for our shares. We anticipate that the initial public offering price will be between $ and $ per share.

We intend to apply to list our common stock on the under the symbol “FEYE.”

We are an “emerging growth company” under the U.S. federal securities laws and are subject to reduced public company reporting requirements. Investing in our common stock involves risks. See “Risk Factors” beginning on page 14.

PRICE $ A SHARE

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We have granted the underwriters the right to purchase up to an additional shares of common stock to cover over-allotments.

The Securities and Exchange Commission and any state securities regulators have not approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock to purchasers on , 2013.

MORGAN STANLEY GOLDMAN, SACHS & CO. J.P. MORGAN BARCLAYS

BofA MERRILL LYNCH UBS INVESTMENT BANK

NOMURA

, 2013
The New Threat Landscape Requires
A New Technology Architecture
for the IT Security Industry

FireEye

New Model
Virtual Machine-Based

Signature-less
Dynamic, real-time
Known & unknown threats
Negligible false positives

Traditional Model
Pattern-Matching

Signature-based
Reactive, delayed
Only known threats
High false positives
Our Mission:
Protect the World from Cyber Attacks
Over 1 Million Virtual Machines
Coordinating Globally

* Dynamic Threat Intelligence Cloud

* Data as of June 30, 2013
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You should rely only on the information contained in this prospectus or contained in any free writing prospectus filed with the Securities and Exchange Commission. Neither we nor any of the underwriters have authorized anyone to provide any information or make any representations other than those contained in this prospectus or in any free writing prospectus filed with the Securities and Exchange Commission. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the common stock. Our business, financial condition, results of operations and prospects may have changed since such date.

Through and including 2013 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer’s obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

For investors outside of the United States: Neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about, and to observe any restrictions relating to, this offering and the distribution of this prospectus outside of the United States.
# PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary is not complete and does not contain all of the information you should consider in making your investment decision. You should read the following summary together with the more detailed information appearing elsewhere in this prospectus, including “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes before deciding whether to purchase shares of our common stock.

**FIREEYE, INC.**

## Overview

We have invented a purpose-built, virtual machine-based security platform that provides real-time protection to enterprises and governments worldwide against the next generation of cyber attacks. Our technology approach represents a paradigm shift from how IT security has been conducted since the earliest days of the information technology industry. The core of our purpose-built, virtual machine-based security platform is our virtual execution, or MVX, engine, which identifies and protects against known and unknown threats that existing signature-based technologies are unable to detect. The new generation of cyber attacks on organizations, including large and small enterprises and governments worldwide, is characterized by an unprecedented escalation in the complexity and scale of advanced malware created by criminal organizations and nation-states. These highly sophisticated cyber attacks routinely circumvent traditional signature-based defenses by launching dynamic, stealthy and targeted malware that penetrates defenses in multiple stages and through multiple entry points of an IT network. Our proprietary virtual machine-based technology represents a new approach to detecting these cyber attacks in real time with high efficacy while also scaling in response to ever-increasing network performance requirements. We believe it is imperative for organizations to invest in this new approach to security to protect their critical assets, such as intellectual property and customer and financial data, from the global pandemic of cybercrime, cyber espionage and cyber warfare.

Our nine years of research and development in proprietary virtual machine technology, anomaly detection and associated heuristic, or experience-based, algorithms enables us to provide real-time, dynamic threat protection without the use of signatures while delivering high efficacy and network performance. We provide a comprehensive platform that employs a virtualized execution engine and a cloud-based threat intelligence network that uniquely protects organizations from next-generation threats at all stages of the attack lifecycle and across all primary threat vectors, including Web, email and file systems. Our MVX engine detonates, or “runs,” Web objects, suspicious attachments and files within purpose-built virtual machine environments to detect and block the full array of next-generation threats, including attacks that leverage unknown vulnerabilities in widely used software programs, also known as “zero-day” attacks. Newly identified threats are quarantined to prevent exposure to the organization’s actual network environment, and information regarding such threats is sent to our Dynamic Threat Intelligence, or DTI, cloud. Our DTI cloud enables real-time global sharing of threat intelligence uploaded by our customers’ cloud-connected FireEye appliances. In over 95% of our prospective customer evaluations, we have discovered incidents of next-generation threats that were conducting malicious activities and that successfully evaded the prospective customers’ existing security infrastructure, including traditional firewalls, next-generation firewalls, intrusion prevention systems, anti-virus software, email security and Web filtering appliances. By deploying our platform, organizations can stop inbound attacks and outbound theft of valuable intellectual property and data with a negligible false-positive rate, enabling them to avoid potentially catastrophic financial and intellectual property losses, reputational harm and damage to critical infrastructures.

Our platform is delivered through a family of software-based appliances and includes our DTI cloud subscription as well as support and maintenance services. Our principal appliance families address three critical...
vectors of attack: Web, email and file shares. We also provide a family of management appliances that serve as a central nervous system unifying reporting and configuration, while monitoring and correlating attacks that simultaneously cross multiple vectors of the network, thereby increasing the efficacy of our security platform. Our management appliances enable us to share intelligence regarding threats at a local implementation level and also across the organization. In addition, we enhance the efficacy of our solution by sharing with customers anonymized global threat data through our DTI cloud. Finally, we offer a malware analysis appliance that provides IT security analysts with the ability to test, characterize and conduct forensic examinations on next-generation threats by simulating their execution path with our virtual machine technology.

Our sales model consists of a direct sales team and channel partners that collaborate to identify new sales prospects, sell products and services, and provide post-sale support. We believe this approach allows us to maintain face-to-face connectivity with our customers, including key enterprise accounts, and helps us support our partners, while leveraging their reach and capabilities. As of June 30, 2013, we had over 1,100 end-customers across more than 40 countries, including over 100 of the Fortune 500. Our customers include leading enterprises in a diverse set of industries, including telecommunications, technology, financial services, public utilities, healthcare and oil and gas, as well as leading U.S. and international governmental agencies.

For 2010, 2011 and 2012, our revenue was $11.8 million, $33.7 million and $83.3 million, respectively, representing year-over-year growth of 186% for 2011 and 148% for 2012, and our net losses were $9.5 million, $16.8 million and $35.8 million, respectively. For the six months ended June 30, 2012 and 2013, our revenue was $29.7 million and $61.6 million, respectively, representing year-over-year growth of 165% and 107%, and our net losses were $14.3 million and $67.2 million, respectively. Subscription and services revenue has increased as a percentage of revenue over the last three years, from 21% in 2010 to 37% in 2012 and to 48% during the six months ended June 30, 2013, while our product revenue has decreased as a percentage of revenue, from 79% in 2010 to 63% in 2012 and to 52% during the six months ended June 30, 2013. The increase in subscription and services revenue as a percentage of total revenue is primarily due to the growth of our installed base in conjunction with the increase in product sales and renewals of the related subscription and services from existing customers.

Industry Background

Organizations Are Spending Billions On Legacy Signature-Based Security Technologies

Organizations today are embracing a confluence of technologies to enhance the productivity of their employees, generate new revenue sources and improve their operating efficiency. These technologies include cloud services, mobile computing and online services and social networking sites, such as LinkedIn, Facebook and Twitter. This greater reliance on information technology has significantly increased the attack surface within these organizations that is vulnerable to potential security attacks and has resulted in significant investments in IT security to help protect against a myriad of potential threats. According to IDC, a global market research firm, 2013 worldwide IT security spending will be approximately $17.9 billion, including investments in traditional security technologies such as firewalls, intrusion prevention systems and endpoint security software.

To date, organizations have deployed IT security products to defend against earlier generations of security threats by utilizing legacy signature-based threat protection technology. The signature model works by forensically examining the code base of known malware and, if no match is found, subsequently developing a signature that network security devices can match against future incoming traffic. These signatures are gathered by IT security companies and distributed periodically to organizations that subscribe to the company’s update service. This signature-based approach is the principal foundation of existing IT threat protection technologies.
The Threat Landscape Has Evolved: Organizations Face A New Generation Of Threat Actors

The historical threat landscape was defined by amateur hackers who launched attacks principally for fame or mischief. While these hackers garnered a lot of press, they caused relatively little damage, and signature-based security solutions were effective at detecting and preventing them. Today’s organizations face an advanced malware pandemic of unprecedented severity led by “advanced persistent threat actors,” such as cyber-criminal organizations, nation-states and hacktivists, who are utilizing highly sophisticated next-generation threats to circumvent traditional IT defenses at an alarming rate. Cybercriminals are expending significant resources to exfiltrate sensitive intellectual property and personal data, causing financial and reputational damage; nation-states are pursuing cyber espionage and warfare targeting critical infrastructure, such as power grids and highly sensitive information that can threaten national security; and hacktivists, who are ideologically driven, are defacing Websites, stealing information and launching denial of service attacks.

Next-Generation Threats Exhibit A Unique Set Of Challenges

Next-generation threats, utilized by advanced persistent threat actors, are fundamentally different from earlier generation threats, with a unique set of characteristics that create a new set of detection and prevention challenges. One of the most dangerous characteristics of next-generation threats is their ability to take advantage of a previously unknown vulnerability in widely used software programs, creating what is known as “zero day” threats. By exploiting this vulnerability, significant damage can be done because it can take days before signature-based software vendors discover the vulnerability and patch it, and an even longer period of time for traditional security products to update their signature databases accordingly. Next-generation threats are stealthy by design and are significantly harder to detect. Further compounding the problem, next-generation threats are dynamic, or polymorphic, meaning they are designed to mutate quickly and retain their function while changing their code, making it almost impossible for traditional signature technologies that rely on pattern matching to detect them. These threats are also targeted, which enables them to present specific individuals within organizations’ networks with customized messages or content that maximizes the likelihood of the individual becoming an unwitting accomplice to the attack. Next-generation threats are also persistent and can perform malicious activity over a significantly longer period of time by remaining in the network and spreading undetected across devices for a specific period of time before conducting their activity, thereby resulting in higher damage potential. An additional level of complexity created by these threats is that they can target all primary entry points of a network by launching advanced malware attacks at the organization through Web, email and file vectors. These attacks may also include “blended attacks” that target multiple vectors simultaneously to gain entry to an organization’s IT environment.

Next-generation threats are significantly more complex in the way they carry out their attacks. The threats formulate over multiple steps, and they are difficult to detect via legacy security technologies at each step. The typical next-generation attack lifecycle contains the following five steps:

1. **Initial Exploit:** An exploit is typically a small amount of seemingly harmless content, often just a few hundred bytes in size, that when inserted into vulnerable software can make the software execute code it was not programmed to run. The initial exploit phase is critical and occurs when cyber attackers take advantage of inherent vulnerabilities in widely used software and applications, such as Adobe Acrobat, Flash and Internet Explorer, to initially penetrate a victim system. The exploit is stealthy and its code can enter an organization even when a user does nothing more than visit a Web page that has been compromised. Importantly, this entire process happens within the compromised system’s random access memory and does not involve writing any files to the hard drive, making it almost impossible to detect with legacy security solutions that are focused on examining files and executables once they are written to the hard drive on a host computer.

2. **Malware Download:** Once the initial exploit is successful in penetrating a victim’s system, a larger malware program in the form of a file can be downloaded onto the hard drive of the compromised system. Because the download is initiated by seemingly innocuous software from inside the
organization and the malware file can be obfuscated to seem harmless, legacy security systems cannot detect the threat. As an example, the file can be presented as a .jpg (a picture) instead of an .exe (executable) file and therefore avoid detection by legacy security technologies designed to look for executables. In addition, the malware program is encrypted and the key to decrypt the file is only available in the exploit code. Therefore, only if a security product detects the initial exploit code, can it collect the key to decrypt, detect and block the larger malware program.

3. **Callback and Establish Control:** After the larger malware download is successful, it will initiate an outbound connection to an external command and control server operated by a threat actor. Once the program has successfully made a connection, the cyber attacker has full control over the compromised host. Many legacy security solutions do not analyze outbound traffic for malicious transmissions and destinations. Other solutions that attempt to detect malicious outbound transmissions can only find transmissions to known destination IP addresses of servers, and are not able to identify malicious transmissions to unknown destinations.

4. **Data Exfiltration:** Having established a secure connection with the command and control server, the malware will proceed to take control of the host computer as well as transfer sensitive data, such as intellectual property, credit card information, user credentials, and sensitive file content. Because legacy security solutions cannot detect any of the previous three steps—exploit, malware download and callback—they are unable to detect and block the outbound transfer of data.

5. **Lateral Movement:** At any point after the malware is downloaded, the malware may conduct reconnaissance across the network to locate other vulnerable systems, and then spread laterally to file shares located deep within the organization’s network to search for additional data that is valuable to exfiltrate. As the lateral movement is conducted within the enterprise, firewalls and other perimeter security solutions focused on blocking malicious traffic from entering an organization are not able to detect the movement of malware within the organization.

**Existing Security Solutions Are Not Architected To Protect Against Next-Generation Threats**

The evolving threat landscape has rendered traditional defenses incapable of protecting organizations against next-generation threats. This includes traditional and next-generation firewalls, which provide the ability to manage policies for network and application traffic but are not fundamentally designed to detect advanced cyber attacks in a granular and scalable fashion. In addition, although products like intrusion prevention systems, or IPS, anti-virus, or AV, whitelisting and Web filtering technologies were designed with the intent of detecting the full spectrum of cyber attacks, their signature-based approaches have left them increasingly unsuccessful in detecting and blocking next-generation threats.

**Protecting Today’s IT Infrastructure Requires A Fundamentally Different Approach To Security**

A solution to protect against next-generation threats needs to be built from the ground up and have the following key capabilities:

- detection and protection capability that overcomes the limitations of signature-based approaches;
- the ability to protect the organization’s infrastructure across multiple threat vectors;
- visibility into each stage of the attack life cycle and particularly the ability to detect and block attacks at the exploit phase;
- negligible false-positive rate, thereby allowing the organization’s IT infrastructure to be secure without hindering business productivity;
- the ability to scan all relevant traffic without noticeable degradation of network performance;
Our Solution

Our technology platform, built on our proprietary MVX engine, is able to identify and protect against known and unknown threats without relying on existing signature-based technologies employed by legacy IT security vendors and best-of-breed point solution vendors. The key benefits of our platform include:

- **Proprietary MVX engine to enable dynamic, real-time protection against next-generation threats.** Our virtual execution technology detonates Web objects and suspicious attachments within purpose-built virtual machine environments in order to detect and block the full array of next-generation threats. Our solution does not require a pre-existing signature of the threat to identify it.

- **Defense across primary vectors of attack.** Our broad product portfolio includes our Malware Protection System, or MPS, to protect against Web and email threat vectors as well as malware resident on file shares. We can also coordinate threat intelligence across all three vectors to further enhance our overall efficacy rates and protect against blended attacks.

- **Visibility of each stage of the attack life cycle and particularly the ability to detect and block attacks at the exploit phase.** Our platform enables a comprehensive, stage-by-stage analysis of next-generation threats, from initial system exploitation to data exfiltration and lateral movement. Furthermore, because we can watch the execution path of the initial exploit with a high degree of granularity, we have high detection accuracy at the exploit level.

- **High efficacy next-generation threat detection.** We can address hundreds of permutations of software versions targeted by advanced malware attacks by concurrently deploying thousands of virtual machines across an organization’s network, allowing us to monitor attempted exploits of multiple operating system and application versions and hundreds of object types at line speed. This approach allows for high detection efficacy with negligible false-positive rates, resulting in minimal disruption to the business and IT organization.

- **Real-time detection of all network traffic with negligible performance degradation.** Our high-performance virtual machine technology, working in concert with our DTI cloud and advanced heuristic algorithms, enables us to deliver industry-leading protection against next-generation threats. Our appliances are capable of operating in-line, providing comprehensive and highly accurate detection and protection without slowing down the network.

- **Global cloud-based data sharing within and across organizations.** Our Central Management System, or CMS, correlates threat information that is being generated by our software-based appliances and facilitates rapid sharing of information at a local implementation level and also across the organization. In addition, by sharing anonymous real-time global threat data through our DTI cloud, our customers have access to a system that leverages the network effects of a globally distributed, automated threat analysis network.

- **Rapid deployment and streamlined management capabilities.** Our solution is generally deployed in a few hours and most often finds existing next-generation threats immediately after deployment. Our CMS appliances offer rich management capabilities, such as coordinating software upgrades, automating the configuration of multiple appliances and presenting security data in an intuitive interface to facilitate reporting and auditing.

Our Market Opportunity

According to IDC, worldwide IT security spending in 2013 will be approximately $17.9 billion across firewalls, virtual private networking, Web security, unified threat management, intrusion detection and
prevention, messaging security and corporate endpoint security. While this spending is focused principally on traditional IT security products, we believe the rise in next-generation threats is creating significant new demand from organizations for products that offer advanced protection against this new threat paradigm. Gartner, Inc., a global market research firm, estimates that by 2020, 75% of enterprises’ information security budgets will be allocated for rapid detection and response approaches, up from less than 10% in 2012. We believe our platform is essential to protect these organizations against next-generation threats. As organizations seek new defenses against next-generation threats, we believe that our virtualization-based approach, which represents a paradigm shift from how IT security has been conducted in the past, will take an increasing share of IT security spending from the traditional enterprise IT security markets. Specifically, we believe this approach can be applied to initially supplement, and ultimately replace, any threat protection technology that utilizes a traditional signature-based approach. These markets consist of Web security ($2.4 billion), messaging security ($2.9 billion), intrusion detection and prevention ($2.1 billion) and corporate endpoint security ($4.2 billion), and aggregate to a total projected spending of $11.6 billion in 2013, in each case according to IDC.

Our Competitive Strengths

We have developed the following key competitive advantages that we believe will allow us to maintain and extend our leadership position:

• **Leader in protecting organizations against the new breed of cyber attacks.** We invented a purpose-built, virtual machine-based security solution that provides real-time protection against next-generation threats, and we believe we are a leader in the market.

• **Platform built from the ground up to address next-generation threats.** We were founded with the sole purpose of developing a platform to defend and block next-generation threats. Therefore, we developed a proprietary hypervisor (i.e., software that creates and runs virtual machines) and MVX engine to meet the specific challenges associated with high throughput processing of next-generation threats. Our MVX engine is designed to be undetectable by these new threats. We can run hundreds of permutations of files, operating systems, software versions, languages and applications to mimic desktop operating environments and force malicious software to reveal itself. In addition, our platform is scalable and can run over 1,000 concurrent virtual execution tasks on a single appliance to simultaneously detect multiple threats.

• **Network effects from our customer base and DTI cloud.** Our global customer base of over 1,100 end-customers can share threat data via our DTI cloud. This relationship between customers and differentiated threat intelligence drives a network effect around our company, leading additional customers to be increasingly attracted to the depth and breadth of our capabilities and intelligence.

• **Strong management team with significant IT security expertise.** We have a highly knowledgeable management team with extensive IT security expertise. Our team includes experts with a strong track record of developing the fundamental new technologies behind advanced malware detection.

• **Comprehensive platform that enables modular deployment options.** Our customers typically initially deploy our solution to provide either Web, email or file protection and in conjunction with existing security solutions. Once deployed, our customers can then deploy additional appliances to protect the first threat vector, as well as expand their level of protection to additional vectors to achieve end-to-end protection for the primary vectors for next-generation threats to enter.

• **Significant technology lead.** Our technology is recognized as innovative and is protected by, among other things, a combination of copyright, trademark and trade secret laws; confidentiality procedures and contractual provisions; and a patent portfolio including five issued and 43 pending U.S. patents.

1 See note (1) in “Market and Industry Data.”
Our Strategy

Our objective is to be the global leader in virtual machine-based security solutions for the entire IT security market. The key elements of our growth strategy include:

- **Invest in research and development efforts to extend our technology leadership.** We plan to build upon our current performance and current technology leadership to enhance our product capabilities, such as protecting new threat vectors and providing focused solutions for certain markets, such as small and medium-sized enterprises and service providers.

- **Expand our sales organization to acquire new customers.** We intend to continue to invest in our sales organization around the globe as we pursue larger enterprise and government opportunities outside of the United States.

- **Expand our channel relationship and develop our partner ecosystem.** We have established a distribution channel program that, as of June 30, 2013, had approximately 400 channel partners worldwide. We intend to continue adding distributors and resellers and incentivizing them to drive greater sales to enable us to further leverage our internal sales organization.

- **Drive greater penetration into our customer base.** Typically, customers initially deploy our platform to protect a portion of their IT infrastructure against one type of security threat, such as Web-based threats. We see a significant opportunity to upsell and cross sell additional products, subscriptions and services as our customers realize the increasing value of our platform.

- **Leverage our innovative virtual machine technology in additional product markets.** We intend to apply our purpose-built virtual machine security engine to any threat protection technology that utilizes a traditional signature-based approach, such as intrusion prevention, corporate endpoint security and related mobile security markets.

Risks Associated With Our Business

Our business is subject to numerous risks and uncertainties, including those highlighted in the section entitled “Risk Factors” immediately following this prospectus summary. These risks include, among others, the following:

- if the IT security market does not continue to adopt our virtual machine-based security platform, our sales will not grow as quickly as anticipated, or at all, and our business, results of operations and financial condition would be harmed;

- our limited operating history makes it difficult to evaluate our current business and prospects and may increase the risks associated with your investment;

- if we do not effectively expand and train our direct sales force, we may be unable to add new customers or increase sales to our existing customers, and our business will be adversely affected;

- if we fail to effectively manage our growth, our business, financial condition and results of operations would be harmed;

- fluctuating economic conditions make it difficult to predict revenue for a particular period, and a shortfall in revenue may harm our operating results;

- our results of operations are likely to vary significantly from period to period, which could cause the trading price of our common stock to decline; and

- our directors, executive officers and each of our stockholders who owns greater than 5% of our outstanding common stock, in the aggregate, will beneficially own approximately % of the outstanding shares of our common stock after the completion of this offering, which could limit your ability to influence the outcome of key transactions, including a change of control.
Corporate Information

Our principal executive offices are located at 1440 McCarthy Blvd., Milpitas, California 95035, and our telephone number is (408) 321-6300. Our Website address is www.fireeye.com. Information contained on, or that can be accessed through, our Website is not incorporated by reference into this prospectus, and you should not consider information on our Website to be part of this prospectus. We were incorporated in Delaware in February 2004 under the name NetForts, Inc., and changed our name to FireEye, Inc. in September 2005.

The mark “FireEye” and the FireEye design logo are the property of FireEye, Inc. This prospectus contains additional trade names, trademarks, and service marks of other companies, and such tradenames, trademarks and service marks are the property of their respective owners. We do not intend our use or display of other companies’ trade names, trademarks, or service marks to imply a relationship with, or endorsement or sponsorship of us by, these other companies.

Emerging Growth Company

The Jumpstart Our Business Startups Act, or the JOBS Act, was enacted in April 2012 with the intention of encouraging capital formation in the United States and reducing the regulatory burden on newly public companies that qualify as “emerging growth companies.” We are an emerging growth company within the meaning of the JOBS Act. As an emerging growth company, we may take advantage of certain exemptions from various public reporting requirements, including the requirement that our internal control over financial reporting be audited by our independent registered public accounting firm pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, certain requirements related to the disclosure of executive compensation in this prospectus and in our periodic reports and proxy statements, and the requirement that we hold a nonbinding advisory vote on executive compensation and any golden parachute payments. We may take advantage of these exemptions until we are no longer an emerging growth company.

We will remain an emerging growth company until the earliest to occur of (i) the last day of the fiscal year in which we have more than $1.0 billion in annual revenue; (ii) the date we qualify as a “large accelerated filer,” with at least $700 million of equity securities held by non-affiliates; (iii) the date on which we have issued, in any three-year period, more than $1.0 billion in non-convertible debt securities; and (iv) the last day of the fiscal year ending after the fifth anniversary of the completion of this offering.

For certain risks related to our status as an emerging growth company, see “Risk Factors—Risks Related to this Offering, the Securities Markets and Ownership of Our Common Stock—We are an ‘emerging growth company,’ and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.”
## THE OFFERING

<table>
<thead>
<tr>
<th>Description</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock offered by us</td>
<td>shares</td>
</tr>
<tr>
<td>Over-allotment option being offered by us</td>
<td>shares</td>
</tr>
<tr>
<td>Common stock to be outstanding after this offering</td>
<td>shares (shares, if the underwriters exercise their over-allotment option in full)</td>
</tr>
</tbody>
</table>

### Use of proceeds

We estimate that the net proceeds from this offering will be approximately $ , based on an assumed initial public offering price of $ per share, the midpoint of the price range reflected on the cover page of this prospectus. We intend to use the net proceeds we receive from this offering for general corporate purposes, including headcount expansion, working capital, sales and marketing activities, product development, general and administrative matters and capital expenditures. We also may use a portion of the net proceeds from this offering to acquire or invest in technologies, solutions or businesses that complement our business, although we have no present commitments to complete any such transactions at this time. See “Use of Proceeds.”

### Directed share program

At our request, the underwriters have reserved up to 5% of the common stock being offered by this prospectus for sale at the initial public offering price to entities and individuals associated with us. None of our directors or executive officers will participate in the directed share program. The sales will be made by UBS Financial Services Inc., a selected dealer affiliated with UBS Securities LLC, an underwriter of this offering, through a directed share program. We do not know if these persons will choose to purchase all or any portion of these reserved shares, but any purchases they do make will reduce the number of shares available to the general public. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same terms as the other shares of common stock. Participants in the directed share program who purchase more than $1,000,000 of shares, if any, shall be subject to a lock-up with respect to any shares sold to them pursuant to that program. This lock-up will have restrictions similar to those described under the caption “Underwriters.”

### Proposed symbol

“FEYE”

The number of shares of our common stock to be outstanding after this offering is based on 102,295,849 shares of our common stock outstanding as of June 30, 2013, and excludes:

- 20,433,497 shares of common stock issuable upon the exercise of stock options outstanding as of June 30, 2013, with a weighted-average exercise price of $3.75 per share;
• 2,195,500 shares of common stock issuable upon the exercise of stock options granted after June 30, 2013 with a weighted-average exercise price of $\ $ per share;
• 483,000 shares of common stock issuable upon the vesting of restricted stock units outstanding as of June 30, 2013;
• 60,000 shares of common stock issuable upon the vesting of restricted stock units granted after June 30, 2013;
• 50,381 shares of restricted common stock granted after June 30, 2013;
• 615,790 shares of common stock issuable upon the exercise of convertible preferred stock warrants outstanding as of June 30, 2013, with a weighted-average exercise price of $0.8151 per share; and
• shares of common stock reserved for future grant or issuance under our stock-based compensation plans, consisting of:
  • 2,042,630 shares of common stock as of June 30, 2013 reserved for future grants under our 2008 Stock Plan, which shares will be added to the shares to be reserved under our 2013 Equity Incentive Plan, which will become effective in connection with this offering;
  • shares of common stock reserved for future grants under our 2013 Equity Incentive Plan;
  • shares of common stock reserved for future issuance under our 2013 Employee Stock Purchase Plan, which will become effective in connection with this offering; and
  • any shares of common stock that become available subsequent to this offering under our 2013 Equity Incentive Plan and 2013 Employee Stock Purchase Plan pursuant to provisions thereof that automatically increase the share reserves under such plans each year, as more fully described in “Executive Compensation—Employee Benefit and Stock Plans.”

Except for historical financial statements and as otherwise indicated, all information in this prospectus assumes:
• the effectiveness of our amended and restated certificate of incorporation as of immediately prior to the completion of this offering;
• the automatic conversion of all shares of our convertible preferred stock outstanding as of June 30, 2013 into an aggregate of 74,221,533 shares of common stock immediately prior to the completion of this offering;
• the automatic conversion of all outstanding warrants exercisable for shares of our convertible preferred stock as of June 30, 2013 into warrants exercisable for shares of common stock upon the completion of this offering;
• no exercise of outstanding stock options or warrants subsequent to June 30, 2013; and
• no exercise of the underwriters’ over-allotment option.
SUMMARY CONSOLIDATED FINANCIAL DATA

The summary consolidated statements of operations data presented below for the years ended December 31, 2010, 2011 and 2012 are derived from audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated statements of operations data presented below for the six months ended June 30, 2012 and 2013, and the consolidated balance sheet data as of June 30, 2013, are derived from unaudited interim consolidated financial statements included elsewhere in this prospectus. The unaudited interim consolidated financial statements were prepared on a basis consistent with our audited consolidated financial statements and, in the opinion of management, include all adjustments of a normal, recurring nature that are necessary for the fair presentation of the financial statements. The following summary consolidated financial data should be read with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected for the full fiscal year or any period in the future.

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31</th>
<th>Six Months Ended June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td><strong>Consolidated Statements of Operations Data:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>$9,270</td>
<td>$24,888</td>
</tr>
<tr>
<td>Subscription and services</td>
<td>2,495</td>
<td>8,770</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$11,765</td>
<td>$33,658</td>
</tr>
<tr>
<td>Cost of revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>2,054</td>
<td>5,690</td>
</tr>
<tr>
<td>Subscription and services</td>
<td>277</td>
<td>1,590</td>
</tr>
<tr>
<td>Total cost of revenue</td>
<td>2,331</td>
<td>7,280</td>
</tr>
<tr>
<td>Total gross profit</td>
<td>9,434</td>
<td>26,378</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development (1)</td>
<td>5,291</td>
<td>7,275</td>
</tr>
<tr>
<td>Sales and marketing (1)</td>
<td>11,357</td>
<td>30,389</td>
</tr>
<tr>
<td>General and administrative (1)</td>
<td>1,943</td>
<td>4,428</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>18,591</td>
<td>42,092</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(9,157)</td>
<td>(15,711)</td>
</tr>
<tr>
<td>Interest income</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(158)</td>
<td>(194)</td>
</tr>
<tr>
<td>Other expense, net</td>
<td>(156)</td>
<td>(806)</td>
</tr>
<tr>
<td>Loss before income taxes</td>
<td>(9,468)</td>
<td>(16,711)</td>
</tr>
<tr>
<td>Provision for (benefit from) income taxes</td>
<td>13</td>
<td>71</td>
</tr>
<tr>
<td>Net loss attributable to common stockholders</td>
<td>$(9,481)</td>
<td>$(16,782)</td>
</tr>
<tr>
<td>Net loss per share attributable to common stockholders, basic and diluted</td>
<td>$(1.30)</td>
<td>$(1.99)</td>
</tr>
<tr>
<td>Weighted-average shares used to compute net loss per share attributable to common stockholders, basic and diluted</td>
<td>7,271</td>
<td>8,447</td>
</tr>
<tr>
<td>Pro forma net loss per share attributable to common stockholders, basic and diluted</td>
<td>$ (0.39)</td>
<td>$ (0.70)</td>
</tr>
<tr>
<td>Pro forma weighted-average shares used to compute net loss per share attributable to common stockholders, basic and diluted</td>
<td>84,664</td>
<td>91,098</td>
</tr>
</tbody>
</table>
Includes stock-based compensation expense as follows:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31</th>
<th>Six Months Ended June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>Cost of product revenue</td>
<td>$4</td>
<td>$39</td>
</tr>
<tr>
<td>Research and development</td>
<td>63</td>
<td>148</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>63</td>
<td>360</td>
</tr>
<tr>
<td>General and administrative</td>
<td>10</td>
<td>168</td>
</tr>
<tr>
<td>Total stock-based compensation expense</td>
<td>$137</td>
<td>$715</td>
</tr>
</tbody>
</table>

Our consolidated balance sheet as of June 30, 2013 is presented on:

- an actual basis;
- a pro forma basis, giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock into 74,221,533 shares of common stock, the related reclassification of the preferred stock warrant liability to additional paid-in capital and the effectiveness of our amended and restated certificate of incorporation as of immediately prior to the completion of this offering, as if such conversion had occurred and our amended and restated certificate of incorporation had become effective on June 30, 2013; and
- a pro forma as adjusted basis, giving effect to the pro forma adjustments and the sale of shares of common stock by us in this offering, based on an assumed initial public offering price of $ per share, the midpoint of the price range reflected on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma as adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

<table>
<thead>
<tr>
<th>Consolidated Balance Sheet Data:</th>
<th>Actual</th>
<th>Pro Forma</th>
<th>Pro Forma As Adjusted(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$54,085</td>
<td>$54,085</td>
<td>$</td>
</tr>
<tr>
<td>Working capital, excluding deferred revenue and costs</td>
<td>41,507</td>
<td>41,507</td>
<td>41,507</td>
</tr>
<tr>
<td>Total assets</td>
<td>139,487</td>
<td>139,487</td>
<td>139,487</td>
</tr>
<tr>
<td>Total deferred revenue</td>
<td>102,585</td>
<td>102,585</td>
<td>102,585</td>
</tr>
<tr>
<td>Total long-term debt, current portion</td>
<td>6</td>
<td>6</td>
<td>(2,839)</td>
</tr>
<tr>
<td>Total long-term debt, non-current portion</td>
<td></td>
<td>(2,839)</td>
<td>(2,839)</td>
</tr>
<tr>
<td>Preferred stock warrant liability</td>
<td>6,507</td>
<td>6,507</td>
<td>(2,839)</td>
</tr>
<tr>
<td>Total stockholders’ deficit</td>
<td>(45,046)</td>
<td>(38,539)</td>
<td>(38,539)</td>
</tr>
</tbody>
</table>

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the price range reflected on the cover page of this prospectus, would increase (decrease) our cash and cash equivalents, working capital, total assets and total stockholders’ equity by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.
<table>
<thead>
<tr>
<th>Key Business Metrics:</th>
<th>Year Ended as of December 31, 2010-2012, Six Months Ended June 30, 2012-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Dollars in thousands)</td>
</tr>
<tr>
<td>Product revenue</td>
<td>$ 9,270</td>
</tr>
<tr>
<td></td>
<td>$24,888</td>
</tr>
<tr>
<td></td>
<td>$52,265</td>
</tr>
<tr>
<td></td>
<td>$18,201</td>
</tr>
<tr>
<td></td>
<td>$32,228</td>
</tr>
<tr>
<td>Subscription and services revenue</td>
<td>2,495</td>
</tr>
<tr>
<td></td>
<td>8,770</td>
</tr>
<tr>
<td></td>
<td>31,051</td>
</tr>
<tr>
<td></td>
<td>11,540</td>
</tr>
<tr>
<td></td>
<td>29,410</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$11,765</td>
</tr>
<tr>
<td></td>
<td>$33,658</td>
</tr>
<tr>
<td></td>
<td>$83,316</td>
</tr>
<tr>
<td></td>
<td>$29,741</td>
</tr>
<tr>
<td></td>
<td>$61,638</td>
</tr>
<tr>
<td>Year-over-year percentage increase</td>
<td>617%</td>
</tr>
<tr>
<td></td>
<td>186%</td>
</tr>
<tr>
<td></td>
<td>148%</td>
</tr>
<tr>
<td></td>
<td>165%</td>
</tr>
<tr>
<td></td>
<td>107%</td>
</tr>
<tr>
<td>Gross margin percentage</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td>78%</td>
</tr>
<tr>
<td></td>
<td>79%</td>
</tr>
<tr>
<td></td>
<td>77%</td>
</tr>
<tr>
<td></td>
<td>72%</td>
</tr>
<tr>
<td>Deferred revenue, current portion at period end</td>
<td>$ 3,518</td>
</tr>
<tr>
<td></td>
<td>$16,215</td>
</tr>
<tr>
<td></td>
<td>$43,750</td>
</tr>
<tr>
<td></td>
<td>$24,365</td>
</tr>
<tr>
<td></td>
<td>$55,726</td>
</tr>
<tr>
<td>Deferred revenue, non-current portion at period end</td>
<td>$ 2,748</td>
</tr>
<tr>
<td></td>
<td>$13,887</td>
</tr>
<tr>
<td></td>
<td>$32,656</td>
</tr>
<tr>
<td></td>
<td>$22,213</td>
</tr>
<tr>
<td></td>
<td>$46,859</td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>$(6,701)</td>
</tr>
<tr>
<td></td>
<td>$ 5,111</td>
</tr>
<tr>
<td></td>
<td>$21,500</td>
</tr>
<tr>
<td></td>
<td>$ 3,248</td>
</tr>
<tr>
<td></td>
<td>$(12,699)</td>
</tr>
<tr>
<td>Free cash flow (non-GAAP)^{3}</td>
<td>$(8,259)</td>
</tr>
<tr>
<td></td>
<td>$(106)</td>
</tr>
<tr>
<td></td>
<td>$ 2,652</td>
</tr>
<tr>
<td></td>
<td>$(6,149)</td>
</tr>
<tr>
<td></td>
<td>$(34,754)</td>
</tr>
</tbody>
</table>

(1) Our deferred revenue consists of amounts that have been invoiced but have not yet been recognized as revenue as of the period end. The majority of our deferred revenue balance consists of the unaugmented portion of revenue from sales of our Email MPS, subscriptions to our DTI cloud and Email MPS Attachment/URL engine, and support and maintenance contracts. Because invoiced amounts for subscriptions and services can be for multiple years, we classify our deferred revenue as current or non-current depending on when we expect to recognize the related revenue. If the deferred revenue is expected to be recognized within 12 months, it is classified as current. Otherwise, the deferred revenue is classified as non-current. We monitor our deferred revenue balance because it represents a significant portion of revenue to be recognized in future periods.

(2) We monitor cash flow provided by (used in) operating activities as a measure of our overall business performance. Our cash flow provided by (used in) operating activities is driven in large part by sales of our products and from up-front payments for both new and renewal contracts for subscription and maintenance. Monitoring cash flow provided by (used in) operating activities enables us to analyze our financial performance without the non-cash effects of certain items such as depreciation, amortization, and stock-based compensation costs, thereby allowing us to better understand and manage the cash needs of our business.

(3) We define free cash flow as net cash provided by operating activities less purchases of property and equipment and demonstration units. We consider free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by the business that, after the purchases of property and equipment and demonstration units, can be used for strategic opportunities, including investing in our business, making strategic acquisitions, and strengthening the balance sheet. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Business Metrics” for more information and a reconciliation of free cash flow to cash flow provided by (used in) operating activities, the most directly comparable financial measure calculated and presented in accordance with U.S. generally accepted accounting principles, or GAAP.
RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including our consolidated financial statements and related notes, before investing in our common stock. If any of the following risks are realized, in whole or in part, our business, financial condition, results of operations and prospects could be materially and adversely affected. In that event, the price of our common stock could decline, and you could lose part or all of your investment.

Risks Related to Our Business and Our Industry

If the IT security market does not continue to adopt our virtual machine-based security platform, our sales will not grow as quickly as anticipated, or at all, and our business, results of operations and financial condition would be harmed.

We are seeking to disrupt the IT security market with our virtual machine-based security platform. Our platform interoperates with but does not replace most signature-based IT security products. Enterprises and governments that use signature-based security products, such as firewalls, intrusion prevention systems, or IPS, anti-virus, or AV, and Web and messaging gateways, for their IT security may be hesitant to purchase our virtual machine-based security platform if they believe that signature-based products are more cost effective, provide substantially the same functionality as our platform or provide a level of IT security that is sufficient to meet their needs. Currently, most enterprises and governments have not allocated a fixed portion of their budgets to protect against next-generation advanced cyber attacks. As a result, to expand our customer base, we need to convince potential customers to allocate a portion of their discretionary budgets to purchase our platform. However, even if we are successful in doing so, any future deterioration in general economic conditions may cause our customers to cut their overall IT spending, and such cuts may fall disproportionately on products and services like ours, for which no fixed budgetary allocation has been made. If we do not succeed in convincing customers that our platform should be an integral part of their overall approach to IT security and that a fixed portion of their annual IT budgets should be allocated to our platform, our sales will not grow as quickly as anticipated, or at all, which would have an adverse impact on our business, results of operations and financial condition.

Even if there is significant demand for virtual machine-based security solutions like ours, if our competitors include functionality that is, or is perceived to be, better than or equivalent to that of our platform in signature-based or other products that are already generally accepted as necessary components of an organization’s IT security architecture, we may have difficulty increasing the market penetration of our platform. Furthermore, even if the functionality offered by other IT security providers is different and more limited than the functionality of our platform, organizations may elect to accept such limited functionality in lieu of adding products from additional vendors like us.

If enterprises and governments do not continue to adopt our virtual machine-based security platform for any of the reasons discussed above, our sales would not grow as quickly as anticipated, or at all, and our business, results of operations and financial condition would be harmed.

Our limited operating history makes it difficult to evaluate our current business and prospects and may increase the risks associated with your investment.

We were founded in 2004, and our first commercially successful product was our Web Malware Protection System, or Web MPS, which we first shipped in 2008. We expanded our platform in 2011 and 2012 to include Email MPS and File MPS, respectively. The majority of our revenue growth began in 2010. Our limited operating history makes it difficult to evaluate our current business and prospects and plan for and model our future growth. We have encountered and will continue to encounter risks and uncertainties frequently encountered by rapidly growing companies in developing markets. If our assumptions regarding these risks and
uncertainties are incorrect or change in response to changes in the IT security market, our results of operations and financial results could differ materially from our plans and forecasts. Although we have experienced rapid growth for the past several years, there is no assurance that such growth will continue. Any success we may experience in the future will depend in large part on our ability to, among other things:

• maintain and expand our customer base and the ways in which customers use our platform;
• expand revenue from existing customers through increased or broader use of our platform within their organizations;
• convince customers to allocate a fixed portion of their annual IT budgets to our platform;
• improve the performance and capabilities of our platform through research and development;
• effectively expand our business domestically and internationally, which will require that we rapidly expand our sales force and fill key management positions, particularly internationally; and
• successfully compete with other companies that currently provide, or may in the future provide, solutions like ours that protect against next-generation advanced cyber attacks.

If we are unable to achieve our key objectives, including the objectives listed above, our business and results of operations will be adversely affected and the fair market value of our common stock could decline.

If we do not effectively expand and train our direct sales force, we may be unable to add new customers or increase sales to our existing customers, and our business will be adversely affected.

We continue to be substantially dependent on our direct sales force to obtain new customers and increase sales with existing customers. There is significant competition for sales personnel with the skills and technical knowledge that we require. Our ability to achieve significant revenue growth will depend, in large part, on our success in recruiting, training and retaining sufficient numbers of sales personnel to support our growth, particularly in international markets. New hires require significant training and may take significant time before they achieve full productivity. Our recent hires and planned hires may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. In addition, because we continue to grow rapidly, a large percentage of our sales force is new to our company. If we are unable to hire and train a sufficient number of effective sales personnel, or the sales personnel we hire are not successful in obtaining new customers or increasing sales to our existing customer base, our business will be adversely affected.

If we fail to effectively manage our growth, our business, financial condition and results of operations would be harmed.

Our headcount increased from more than 175 employees as of December 31, 2011 to 932 employees as of June 30, 2013, and we expect our headcount to continue to grow rapidly. In addition, our number of end-customers increased from more than 425 to more than 1,100 over the same period. This rapid growth has placed significant demands on our management and our operational and financial infrastructure. To improve our infrastructure, we have recently implemented a new enterprise resource planning system, including revenue recognition and management software, and we plan to implement additional systems. There is no assurance that we will be able to successfully scale improvements to our enterprise resource planning system or other systems and processes in a manner that keeps pace with our growth or that such systems will be effective in preventing or detecting errors, omissions or fraud.

As part of our efforts to improve our internal systems, processes and controls, we have licensed technology from third parties. The support services available for such third-party technology is outside of our control and may be negatively affected by consolidation in the software industry. In addition, if we do not receive adequate support for the software underlying our systems, processes and controls, our ability to provide products and
services to our customers in a timely manner may be impaired, which may cause us to lose customers, limit us to smaller deployments of our platform or increase our technical support costs.

To manage this growth effectively, we must continue to improve our operational, financial and management systems and controls by, among other things:

- effectively attracting, training and integrating a large number of new employees, particularly members of our sales and management teams;
- further improving our key business applications, processes and IT infrastructure, including our data centers, to support our business needs;
- enhancing our information and communication systems to ensure that our employees and offices around the world are well coordinated and can effectively communicate with each other and our growing base of channel partners and customers;
- improving our internal control over financial reporting and disclosure controls and procedures to ensure timely and accurate reporting of our operational and financial results; and
- appropriately documenting our IT systems and business processes.

These and other improvements in our systems and controls will require significant capital expenditures and the allocation of valuable management and employee resources. If we fail to implement these improvements effectively, our ability to manage our expected growth, ensure uninterrupted operation of key business systems and comply with the rules and regulations applicable to public reporting companies would be impaired, and our business, financial condition and results of operations would be harmed.

Fluctuating economic conditions make it difficult to predict revenue for a particular period, and a shortfall in revenue may harm our operating results.

Our revenue depends significantly on general economic conditions and the demand for products in the IT security market. Economic weakness, customer financial difficulties, and constrained spending on IT security may result in decreased revenue and earnings. Such factors could make it difficult to accurately forecast our sales and operating results and could negatively affect our ability to provide accurate forecasts to our contract manufacturers and manage our contract manufacturer relationships and other expenses. In addition, concerns regarding the impact of the U.S. federal sequestration on the IT budgets of various agencies of the U.S. government, as well as continued budgetary challenges in the United States and Europe and geopolitical turmoil in many parts of the world have and may continue to put pressure on global economic conditions and overall spending on IT security. Currently, most enterprises and governments have not allocated a fixed portion of their budgets to protect against next-generation advanced cyber attacks. If we do not succeed in convincing customers that our platform should be an integral part of their overall approach to IT security and that a fixed portion of their annual IT budgets should be allocated to our platform, general reductions in IT spending by our customers are likely to have a disproportionate impact on our business, results of operations and financial condition. General economic weakness may also lead to longer collection cycles for payments due from our customers, an increase in customer bad debt, restructuring initiatives and associated expenses, and impairment of investments. Furthermore, the continued weakness and uncertainty in worldwide credit markets, including the sovereign debt situation in certain countries in the European Union, may adversely impact the ability of our customers to adequately fund their expected capital expenditures, which could lead to delays or cancellations of planned purchases of our platform.

Uncertainty about future economic conditions also makes it difficult to forecast operating results and to make decisions about future investments. Future or continued economic weakness for us or our customers, failure of our customers and markets to recover from such weakness, customer financial difficulties, and reductions in spending on IT security could have a material adverse effect on demand for our platform and consequently on our business, financial condition and results of operations.
Our results of operations are likely to vary significantly from period to period, which could cause the trading price of our common stock to decline.

Our results of operations have varied significantly from period to period, and we expect that our results of operations will continue to vary as a result of a number of factors, many of which are outside of our control and may be difficult to predict, including:

- our ability to attract and retain new customers;
- the budgeting cycles, seasonal buying patterns and purchasing practices of customers;
- the timing of shipments of our products and length of our sales cycles;
- changes in customer or reseller requirements or market needs;
- changes in the growth rate of the IT security market, particularly the market for threat protection solutions like ours that target next-generation advanced cyber attacks;
- the timing and success of new product and service introductions by us or our competitors or any other change in the competitive landscape of the IT security market, including consolidation among our customers or competitors;
- the level of awareness of IT security threats, particularly advanced cyber attacks, and the market adoption of our platform;
- deferral of orders from customers in anticipation of new products or product enhancements announced by us or our competitors;
- our ability to successfully expand our business domestically and internationally;
- reductions in customer renewal rates for our subscriptions;
- decisions by organizations to purchase IT security solutions from larger, more established security vendors or from their primary IT equipment vendors;
- changes in our pricing policies or those of our competitors;
- any disruption in, or termination of, our relationship with channel partners;
- decreases in our customers’ subscription renewal rates;
- our inability to fulfill our customers’ orders due to supply chain delays or events that impact our manufacturers or their suppliers;
- insolvency or credit difficulties confronting our customers, affecting their ability to purchase or pay for our products, subscriptions and services, or confronting our key suppliers, particularly our sole source suppliers, which could disrupt our supply chain;
- the cost and potential outcomes of existing and future litigation;
- seasonality in our business;
- general economic conditions, both domestic and in our foreign markets;
- future accounting pronouncements or changes in our accounting policies or practices;
- the amount and timing of operating costs and capital expenditures related to the expansion of our business;
- a change in our mix of products, subscriptions and services; and
- increases or decreases in our expenses caused by fluctuations in foreign currency exchange rates.

Any of the above factors, individually or in the aggregate, may result in significant fluctuations in our financial and other operating results from period to period. As a result of this variability, our historical results of
operations should not be relied upon as an indication of future performance. Moreover, this variability and unpredictability could result in our failure to meet our operating plan or the expectations of investors or analysts for any period. If we fail to meet such expectations for these or other reasons, the market price of our common stock could fall substantially, and we could face costly lawsuits, including securities class action suits.

We have had operating losses each year since our inception, and may not achieve or maintain profitability in the future.

We have incurred operating losses each year since 2004, including net losses of $9.5 million, $16.8 million and $35.8 million in 2010, 2011 and 2012, respectively, and $14.3 million and $67.2 million in the six months ended June 30, 2012 and 2013, respectively. We expect our operating expenses to increase in the future as we expand our sales and marketing efforts and continue to invest in research and development of our technologies. These efforts may be more costly than we expect, and we may not be able to increase our revenue to offset our increased operating expenses. Our revenue growth may slow or our revenue may decline for a number of other reasons, including reduced demand for our platform, increased competition, a decrease in the growth or size of the IT security market, particularly the market for solutions that target the next generation of advanced cyber attacks, or any failure to capitalize on growth opportunities. Any failure to increase our revenue as we grow our business could prevent us from achieving or maintaining profitability. If we are unable to meet these risks and challenges as we encounter them, our business, financial condition and results of operations may suffer.

We expect our revenue growth rate to decline, and as our costs increase, we may not be able to generate sufficient revenue to achieve and maintain profitability over the long term.

From the year ended December 31, 2009 to the year ended December 31, 2012, our revenue grew from $1.6 million to $83.3 million, which represents a compounded annual growth rate of approximately 167%. We expect that, to the extent our revenue increases to higher levels, our revenue growth rate will decline, and we may not be able to generate sufficient revenue to achieve or maintain profitability. We also expect our costs to increase in future periods, which could negatively affect our future operating results if our revenue does not increase. In particular, we expect to continue to expend substantial financial and other resources on:

- research and development related to our platform, including investments in our research and development team;
- sales and marketing, including a significant expansion of our sales organization, particularly in international markets;
- international expansion of our business;
- expansion of our professional services organization; and
- general administration expenses, including legal and accounting expenses related to being a public company.

These investments may not result in increased revenue or growth in our business. If we are unable to increase our revenue at a rate sufficient to offset the expected increase in our costs, our business, financial position and results of operations will be harmed, and we may not be able to achieve or maintain profitability over the long term.

Seasonality may cause fluctuations in our revenue.

We believe there are significant seasonal factors that may cause us to record higher revenue in some quarters compared with others. We believe this variability is largely due to our customers’ budgetary and spending patterns, as many customers spend the unused portions of their discretionary budgets prior to the end of their fiscal year. For example, we have historically recorded our highest level of revenue in our fourth quarter, which we believe corresponds to the fourth quarter of a majority of our customers. Similarly, we have historically recorded our second-highest level of revenue in our third quarter, which corresponds to the fourth
quarter of U.S. federal agencies and other customers in the U.S. federal government. In addition, our rapid growth rate over the last couple years may have made seasonal fluctuations more difficult to detect. If our rate of growth slows over time, seasonal or cyclical variations in our operations may become more pronounced, and our business, results of operations and financial position may be adversely affected.

We face intense competition and could lose market share to our competitors, which could adversely affect our business, financial condition and results of operations.

The market for security products and services is intensely competitive and characterized by rapid changes in technology, customer requirements, industry standards and frequent new product introductions and improvements. We anticipate continued challenges from current competitors, which in many cases are more established and enjoy greater resources than us, as well as by new entrants into the industry. If we are unable to anticipate or effectively react to these competitive challenges, our competitive position could weaken, and we could experience a decline in our growth rate or revenue that could adversely affect our business and results of operations.

Our competitors and potential competitors include large networking vendors such as Cisco Systems, Inc. and Juniper Networks, Inc. that may emulate or integrate virtual-machine features similar to ours into their own products; large companies such as Intel, IBM, and HP that have acquired large IT security specialist vendors in recent years and have the technical and financial resources and broad customer bases needed to bring competitive solutions to the market; independent IT security vendors such as Sourcefire (which recently announced its pending acquisition by Cisco Systems, Inc.) and Palo Alto Networks that offer products that claim to perform similar functions to our platform; and small and large companies that offer point solutions that compete with some of the features present in our platform. Many of our existing competitors have, and some of our potential competitors could have, substantial competitive advantages such as:

- greater name recognition, longer operating histories and larger customer bases;
- larger sales and marketing budgets and resources;
- broader distribution and established relationships with channel and distribution partners and customers;
- greater customer support resources;
- greater resources to make acquisitions;
- lower labor and research and development costs;
- larger and more mature intellectual property portfolios; and
- substantially greater financial, technical and other resources.

In addition, some of our larger competitors have substantially broader product offerings and may be able to leverage their relationships with distribution partners and customers based on other products or incorporate functionality into existing products to gain business in a manner that discourages users from purchasing our products, subscriptions and services, including by selling at zero or negative margins, product bundling or offering closed technology platforms. Potential customers may also prefer to purchase from their existing suppliers rather than a new supplier regardless of product performance or features. As a result, even if the features of our platform are superior, customers may not purchase our products. In addition, new innovative start-up companies, and larger companies that are making significant investments in research and development, may invent similar or superior products and technologies that compete with our platform. Our current and potential competitors may also establish cooperative relationships among themselves or with third parties that may further enhance their resources. If we are unable to compete successfully, or if competing successfully requires us to take costly actions in response to the actions of our competitors, our business, financial condition and results of operations could be adversely affected.
Our sales cycles can be long and unpredictable, and our sales efforts require considerable time and expense. As a result, our sales and revenue are difficult to predict and may vary substantially from period to period, which may cause our results of operations to fluctuate significantly.

Our results of operations may fluctuate, in part, because of the resource intensive nature of our sales efforts, the length and variability of our sales cycle and the short-term difficulty in adjusting our operating expenses. Our results of operations depend in part on sales to large organizations. The length of our sales cycle, from proof of concept to delivery of and payment for our platform, is typically three to six months but can be more than a year. To the extent our competitors develop products that our prospective customers view as equivalent to ours, our average sales cycle may increase. Because the length of time required to close a sale varies substantially from customer to customer, it is difficult to predict exactly when, or even if, we will make a sale with a potential customer. As a result, large individual sales have, in some cases, occurred in quarters subsequent to those we anticipated, or have not occurred at all. The loss or delay of one or more large transactions in a quarter could impact our results of operations for that quarter and any future quarters for which revenue from that transaction is delayed. As a result of these factors, it is difficult for us to forecast our revenue accurately in any quarter. Because a substantial portion of our expenses are relatively fixed in the short term, our results of operations will suffer if our revenue falls below our or analysts’ expectations in a particular quarter, which could cause the price of our common stock to decline.

Reliance on shipments at the end of each quarter could cause our revenue for the applicable period to fall below expected levels.

As a result of customer buying patterns and the efforts of our sales force and channel partners to meet or exceed their sales objectives, we have historically received a substantial portion of sales orders and generated a substantial portion of revenue during the last few weeks of each quarter. A significant interruption in our IT systems, which manage critical functions such as order processing, revenue recognition, financial forecasts, inventory and supply chain management, and trade compliance reviews, could result in delayed order fulfillment and decreased revenue for that quarter. If expected revenue at the end of any quarter is delayed for any reason, including the failure of anticipated purchase orders to materialize, our logistics or channel partners’ inability to ship products prior to quarter-end to fulfill purchase orders received near the end of the quarter, our failure to manage inventory to meet demand, our inability to release new products on schedule, any failure of our systems related to order review and processing, or any delays in shipments based on trade compliance requirements, our revenue for that quarter could fall below our expectations and the estimates of market analysts, which could adversely impact our business and results of operations and cause a decline in the trading price of our common stock.

If we do not accurately anticipate and respond promptly to changes in our customers’ technologies, business plans or security needs, our competitive position and prospects could be harmed.

Many of our customers operate in markets characterized by rapidly changing technologies and business plans, which require them to add numerous network access points and adapt to increasingly complex IT networks, incorporating a variety of hardware, software applications, operating systems and networking protocols. As their technologies and business plans grow more complex, we expect these customers to face new and increasingly sophisticated methods of attack. We face significant challenges in ensuring that our platform effectively identifies and responds to these advanced and evolving attacks without disrupting our customers’ network performance. As a result of the continued rapid innovations in the technology industry, including the rapid growth of smart phones, tablets and other devices and the trend of “bring your own device” in enterprises, we expect the networks of our customers to continue to change rapidly and become more complex.

We have identified a number of new products and enhancements to our platform that we believe are important to our continued success in the IT security market. There can be no assurance that we will be successful in developing and marketing, on a timely basis, such new products or enhancements, or that our new products or enhancements will adequately address the changing needs of the marketplace. In addition, some of our new products and enhancements may require us to develop new hardware architectures that involve complex, expensive
and time-consuming research and development processes. Although the market expects rapid introduction of new products and enhancements to respond to new threats, the development of these products and enhancements is difficult and the timetable for commercial release and availability is uncertain, as there can be significant time lags between initial beta releases and the commercial availability of new products and enhancements. We may experience unanticipated delays in the availability of new products and enhancements to our platform and fail to meet customer expectations with respect to the timing of such availability. If we do not quickly respond to the rapidly changing and rigorous needs of our customers by developing, releasing and making available on a timely basis new products and enhancements to our platform that can adequately respond to advanced threats and our customers’ needs, our competitive position and business prospects will be harmed. Furthermore, from time to time, we or our competitors may announce new products with capabilities or technologies that could have the potential to replace or shorten the life cycles of our existing products. There can be no assurance that announcements of new products will not cause customers to defer purchasing our existing products.

Additionally, the process of developing new technology is expensive, complex and uncertain. The success of new products and enhancements depends on several factors, including appropriate component costs, timely completion and introduction, differentiation of new products and enhancements from those of our competitors, and market acceptance. To maintain our competitive position, we must continue to commit significant resources to developing new products or enhancements to our platform before knowing whether these investments will be cost-effective or achieve the intended results. There can be no assurance that we will successfully identify new product opportunities, develop and bring new products or enhancements to market in a timely manner, or achieve market acceptance of our platform, or that products and technologies developed by others will not render our platform obsolete or noncompetitive. If we expend significant resources on researching and developing products or enhancements to our platform and such products or enhancements are not successful, our business, financial position and results of operations may be adversely affected.

Disruptions or other business interruptions that affect the availability of our Dynamic Threat Intelligence, or DTI, cloud could adversely impact our customer relationships as well as our overall business.

When a customer purchases one or more of our MPS appliances, it must also purchase a subscription to our DTI cloud for a term of either one or three years. Our DTI cloud enables global sharing of threat intelligence uploaded by any of our customers’ cloud-connected FireEye appliances. Our data center and networks may experience technical failures and downtime, may fail to distribute appropriate updates, or may fail to meet the increased requirements of a growing customer base, any of which could temporarily or permanently expose our customers’ networks, leaving their networks unprotected against the latest security threats.

Our customers depend on the continuous availability of our DTI cloud. Our DTI cloud is vulnerable to damage or interruption from a variety of sources, including damage or interruption caused by fire, earthquake, power loss, telecommunications or computer systems failure, cyber attack, human error, terrorist acts and war. There may also be system or network interruptions if new or upgraded systems are defective or not installed properly. Moreover, interruptions in our subscription updates could result in a failure of our DTI cloud to effectively update customers’ hardware products and thereby leave our customers more vulnerable to attacks. Interruptions or failures in our service delivery could cause customers to terminate their subscriptions with us, could adversely affect our renewal rates, and could harm our ability to attract new customers. Our business would also be harmed if our customers believe that our DTI cloud is unreliable.

If we are unable to sell additional products, subscriptions and services, as well as renewals of our subscriptions and services, to our customers, our future revenue and operating results will be harmed.

Our future success depends, in part, on our ability to expand the deployment of our platform with existing customers by selling them additional products, subscriptions and services. This may require increasingly sophisticated and costly sales efforts and may not result in additional sales. In addition, the rate at which our customers purchase additional products, subscriptions and services depends on a number of factors, including the
perceived need for additional IT security as well as general economic conditions. If our efforts to sell additional products, subscriptions and services to our customers are not successful, our business may suffer.

Further, existing customers that purchase our platform have no contractual obligation to renew their subscriptions and support and maintenance services after the initial contract period, and given our limited operating history, we may not be able to accurately predict our renewal rates. Our customers’ renewal rates may decline or fluctuate as a result of a number of factors, including the level of their satisfaction with our platform, our customer support, customer budgets and the pricing of our platform compared with the products and services offered by our competitors. If our customers renew their subscriptions, they may renew for shorter contract lengths or on other terms that are less economically beneficial to us. We cannot assure you that our customers will renew their subscriptions, and if our customers do not renew their subscriptions or renew on less favorable terms, our revenue may grow more slowly than expected, if at all.

We also depend on our installed customer base for future support and maintenance revenue. We offer our support and maintenance agreements for either one or three-year terms. If customers choose not to renew their support and maintenance agreements or seek to renegotiate the terms of their support and maintenance agreements prior to renewing such agreements, our revenue may decline.

If we are unable to increase sales of our platform to large organizations while mitigating the risks associated with serving such customers, our business, financial position and results of operations may suffer.

Our growth strategy is dependent, in part, upon increasing sales of our platform to large enterprises and governments. Sales to large customers involve risks that may not be present (or that are present to a lesser extent) with sales to smaller entities. These risks include:

• increased purchasing power and leverage held by large customers in negotiating contractual arrangements with us;
• more stringent or costly requirements imposed upon us in our support service contracts with such customers, including stricter support response times and penalties for any failure to meet support requirements;
• more complicated implementation processes;
• longer sales cycles and the associated risk that substantial time and resources may be spent on a potential customer that ultimately elects not to purchase our platform or purchases less than we hoped;
• closer relationships with, and dependence upon, large technology companies who offer competitive products; and
• more pressure for discounts and write-offs.

In addition, because security breaches with respect to larger, high-profile enterprises are likely to be heavily publicized, there is increased reputational risk associated with serving such customers. If we are unable to increase sales of our platform to large enterprise and government customers while mitigating the risks associated with serving such customers, our business, financial position and results of operations may suffer.

Our current research and development efforts may not produce successful products or enhancements to our platform that result in significant revenue, cost savings or other benefits in the near future, if at all.

We must continue to dedicate significant financial and other resources to our research and development efforts if we are to maintain our competitive position. However, developing products and enhancements to our platform is expensive and time consuming, and there is no assurance that such activities will result in significant new marketable products or enhancements to our platform, design improvements, cost savings, revenue or other expected benefits. If we spend significant time and effort on research and development and are unable to generate an adequate return on our investment, our business and results of operations may be materially and adversely affected.
Real or perceived defects, errors or vulnerabilities in our platform or the failure of our platform to block malware or prevent a security breach could harm our reputation and adversely impact our business, financial position and results of operations.

Because our platform is complex, it has contained and may contain design or manufacturing defects or errors that are not detected until after its deployment by our customers. For example, in the past, we expended time and resources addressing certain manufacturing defects that negatively impacted the ability of certain appliances used in our platform to withstand normal transit. Defects in the functionality of our platform may result in vulnerability to security attacks, cause it to fail to secure networks or temporarily interrupt the networking traffic of our customers. In addition, because the techniques used by computer hackers to access or sabotage networks change frequently and generally are not recognized until launched against a target, there is a risk that an advanced attack could emerge that our platform is unable to detect or prevent. Moreover, as our platform is adopted by an increasing number of enterprises and governments, it is possible that the individuals and organizations behind advanced malware attacks will begin to focus on finding ways to defeat our platform. If this happens, our networks, products, subscriptions and services could be targeted by attacks specifically designed to disrupt our business and undermine the perception that our platform is capable of providing superior IT security, which, in turn, could have a serious impact on our reputation as a provider of virtual machine-based security solutions.

If any of our customers becomes infected with malware after adopting our platform, even if our platform has blocked the theft of any of such customer’s data, such customer could nevertheless be disappointed with our platform. Furthermore, if any enterprises or governments that are publicly known to use our platform are the subject of an advanced cyber attack that becomes publicized, our other current or potential customers may look to our competitors for alternatives to our platform. Real or perceived security breaches of our customers’ networks could cause disruption or damage to their networks or other negative consequences and could result in negative publicity to us, damage to our reputation, declining sales, increased expenses and customer relations issues.

Furthermore, our platform may fail to detect or prevent malware, viruses, worms or similar threats for any number of reasons, including our failure to enhance and expand our platform to reflect industry trends, new technologies and new operating environments. Failure to keep pace with technological changes in the IT security industry and changes in the threat landscape could adversely affect our ability to protect against security breaches and could cause us to lose customers.

Any real or perceived defects, errors or vulnerabilities in our platform, or any other failure of our platform to detect an advanced threat, could result in:

- a loss of existing or potential customers or channel partners;
- delayed or lost revenue;
- a delay in attaining, or the failure to attain, market acceptance;
- the expenditure of significant financial and product development resources in efforts to analyze, correct, eliminate, or work around errors or defects, to address and eliminate vulnerabilities, or to identify and ramp up production with alternative third-party manufacturers;
- an increase in warranty claims, or an increase in the cost of servicing warranty claims, either of which would adversely affect our gross margins;
- harm to our reputation or brand; and
- litigation, regulatory inquiries, or investigations that may be costly and further harm our reputation.

We may be unable to protect our intellectual property adequately, which could harm our business, financial condition and results of operations.

We believe that our intellectual property is an essential asset of our business. We rely on a combination of patent, copyright, trademark and trade secret laws, as well as confidentiality procedures and contractual
provisions, to establish and protect our intellectual property rights in the United States and abroad. The efforts we have taken to protect our intellectual property may not be sufficient or effective, and our trademarks, copyrights and patents may be held invalid or unenforceable. Any U.S. or other patents issued to us may not be sufficiently broad to protect our proprietary technologies, and given the costs of obtaining patent protection, we may choose not to seek patent protection for certain of our proprietary technologies. We may not be effective in policing unauthorized use of our intellectual property, and even if we do detect violations, litigation may be necessary to enforce our intellectual property rights. Any enforcement efforts we undertake, including litigation, could be time-consuming and expensive, could divert management’s attention and may result in a court determining that our intellectual property rights are unenforceable. If we are not successful in cost-effectively protecting our intellectual property rights, our business, financial condition and results of operations could be harmed.

Claims by others that we infringe their proprietary technology or other rights could harm our business.

Technology companies frequently enter into litigation based on allegations of patent infringement or other violations of intellectual property rights. In addition, patent holding companies seek to monetize patents they have purchased or otherwise obtained. As we face increasing competition and gain an increasingly higher profile, the possibility of intellectual property rights claims against us grows. From time to time, third parties have asserted, and we expect that third parties will continue to assert, claims of infringement of intellectual property rights against us. For example, we are currently a party to claims alleging, among other things, patent infringement, which are in the early stages of litigation. Third parties may in the future also assert claims against our customers or channel partners, whom our standard license and other agreements obligate us to indemnify against claims that our products infringe the intellectual property rights of third parties. While we intend to increase the size of our patent portfolio, many of our competitors and others may now and in the future have significantly larger and more mature patent portfolios than we have. In addition, future litigation may involve patent holding companies or other patent owners who have no relevant product offerings or revenue and against whom our own patents may therefore provide little or no deterrence or protection. Any claim of intellectual property infringement by a third party, even a claim without merit, could cause us to incur substantial costs defending against such claim, could distract our management from our business and could require us to cease use of such intellectual property. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by the discovery process.

Although third parties may offer a license to their technology or other intellectual property, the terms of any offered license may not be acceptable, and the failure to obtain a license or the costs associated with any license could cause our business, financial condition and results of operations to be materially and adversely affected. In addition, some licenses may be non-exclusive, and therefore our competitors may have access to the same technology licensed to us. If a third party does not offer us a license to its technology or other intellectual property on reasonable terms, or at all, we could be enjoined from continued use of such intellectual property. As a result, we may be required to develop alternative, non-infringing technology, which could require significant time (during which we could be unable to continue to offer our affected products, subscriptions or services), effort, and expense and may ultimately not be successful. Furthermore, a successful claimant could secure a judgment or we may agree to a settlement that prevents us from distributing certain products, providing certain subscriptions or performing certain services or that requires us to pay substantial damages, royalties or other fees. Any of these events could harm our business, financial condition and results of operations.

We incorporate technology from third parties into our products, and our inability to obtain or maintain rights to the technology could harm our business.

We incorporate technology from third parties into our products. We cannot be certain that our suppliers and licensors are not infringing the intellectual property rights of third parties or that the suppliers and licensors have sufficient rights to the technology in all jurisdictions in which we may sell our products. Some of our agreements with our suppliers and licensors may be terminated for convenience by them. If we are unable to obtain or
maintain rights to any of this technology because of intellectual property infringement claims brought by third parties against our suppliers and licensors or against us, or if we are unable to continue to obtain such technology or enter into new agreements on commercially reasonable terms, our ability to develop and sell products, subscriptions and services containing such technology could be severely limited, and our business could be harmed. Additionally, if we are unable to obtain necessary technology from third parties, including certain sole suppliers, we may be forced to acquire or develop alternative technology, which may require significant time, cost and effort and may be of lower quality or performance standards. This would limit and delay our ability to offer new or competitive products and increase our costs of production. If alternative technology cannot be obtained or developed, we may not be able to offer certain functionality as part of our products, subscriptions and services. As a result, our margins, market share and results of operations could be significantly harmed.

Our products and subscriptions contain third-party open source software components, and failure to comply with the terms of the underlying open source software licenses could restrict our ability to sell our products and subscriptions.

Our products and subscriptions contain software modules licensed to us by third-party authors under “open source” licenses. The use and distribution of open source software may entail greater risks than the use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the type of open source software we use. If we combine our proprietary software with open source software in a certain manner, we could, under certain open source licenses, be required to release the source code of our proprietary software to the public. This would allow our competitors to create similar products with lower development effort and time and ultimately could result in a loss of sales for us.

Although we monitor our use of open source software to avoid subjecting our products and subscriptions to conditions, the terms of many open source licenses have not been interpreted by U.S. courts, and there is a risk that these licenses could be construed in ways that could impose unanticipated conditions or restrictions on our ability to commercialize products and subscriptions incorporating such software. Moreover, we cannot assure you that our processes for controlling our use of open source software in our products and subscriptions will be effective. From time to time, we may face claims from third parties asserting ownership of, or demanding release of, the open source software or derivative works that we developed using such software (which could include our proprietary source code), or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation. If we are held to have breached the terms of an open source software license, we could be required to seek licenses from third parties to continue offering our products on terms that are not economically feasible, to re-engineer our products, to discontinue the sale of our products if re-engineering could not be accomplished on a timely or cost-effective basis, or to make generally available, in source code form, our proprietary code, any of which could adversely affect our business, results of operations and financial condition.

We rely on our management team and other key employees and will need additional personnel to grow our business, and the loss of one or more key employees or our inability to attract and retain qualified personnel could harm our business.

Our future success is substantially dependent on our ability to attract, retain and motivate the members of our management team and other key employees throughout our organization. Competition for highly skilled personnel is intense, especially in the San Francisco Bay Area, where we have a substantial presence and need for highly skilled personnel. We may not be successful in attracting qualified personnel to fulfill our current or future needs. Our competitors may be successful in recruiting and hiring members of our management team or other key employees, and it may be difficult for us to find suitable replacements on a timely basis, on competitive terms, or at all. Also, to the extent we hire employees from mature public companies with significant financial resources, we may be subject to allegations that such employees have been improperly solicited, or that they have divulged proprietary or other confidential information or that their former employers own such employees’ inventions or other work product.
In addition, we believe that it is important to establish and maintain a corporate culture that facilitates the maintenance and transfer of institutional knowledge within our organization and also fosters innovation, teamwork, a passion for customers and a focus on execution. Our Chief Executive Officer and certain other key members of our management and finance teams have only been working together for a relatively short period of time, and we expect to add additional vice presidents and other members of management in the foreseeable future. If we are not successful in integrating these key employees into our organization, such failure could delay or hinder our product development efforts and the achievement of our strategic objectives, which could adversely affect our business, financial condition and results of operations.

Our employees, including our executive officers, work for us on an "at-will" basis, which means they may terminate their employment with us at any time. We do not maintain key person life insurance policies on any of our key employees. If one or more of our key employees resigns or otherwise ceases to provide us with their service, our business could be harmed.

If we are unable to maintain successful relationships with our channel partners and technology alliance partners, or if our channel partners or technology alliance partners fail to perform, our ability to market, sell and distribute our platform will be limited, and our business, financial position and results of operations will be harmed.

In addition to our direct sales force, we rely on our indirect channel partners to sell and support our platform. We derive a substantial portion of our revenue from sales of our products through our indirect channel, and we expect that sales through channel partners will continue to be a significant percentage of our revenue. We also partner with our technology alliance partners to design go-to-market strategies that combine our platform with products or services provided by our technology alliance partners.

Our agreements with our channel partners and our technology alliance partners are generally non-exclusive, meaning our partners may offer customers products from several different companies, including products that compete with ours. If our channel partners do not effectively market and sell our platform, choose to use greater efforts to market and sell their own products or those of our competitors, or fail to meet the needs of our customers, our ability to grow our business and sell our platform may be adversely affected. Our channel partners and technology alliance partners may cease marketing our platform with limited or no notice and with little or no penalty, and new channel partners require extensive training and may take several months or more to achieve productivity. The loss of a substantial number of our channel partners, our possible inability to replace them, or the failure to recruit additional channel partners could materially and adversely affect our results of operations. In addition, sales by channel partners are more likely than direct sales to involve collectability concerns, particularly in developing markets. Our channel partner structure could also subject us to lawsuits or reputational harm if, for example, a channel partner misrepresents the functionality of our platform to customers or violates applicable laws or our corporate policies.

Our ability to achieve revenue growth in the future will depend in part on our success in maintaining successful relationships with our channel partners, and to train our channel partners to independently sell and deploy our platform. If we are unable to maintain our relationships with these channel partners or otherwise develop and expand our indirect sales channel, or if our channel partners fail to perform, our business, financial position and results of operations could be adversely affected.

Because we depend on a limited number of manufacturers to build the appliances used in our platform, we are susceptible to manufacturing delays and pricing fluctuations that could prevent us from shipping customer orders on time, or on a cost-effective basis, which may result in the loss of sales and customers.

We currently outsource the manufacturing of the appliances used in our platform to a single third-party manufacturer, and we are in the process of transitioning all of our manufacturing to a different third-party manufacturer. Our reliance on a limited number of third-party manufacturers reduces our control over the manufacturing process and exposes us to risks, including reduced control over quality assurance, product costs,
and product supply and timing. Any manufacturing disruption by these third-party manufacturers could severely impair our ability to fulfill orders on time. If we are unable to manage our relationships with these third-party manufacturers effectively, including the transition from our existing third-party manufacturer to our new third-party manufacturer, or if these manufacturers suffer delays or disruptions for any reason, experience increased manufacturing lead-times, capacity constraints or quality control problems in their manufacturing operations, or fail to meet our future requirements for timely delivery, our ability to ship products to our customers would be severely impaired, and our business and results of operations would be harmed.

In addition, we may be deemed to manufacture or contract to manufacture products that contain certain minerals that have been designated as "conflict minerals" under the Dodd-Frank Wall Street Reform and Consumer Protection Act. As a result, in future periods, we may be required to diligence the origin of such minerals and disclose and report whether or not such minerals originated in the Democratic Republic of the Congo or adjoining countries. The implementation of these new requirements could adversely affect the sourcing, availability, and pricing of minerals used in the manufacture of our products. In addition, we may incur additional costs to comply with the disclosure requirements, including costs related to determining the source of any of the relevant minerals and metals used in our products.

Our third-party manufacturers typically fulfill our supply requirements on the basis of individual orders. We are subject to a risk of supply shortages and changes in pricing terms because we do not have long-term contracts with our third-party manufacturers that guarantee capacity, the continuation of particular pricing terms or the extension of credit limits. Our contract with our new manufacturer permits it to terminate such contract at its convenience, subject to prior notice requirements. During our period of transition to our new manufacturer, our ability to meet our scheduled product deliveries to our customers could be adversely affected, which could cause the loss of sales to existing or potential customers, delayed revenue or an increase in our costs, which could adversely affect our gross margins. Any production interruptions for any reason, such as a natural disaster, epidemic, capacity shortages, or quality problems at one of our manufacturing partners would negatively affect sales of our products and adversely impact our business and results of operations.

We rely on revenue from subscriptions and service contracts, and because we recognize revenue from subscriptions and service contracts over the term of the relevant subscription or service period, downturns or upturns in sales are not immediately reflected in full in our results of operations.

Subscription and services revenue accounts for a significant portion of our total revenue, comprising 21%, 26% and 37% of total revenue in 2010, 2011 and 2012, respectively, and 39% and 48% in the six months ended June 30, 2012 and 2013, respectively. Sales of new or renewal subscription and service contracts may decline or fluctuate as a result of a number of factors, including customers’ level of satisfaction with our products and subscriptions, the prices of our products and subscriptions, the prices of products and subscriptions offered by our competitors or reductions in our customers’ spending levels. If our sales of new or renewal subscription and service contracts decline, our revenue and revenue growth may decline and adversely affect our business. In addition, we recognize subscription and service revenue ratably over the term of the relevant service period, which is one year or three years. As a result, much of the subscription and service revenue we report each quarter is derived from subscription and service contracts that we sold in prior quarters. Consequently, a decline in new or renewed subscription or service contracts in any one quarter will not be fully reflected in revenue in that quarter but will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in new or renewed sales of our subscriptions or service is not reflected in full in our results of operations until future periods. Also, it is difficult for us to rapidly increase our subscription revenue through additional sales in any period, as revenue from new and renewal subscription contracts must be recognized ratably over the applicable service period. Furthermore, any increases in the average term of subscriptions contracts would result in revenue for those subscription contracts being recognized over longer periods of time.
The sales prices of our products, subscriptions and services may decrease, which may reduce our gross profits and adversely impact our financial results.

The sales prices for our products, subscriptions and services may decline for a variety of reasons, including competitive pricing pressures, discounts, a change in our mix of products and subscriptions, anticipation of the introduction of new products or subscriptions, or promotional programs. Competition continues to increase in the market segments in which we participate, and we expect competition to further increase in the future, thereby leading to increased pricing pressures. Larger competitors with more diverse product and service offerings may reduce the price of products or subscriptions that compete with ours or may bundle them with other products and subscriptions. Additionally, although we price our products and subscriptions worldwide in U.S. dollars, currency fluctuations in certain countries and regions may negatively impact actual prices that partners and customers are willing to pay in those countries and regions. Furthermore, we anticipate that the sales prices and gross profits for our products will decrease over product life cycles. We cannot assure you that we will be successful in developing and introducing new offerings with enhanced functionality on a timely basis, or that our new product and subscription offerings, if introduced, will enable us to maintain our prices and gross profits at levels that will allow us to maintain positive gross margins and achieve profitability.

Managing the supply of our products and their components is complex. Insufficient supply and inventory may result in lost sales opportunities or delayed revenue, while excess inventory may harm our gross margins.

Our third-party manufacturers procure components and build our products based on our forecasts, and we generally do not hold inventory for a prolonged period of time. These forecasts are based on estimates of future demand for our products, which are in turn based on historical trends and analyses from our sales and marketing organizations, adjusted for overall market conditions. In order to reduce manufacturing lead times and plan for adequate component supply, from time to time we may issue forecasts for components and products that are non-cancelable and non-returnable.

Our inventory management systems and related supply chain visibility tools may be inadequate to enable us to make accurate forecasts and effectively manage the supply of our products and product components. Supply management remains an area of increasing focus as we balance the need to maintain supply levels that are sufficient to ensure competitive lead times against the risk of obsolescence because of rapidly changing technology and customer requirements. If we ultimately determine that we have excess supply, we may have to reduce our prices and write-down inventory, which in turn could result in lower gross margins. Alternatively, insufficient supply levels may lead to shortages that result in delayed revenue or loss of sales opportunities altogether as potential customers turn to competitors’ products that may be readily available. Additionally, any increases in the time required to manufacture or ship our products could result in supply shortfalls. If we are unable to effectively manage our supply and inventory, our results of operations could be adversely affected.

Because some of the key components in our products come from limited sources of supply, we are susceptible to supply shortages or supply changes, which could disrupt or delay our scheduled product deliveries to our customers and may result in the loss of sales and customers.

Our platform relies on key components, including a motherboard and chassis, which our third-party manufacturers purchase on our behalf from a sole source provider. The manufacturing operations of some of our component suppliers are geographically concentrated in Asia, which makes our supply chain vulnerable to regional disruptions. A localized health risk affecting employees at these facilities, such as the spread of a pandemic influenza, could impair the total volume of components that we are able to obtain, which could result in substantial harm to our results of operations. Similarly, a fire, flood, earthquake, tsunami or other disaster, condition or event such as political instability, civil unrest or a power outage that adversely affects any of these component suppliers’ facilities could significantly affect our ability to obtain the components needed for our products, which could result in a substantial loss of sales and revenue and a substantial harm to our results of operations.
We do not have volume purchase contracts with any of our component suppliers, and they could cease selling to us at any time. In addition, our component suppliers change their selling prices frequently in response to market trends, including industry-wide increases in demand, and because we do not have contracts with these suppliers, we are susceptible to price fluctuations related to raw materials and components. If we are unable to pass component price increases along to our customers or maintain stable pricing, our gross margins and results of operations could be negatively impacted. If we are unable to obtain a sufficient quantity of these components in a timely manner for any reason, sales of our products could be delayed or halted or we could be forced to expedite shipment of such components or our products at dramatically increased costs, which would negatively impact our revenue and gross margins. Additionally, poor quality in any of the sole-sourced components in our products could result in lost sales or lost sales opportunities. If the quality of the components does not meet our or our customers’ requirements, if we are unable to obtain components from our existing suppliers on commercially reasonable terms, or if any of our sole source providers cease to remain in business or continue to manufacture such components, we could be forced to redesign our products and qualify new components from alternate suppliers. The resulting stoppage or delay in selling our products and the expense of redesigning our products could result in lost sales opportunities and damage to customer relationships, which would adversely affect our business and results of operations.

Our ability to maintain customer satisfaction depends in part on the quality of our professional service organization and technical and other support services, including the quality of the support provided on our behalf by certain channel partners. Failure to maintain high-quality customer support could have a material adverse effect on our business, financial condition and results of operations.

Once our platform is deployed within our customers’ networks, our customers depend on our technical and other support services, as well as the support of our channel partners, to resolve any issues relating to the implementation and maintenance of our platform. If we or our channel partners do not effectively assist our customers in deploying our platform, succeed in helping our customers quickly resolve post-deployment issues, or provide effective ongoing support, our ability to sell additional products, subscriptions or services as part of our platform to existing customers would be adversely affected and our reputation with potential customers could be damaged. Many larger organizations have more complex networks and require higher levels of support than smaller customers. If we fail to meet the requirements of our larger customers, it may be more difficult to execute on our strategy of up selling and cross selling with these customers. Additionally, if our channel partners do not effectively provide support to the satisfaction of our customers, we may be required to provide this level of support to those customers, which would require us to hire additional personnel and to invest in additional resources. We are also in the process of expanding our professional services organization. It can take significant time and resources to recruit, hire, and train qualified technical support and professional services employees. We may not be able to hire such resources fast enough to keep up with demand, particularly when the sales of our platform exceed our internal forecasts. To the extent that we or our channel partners are unsuccessful in hiring, training, and retaining adequate support resources, our ability and the ability of our channel partners to provide adequate and timely support to our customers will be negatively impacted, and our customers’ satisfaction with our platform will be adversely affected. Additionally, to the extent that we need to rely on our sales engineers to provide post-sales support while we are ramping our professional services organization, our sales productivity will be negatively impacted, which would harm our results of operations.

U.S. federal, state and local government sales are subject to a number of challenges and risks that may adversely impact our business.

Sales to U.S. federal, state, and local governmental agencies have in the past accounted for, and may in the future account for, a significant portion of our revenue. Sales to such government entities are subject to the following risks:

- selling to governmental agencies can be highly competitive, expensive and time consuming, often requiring significant upfront time and expense without any assurance that such efforts will generate a sale;
- government certification requirements applicable to our products may change and in doing so restrict our ability to sell into the U.S. federal government sector until we have attained the revised certification;
government demand and payment for our products and services may be impacted by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for our products and services;

we sell our platform to governmental agencies through our indirect channel partners, and these agencies may have statutory, contractual or other legal rights to terminate contracts with our distributors and resellers for convenience or due to a default, and any such termination may adversely impact our future results of operations;

governments routinely investigate and audit government contractors’ administrative processes, and any unfavorable audit could result in the government refusing to continue buying our platform, which would adversely impact our revenue and results of operations, or institute fines or civil or criminal liability if the audit uncovers improper or illegal activities; and

governments may require certain products to be manufactured in the United States and other relatively high-cost manufacturing locations, and we may not manufacture all products in locations that meet these requirements, affecting our ability to sell these products to governmental agencies.

Our failure to adequately protect personal information could have a material adverse effect on our business.

A wide variety of provincial, state, national, and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data. These data protection and privacy-related laws and regulations are evolving and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions. Our failure to comply with applicable laws and regulations, or to protect such data, could result in enforcement action against us, including fines, imprisonment of company officials and public censure, claims for damages by customers and other affected individuals, damage to our reputation and loss of goodwill (both in relation to existing customers and prospective customers), any of which could have a material adverse effect on our operations, financial performance and business. Evolving and changing definitions of personal data and personal information within the European Union, the United States, and elsewhere, especially relating to classification of IP addresses, machine identification, location data and other information, may limit or inhibit our ability to operate or expand our business, including limiting technology alliance partners that may involve the sharing of data. Even the perception of privacy concerns, whether or not valid, may harm our reputation and inhibit adoption of our products by current and future customers.

If the general level of advanced cyber attacks declines, or is perceived by our current or potential customers to have declined, our business could be harmed.

Our business is substantially dependent on enterprises and governments recognizing that advanced cyber attacks are pervasive and are not effectively prevented by legacy security solutions. High visibility attacks on prominent enterprises and governments have increased market awareness of the problem of advanced cyber attacks and help to provide an impetus for enterprises and governments to devote resources to protecting against advanced cyber attacks, such as testing our platform, purchasing it, and broadly deploying it within their organizations. If advanced cyber attacks were to decline, or enterprises or governments perceived that the general level of advanced cyber attacks have declined, our ability to attract new customers and expand our offerings within existing customers could be materially and adversely affected. A reduction in the threat landscape could increase our sales cycles and harm our business, results of operations and financial condition.

Our technology alliance partnerships expose us to a range of business risks and uncertainties that could have a material adverse impact on our business and financial results.

We have entered, and intend to continue to enter, into technology alliance partnerships with third parties to support our future growth plans. Such relationships include technology licensing, joint technology development and integration, research cooperation, co-marketing activities and sell-through arrangements. We face a number of risks and uncertainties in our technology alliance partnerships, including but not limited to:

- Risk of negative public perception if a technology alliance partnership is perceived to undermine or have a negative impact on our technology and platforms.
- Risk of disputes or disagreements with technology alliance partners over technology development, intellectual property rights, and other matters.
- Risk of failure of technology alliance partners to deliver on their commitments or meet our expectations.
- Risk of technology alliance partners becoming less attractive or competitive over time.
- Risk of technology alliance partners becoming less valuable to our business due to changes in their business models or strategies.

These risks and uncertainties could have a material adverse effect on our business, results of operations and financial condition.
of risks relating to our technology alliance partnerships that could prevent us from realizing the desired benefits from such partnerships on a timely basis or at all, which, in turn, could have a negative impact on our business and financial results.

Technology alliance partnerships require significant coordination between the parties involved, particularly if a partner requires that we integrate its products with our products. This could involve a significant commitment of time and resources by our technical staff and their counterparts within our technology alliance partner. The integration of products from different companies may be more difficult than we anticipate, and the risk of integration difficulties, incompatible products and undetected programming errors or defects may be higher than the risks normally associated with the introduction of new products. It may also be more difficult to market and sell products developed through technology alliance partnerships than it would be to market and sell products that we develop on our own. Sales and marketing personnel may require special training, as the new products may be more complex than our other products.

We invest significant time, money and resources to establish and maintain relationships with our technology alliance partners, but we have no assurance that any particular relationship will continue for any specific period of time. Generally, our agreements with these technology alliance partners are terminable without cause with no or minimal notice or penalties. If we lose a significant technology alliance partner, we could lose the benefit of our investment of time, money and resources in the relationship. In addition, we could be required to incur significant expenses to develop a new strategic alliance or to determine and implement an alternative plan to pursue the opportunity that we targeted with the former partner.

If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below the expectations of securities analysts and investors, resulting in a decline in our stock price.

The preparation of financial statements in conformity with generally accepted accounting principles, or GAAP, requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in our stock price. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to assets, liabilities, revenue, expenses and related disclosures.

We are exposed to the credit risk of some of our distributors and resellers and to credit exposure in weakened markets, which could result in material losses.

Most of our sales are on an open credit basis. Although we have programs in place that are designed to monitor and mitigate these risks, we cannot assure you these programs will be effective in reducing our credit risks, especially as we expand our business internationally. If we are unable to adequately control these risks, our business, results of operations and financial condition could be harmed.

We may acquire other businesses, which could require significant management attention, disrupt our business, dilute stockholder value, and adversely affect our results of operations.

As part of our business strategy, we may acquire or make investments in complementary companies, products or technologies. However, we have not made any large acquisitions to date, and as a result, our ability as an organization to acquire and integrate other companies, products or technologies in a successful manner is
unproven. We may not be able to find suitable acquisition candidates, and we may not be able to complete such acquisitions on favorable terms, if at all. If we do complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals, and any acquisitions we complete could be viewed negatively by our customers, analysts and investors. In addition, if we are unsuccessful at integrating such acquisitions or the technologies associated with such acquisitions, our revenue and results of operations could be adversely affected. Any integration process may require significant time and resources, and we may not be able to manage the process successfully. We may not successfully evaluate or utilize the acquired technology or personnel, or accurately forecast the financial impact of an acquisition transaction, including accounting charges. We may have to pay cash, incur debt or issue equity securities to pay for any such acquisition, each of which could adversely affect our financial condition or the value of our common stock. The sale of equity or issuance of debt to finance any such acquisitions could result in dilution to our stockholders. The incurrence of indebtedness would result in increased fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations.

**Our failure to raise additional capital or generate the significant capital necessary to expand our operations and invest in new products could reduce our ability to compete and could harm our business.**

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new products and enhancements to our platform, improve our operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional equity financing, our stockholders may experience significant dilution of their ownership interests and the per share value of our common stock could decline. Furthermore, if we engage in debt financing, the holders of debt would have priority over the holders of common stock, and we may be required to accept terms that restrict our ability to incur additional indebtedness. We may also be required to take other actions that would otherwise be in the interests of the debt holders and force us to maintain specified liquidity or other ratios, any of which could harm our business, results of operations, and financial condition. If we need additional capital and cannot raise it on acceptable terms, we may not be able to, among other things:

- develop or enhance our products and subscriptions;
- continue to expand our sales and marketing and research and development organizations;
- acquire complementary technologies, products or businesses;
- expand operations, in the United States or internationally;
- hire, train and retain employees; or
- respond to competitive pressures or unanticipated working capital requirements.

Our failure to do any of these things could harm our business, financial condition and results of operations.

*If our products do not effectively interoperate with our customers’ IT infrastructure, installations could be delayed or cancelled, which would harm our business.*

Our products must effectively interoperate with our customers’ existing or future IT infrastructure, which often has different specifications, utilizes multiple protocol standards, deploys products from multiple vendors, and contains multiple generations of products that have been added over time. As a result, when problems occur in a network, it may be difficult to identify the sources of these problems. If we find errors in the existing software or defects in the hardware used in our customers’ infrastructure or problematic network configurations or settings, we may have to modify our software or hardware so that our products will interoperate with our customers’ infrastructure. In such cases, our products may be unable to provide significant performance improvements for applications deployed in our customers’ infrastructure. These issues could cause longer installation times for our products and could cause order cancellations, either of which would adversely affect
our business, results of operations and financial condition. In addition, government and other customers may require our products to comply with certain security or other certifications and standards. If our products are late in achieving or fail to achieve compliance with these certifications and standards, or our competitors achieve compliance with these certifications and standards, we may be disqualified from selling our products to such customers, or may otherwise be at a competitive disadvantage, either of which would harm our business, results of operations, and financial condition.

Failure to comply with governmental laws and regulations could harm our business.

Our business is subject to regulation by various U.S. federal, state, local and foreign governments. In certain jurisdictions, these regulatory requirements may be more stringent than those in the United States. Noncompliance with applicable regulations or requirements could subject us to investigations, sanctions, mandatory product recalls, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties, or injunctions. If any governmental sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, results of operations, and financial condition could be materially adversely affected. In addition, responding to any action will likely result in a significant diversion of management’s attention and resources and an increase in professional fees. Enforcement actions and sanctions could harm our business, results of operations and financial condition.

We generate a significant amount of revenue from sales to resellers, distributors and customers outside of the United States, and we are therefore subject to a number of risks associated with international sales and operations.

We have a limited history of marketing, selling, and supporting our platform internationally. As a result, we must hire and train experienced personnel to staff and manage our foreign operations. To the extent that we experience difficulties in recruiting, training, managing, and retaining international employees, particularly managers and other members of our international sales team, we may experience difficulties in sales productivity in foreign markets. We also enter into strategic distributor and reseller relationships with companies in certain international markets where we do not have a local presence. If we are not able to maintain successful strategic distributor relationships with our international channel partners or recruit additional channel partners, our future success in these international markets could be limited. Business practices in the international markets that we serve may differ from those in the United States and may require us to include non-standard terms in customer contracts, such as extended payment or warranty terms. To the extent that we enter into customer contracts in the future that include non-standard terms related to payment, warranties, or performance obligations, our results of operations may be adversely impacted.

Additionally, our international sales and operations are subject to a number of risks, including the following:

- greater difficulty in enforcing contracts and managing collections, as well as longer collection periods;
- higher costs of doing business internationally, including costs incurred in establishing and maintaining office space and equipment for our international operations;
- fluctuations in exchange rates between the U.S. dollar and foreign currencies in markets where we do business;
- management communication and integration problems resulting from cultural and geographic dispersion;
- risks associated with trade restrictions and foreign legal requirements, including any importation, certification, and localization of our platform that may be required in foreign countries;
- greater risk of unexpected changes in regulatory practices, tariffs, and tax laws and treaties;
- compliance with anti-bribery laws, including, without limitation, compliance with the Foreign Corrupt Practices Act and the UK Anti-Bribery Act;
heightened risk of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may impact financial results and result in restatements of, or irregularities in, financial statements;

the uncertainty of protection for intellectual property rights in some countries;

general economic and political conditions in these foreign markets;

foreign exchange controls that might prevent us from repatriating cash earned outside the United States;

political and economic instability in some countries; and

double taxation of our international earnings and potentially adverse tax consequences due to changes in the tax laws of the United States or the foreign jurisdictions in which we operate.

These and other factors could harm our ability to generate future international revenue and, consequently, materially impact our business, results of operations and financial condition.

We are exposed to fluctuations in currency exchange rates, which could negatively affect our financial condition and results of operations.

Our sales contracts are denominated in U.S. dollars, and therefore our revenue is not subject to foreign currency risk. However, a strengthening of the U.S. dollar could increase the real cost of our products, subscriptions and services to our customers outside of the United States, which could adversely affect our financial condition and results of operations. In addition, we are incurring an increasing portion of our operating expenses outside the United States. These expenses are denominated in foreign currencies and are subject to fluctuations due to changes in foreign currency exchange rates. We do not currently hedge against the risks associated with currency fluctuations but may do so in the future.

We are subject to governmental export and import controls that could subject us to liability or impair our ability to compete in international markets.

Our products are subject to U.S. export controls, specifically the Export Administration Regulations and economic sanctions enforced by the Office of Foreign Assets Control. We incorporate standard encryption algorithms into our products, which, along with the underlying technology, may be exported outside of the U.S. only with the required export authorizations, including by license, license exception or other appropriate government authorizations, which may require the filing of an encryption registration and classification request. Furthermore, U.S. export control laws and economic sanctions prohibit the shipment of certain products and services to countries, governments, and persons targeted by U.S. sanctions. While we have taken precautions to prevent our products and services from being exported in violation of these laws, in certain instances in the past we shipped our encryption products prior to obtaining the required export authorizations and/or submitting the required requests, including a classification request and request for an encryption registration number, resulting in an inadvertent violation of U.S. export control laws. As a result, in February 2013, we filed a Voluntary Self Disclosure with the U.S. Department of Commerce’s Bureau of Industry and Security, or BIS, concerning these potential violations. In June 2013, BIS notified us that it had completed its review of this matter and closed its review with the issuance of a warning letter. No monetary penalties were assessed. Even though we take precautions to ensure that our channel partners comply with all relevant regulations, any failure by our channel partners to comply with such regulations could have negative consequences, including reputational harm, government investigations and penalties.

In addition, various countries regulate the import of certain encryption technology, including through import permit and license requirements, and have enacted laws that could limit our ability to distribute our products or could limit our customers’ ability to implement our products in those countries. Changes in our products or changes...
in export and import regulations may create delays in the introduction of our products into international markets, prevent our customers with international
operations from deploying our products globally or, in some cases, prevent the export or import of our products to certain countries, governments or persons
altogether. Any change in export or import regulations, economic sanctions or related legislation, shift in the enforcement or scope of existing regulations, or
change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our products by, or in our
decreased ability to export or sell our products to, existing or potential customers with international operations. Any decreased use of our products or
limitation on our ability to export or sell our products would likely adversely affect our business, financial condition and results of operations.

Our business is subject to the risks of earthquakes, fire, power outages, floods and other catastrophic events, and to interruption by man-made problems
such as terrorism.

A significant natural disaster, such as an earthquake, a fire, a flood, or significant power outage could have a material adverse impact on our business,
results of operations, and financial condition. Our corporate headquarters and the servers hosting our cloud services are located in California, a region known
for seismic activity. In addition, natural disasters could affect our supply chain, manufacturing vendors, or logistics providers’ ability to provide materials
and perform services such as manufacturing products or assisting with shipments on a timely basis. In the event that our or our service providers’ information
technology systems or manufacturing or logistics abilities are hindered by any of the events discussed above, shipments could be delayed, resulting in
missed financial targets, such as revenue and shipment targets, for a particular quarter. In addition, acts of terrorism and other geo-political unrest could cause
disruptions in our business or the business of our supply chain, manufacturers, logistics providers, partners, or customers or the economy as a whole. Any
disruption in the business of our supply chain, manufacturers, logistics providers, partners or end-customers that impacts sales at the end of a fiscal quarter
could have a significant adverse impact on our financial results. All of the aforementioned risks may be further increased if the disaster recovery plans for us
and our suppliers prove to be inadequate. To the extent that any of the above should result in delays or cancellations of customer orders, or the delay in the
manufacture, deployment or shipment of our products, our business, financial condition and results of operations would be adversely affected.

If we fail to comply with environmental requirements, our business, financial condition, results of operations and reputation could be adversely affected.

We are subject to various environmental laws and regulations including laws governing the hazardous material content of our products and laws
relating to the collection and recycling of electrical and electronic equipment. Examples of these laws and regulations include the European Union, or EU,
as well as the implementing legislation of the EU member states. Similar laws and regulations have been passed or are pending in China, South Korea and
Japan and may be enacted in other regions, including in the United States, and we are, or may in the future be, subject to these laws and regulations.

Our failure to comply with past, present, and future laws could result in reduced sales of our products, substantial product inventory write-offs,
reputational damage, penalties, and other sanctions, any of which could harm our business and financial condition. We also expect that our products will be
affected by new environmental laws and regulations on an ongoing basis. To date, our expenditures for environmental compliance have not had a material
impact on our results of operations or cash flows, and although we cannot predict the future impact of such laws or regulations, they will likely result in
additional costs and may increase penalties associated with violations or require us to change the content of our products or how they are manufactured,
which could have a material adverse effect on our business, results of operations and financial condition.
The enactment of legislation implementing changes in the U.S. taxation of international business activities or the adoption of other tax reform policies could materially impact our financial position and results of operations.

Recent changes to U.S. tax laws, including limitations on the ability of taxpayers to claim and utilize foreign tax credits and the deferral of certain tax deductions until earnings outside of the United States are repatriated to the United States, as well as changes to U.S. tax laws that may be enacted in the future, could impact the tax treatment of our foreign earnings. Due to expansion of our international business activities, any changes in the U.S. taxation of such activities may increase our worldwide effective tax rate and adversely affect our financial condition and operating results.

Our international operations subject us to potentially adverse tax consequences.

We generally conduct our international operations through wholly-owned subsidiaries and report our taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. By the end of 2013, we intend to complete the reorganization of our corporate structure and intercompany relationships to more closely align our corporate organization with the expansion of our international business activities. Although we anticipate achieving a reduction in our overall effective tax rate in the future as a result of implementing the new corporate structure, our restructuring efforts will require us to incur expenses in the near term for which we may not realize any benefits. Our intercompany relationships are, and after the implementation of our new corporate structure will continue to be, subject to complex transfer pricing regulations administered by taxing authorities in various jurisdictions. The relevant taxing authorities may disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and our position were not sustained, we could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows and lower overall profitability of our operations. In addition, following the implementation of our new corporate structure, if the intended tax treatment of the structure is not accepted by the applicable taxing authorities, changes in tax law negatively impact the structure or we do not operate our business consistent with the structure and applicable tax laws and regulations, we may fail to achieve any tax advantages as a result of the new corporate structure, and our future operating results and financial condition may be negatively impacted.

We could be subject to additional tax liabilities.

We are subject to U.S. federal, state, local and sales taxes in the United States and foreign income taxes, withholding taxes and transaction taxes in numerous foreign jurisdictions. Significant judgment is required in evaluating our tax positions and our worldwide provision for taxes. During the ordinary course of business, there are many activities and transactions for which the ultimate tax determination is uncertain. In addition, our tax obligations and effective tax rates could be adversely affected by changes in the relevant tax, accounting and other laws, regulations, principles and interpretations, including those relating to income tax nexus, by recognizing tax losses or lower than anticipated earnings in jurisdictions where we have lower statutory rates and higher than anticipated earnings in jurisdictions where we have higher statutory rates, by changes in foreign currency exchange rates, or by changes in the valuation of our deferred tax assets and liabilities. We may be audited in various jurisdictions, and such jurisdictions may assess additional taxes, sales taxes and value-added taxes against us. Although we believe our tax estimates are reasonable, the final determination of any tax audits or litigation could be materially different from our historical tax provisions and accruals, which could have a material adverse effect on our operating results or cash flows in the period or periods for which a determination is made.

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

In general, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an “ownership change” is subject to limitations on its ability to utilize its pre-change net operating losses, or NOLs, to offset future taxable income. Our existing NOLs may be subject to limitations arising from previous ownership changes, and if we undergo an ownership change in connection with or after this offering or
any future offering, our ability to utilize NOLs could be further limited by Section 382 of the Code. Future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Code. Furthermore, our ability to utilize NOLs of companies that we may acquire in the future may be subject to limitations. There is also a risk that due to regulatory changes, such as suspensions on the use of NOLs, or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to offset future income tax liabilities. For these reasons, we may not be able to utilize a material portion of the NOLs reflected on our balance sheet, even if we attain profitability.

Risks Related to this Offering, the Securities Markets and Ownership of Our Common Stock

The price of our common stock may be volatile, and the value of your investment could decline.

Technology stocks have historically experienced high levels of volatility. The trading price of our common stock following this offering may fluctuate substantially. Following the completion of this offering, the market price of our common stock may be higher or lower than the price you pay in the offering, depending on many factors, some of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our common stock. Factors that could cause fluctuations in the trading price of our common stock include the following:

• announcements of new products, services or technologies, commercial relationships, acquisitions or other events by us or our competitors;
• changes in how customers perceive the effectiveness of our platform in protecting against advanced cyber attacks or other reputational harm;
• price and volume fluctuations in the overall stock market from time to time;
• significant volatility in the market price and trading volume of technology companies in general and of companies in the IT security industry in particular;
• fluctuations in the trading volume of our shares or the size of our public float;
• actual or anticipated changes or fluctuations in our results of operations;
• whether our results of operations meet the expectations of securities analysts or investors;
• actual or anticipated changes in the expectations of investors or securities analysts;
• litigation involving us, our industry, or both;
• regulatory developments in the United States, foreign countries or both;
• general economic conditions and trends;
• major catastrophic events;
• sales of large blocks of our common stock; or
• departures of key personnel.

In addition, if the market for technology stocks or the stock market in general experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, results of operations or financial condition. The trading price of our common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. In the past, following periods of volatility in the market price of a company’s securities, securities class action litigation has often been brought against that company. If our stock price is volatile, we may become the target of securities litigation. Securities litigation could result in substantial costs and divert our management’s attention and resources from our business. This could have a material adverse effect on our business, results of operations and financial condition.
Sales of substantial amounts of our common stock in the public markets, or the perception that such sales might occur, could reduce the price that our common stock might otherwise attain and may dilute your voting power and your ownership interest in us.

Sales of a substantial number of shares of our common stock in the public market after this offering, or the perception that such sales could occur, could adversely affect the market price of our common stock and may make it more difficult for you to sell your common stock at a time and price that you deem appropriate. Based on the total number of outstanding shares of our common stock as of June 30, 2013, upon completion of this offering, we will have shares of common stock outstanding. All of the shares of common stock sold in this offering will be freely tradable without restrictions or further registration under the Securities Act of 1933, as amended, or the Securities Act, except for any shares held by our “affiliates” as defined in Rule 144 under the Securities Act.

Subject to certain exceptions described under the caption “Underwriters,” we and all of our directors and executive officers and substantially all of our equity holders have agreed not to offer, pledge, sell or contract to sell, directly or indirectly, any shares of common stock without the prior written consent of Morgan Stanley & Co. LLC and Goldman, Sachs & Co., on behalf of the underwriters, for a period of 180 days from the date of this prospectus. In addition, participants in the directed share program who purchase more than $1,000,000 of shares, if any, shall be subject to a lock-up with respect to any shares sold to them pursuant to that program. This lock-up will have restrictions similar to those described under the caption “Underwriters.” When the lock-up period expires, we and our locked-up security holders will be able to sell our shares in the public market. In addition, the underwriters may, in their sole discretion, release all or some portion of the shares subject to lock-up agreements prior to the expiration of the lock-up period. See the section of this prospectus captioned “Shares Eligible for Future Sale” for more information. Sales of a substantial number of such shares upon expiration, or the perception that such sales may occur, or early release of the lock-up, could cause our share price to fall or make it more difficult for you to sell your common stock at a time and price that you deem appropriate.

Based on shares outstanding as of June 30, 2013, holders of up to approximately 74,837,323 shares, or %, of our common stock will have rights, subject to certain conditions, to require us to file registration statements covering the sale of their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. We also intend to register the offer and sale of all shares of common stock that we may issue under our equity compensation plans.

We may issue our shares of common stock or securities convertible into our common stock from time to time in connection with a financing, acquisition or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and cause the trading price of our common stock to decline.

Insiders will continue to have substantial control over us after this offering, which could limit your ability to influence the outcome of key transactions, including a change of control.

Our directors, executive officers and each of our stockholders who owns greater than 5% of our outstanding common stock, in the aggregate, will beneficially own approximately % of the outstanding shares of our common stock after the completion of this offering, based on the number of shares outstanding as of June 30, 2013. As a result, these stockholders, if acting together, will be able to influence or control matters requiring approval by our stockholders, including the election of directors and the approval of mergers, acquisitions or other extraordinary transactions. They may also have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentration of ownership may have the effect of delaying, preventing or deterring a change of control of our company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and might ultimately affect the market price of our common stock.
We cannot assure you that a market will develop for our common stock or what the market price of our common stock will be.

We intend to apply for listing of our common stock on under the symbol “FEYE.” However, we cannot assure you that an active trading market for our common stock will develop on such exchange or elsewhere or, if developed, that any market will be sustained. We cannot predict the prices at which our common stock will trade. The initial public offering price of our common stock was determined by negotiations with the underwriters and may not bear any relationship to the market price at which our common stock will trade after this offering or to any other established criteria of the value of our business.

We have broad discretion in the use of the net proceeds that we receive in this offering.

The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our stock and thereby enable access to the public equity markets by our employees and stockholders, obtain additional capital and increase our visibility in the marketplace. As of the date of this prospectus, we have no specific plans for the use of the net proceeds we receive from this offering. However, we currently intend to use the net proceeds we receive from this offering primarily for general corporate purposes, including headcount expansion, working capital, sales and marketing activities, product development, general and administrative matters, and capital expenditures. Accordingly, our management will have broad discretion over the specific use of the net proceeds that we receive in this offering and might not be able to obtain a significant return, if any, on investment of these net proceeds. Investors in this offering will need to rely upon the judgment of our management with respect to the use of proceeds. If we do not use the net proceeds that we receive in this offering effectively, our business, results of operations and financial condition could be harmed.

We do not intend to pay dividends for the foreseeable future.

We have never declared or paid any dividends on our common stock. We intend to retain any earnings to finance the operation and expansion of our business, and we do not anticipate paying any cash dividends in the future. As a result, you may only receive a return on your investment in our common stock if the market price of our common stock increases.

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

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the listing requirements of the securities exchange on which our common stock will be traded and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly, and increase demand on our systems and resources. Among other things, the Exchange Act requires that we file annual, quarterly and current reports with respect to our business and results of operations and maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management’s attention may be diverted from other business concerns, which could harm our business and results of operations. Although we have already hired additional employees to comply with these requirements, we may need to hire even more employees in the future, which will increase our costs and expenses.

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

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

In addition, as a result of our disclosure obligations as a public company, we will have reduced strategic flexibility and will be under pressure to focus on short-term results, which may adversely impact our ability to achieve long-term profitability.

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

For so long as we remain an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act, or the JOBS Act, we may take advantage of certain exemptions from various requirements that are applicable to public companies that are not “emerging growth companies,” including not being required to comply with the independent auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We will remain an “emerging growth company” until the earliest of (i) the last day of the fiscal year following the fifth anniversary of the completion of this offering, (ii) the last day of the first fiscal year in which our annual gross revenue is $1 billion or more, (iii) the date on which we have, during the previous rolling three-year period, issued more than $1 billion in non-convertible debt securities or (iv) the date on which we are deemed to be a “large accelerated filer” as defined in the Exchange Act. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock, and our stock price may be more volatile and may decline.

In addition, the JOBS Act also provides that an “emerging growth company” can take advantage of an extended transition period for complying with new or revised accounting standards. However, we have chosen to “opt out” of such extended transition period, and as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

As a result of becoming a public company, we will be obligated to implement and maintain proper and effective internal control over financial reporting. We may not complete our analysis of our internal control over financial reporting in a timely manner, or these internal controls may not be determined to be effective, which may adversely affect investor confidence in our company and, as a result, the value of our common stock.

We will be required, pursuant to the Exchange Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting for the first fiscal year beginning after the effective date of this offering. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting.

We are currently evaluating our internal controls, identifying and remediating deficiencies in those internal controls and documenting the results of our evaluation, testing and remediation. We may not be able to complete
our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting that we are unable to remediate before the end of the same fiscal year in which the material weakness is identified, we will be unable to assert that our internal controls are effective. If we are unable to assert that our internal control over financial reporting is effective, or if our auditors, when required, are unable to attest to management’s report on the effectiveness of our internal controls, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline.

As a public company, we will be required to disclose material changes made in our internal control and procedures on a quarterly basis. However, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act until the later of the year following our first annual report required to be filed with the SEC or the date we are no longer an “emerging growth company” as defined in the JOBS Act, if we take advantage of the exemptions contained in the JOBS Act. To comply with the requirements of being a public company, we may need to undertake various actions, such as implementing new internal controls and procedures and hiring accounting or internal audit staff.

Because the initial public offering price of our common stock will be substantially higher than the pro forma net tangible book value per share of our outstanding common stock following this offering, new investors will experience immediate and substantial dilution.

The initial public offering price of our common stock will be substantially higher than the pro forma net tangible book value per share of our common stock immediately following this offering based on the total value of our tangible assets less our total liabilities. Therefore, if you purchase shares of our common stock in this offering, you will experience immediate dilution of $ per share, the difference between the price per share you pay (based on the midpoint of the price range on the cover of this prospectus) for our common stock and the pro forma net tangible book value per share of our common stock as of June 30, 2013, after giving effect to the issuance of shares of our common stock in this offering. See “Dilution” below.

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

The trading market for our common stock will, to some extent, depend on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If one or more of the analysts who cover us should downgrade our shares or change their opinion of our shares, our share price would likely decline. If one or more of these analysts ceases coverage of our company or fails to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

Our charter documents and Delaware law could discourage takeover attempts and lead to management entrenchment.

Our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect upon completion of this offering contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for stockholders to elect directors who are not nominated by the current members of our board of directors or take other corporate actions, including effecting changes in our management. These provisions include:

- a classified board of directors with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our board of directors;
- the ability of our board of directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquiror;
the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of our board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;

• a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;

• the requirement that a special meeting of stockholders may be called only by our board of directors, the chairperson of our board of directors, our chief executive officer or our president (in the absence of a chief executive officer), which could delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;

• the requirement for the affirmative vote of holders of at least 66 2/3% of the voting power of all of the then outstanding shares of the voting stock, voting together as a single class, to amend the provisions of our amended and restated certificate of incorporation relating to the management of our business (including our classified board structure) or certain provisions of our amended and restated bylaws, which may inhibit the ability of an acquiror to effect such amendments to facilitate an unsolicited takeover attempt;

• the ability of our board of directors to amend the bylaws, which may allow our board of directors to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquiror to amend the bylaws to facilitate an unsolicited takeover attempt; and

• advance notice procedures with which stockholders must comply to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtain control of us.

In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law, which may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a specified period of time.
SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections entitled “Prospectus Summary,” “Risk Factors,” “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and “Business” contains forward-looking statements. The words “believe,” “may,” “will,” “potentially,” “estimate,” “continue,” “anticipate,” “intend,” “could,” “would,” “project,” “plan,” “expect,” the negative and plural forms of these words and similar expressions that convey uncertainty of future events or outcomes are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements concerning the following:

- the evolution of the threat landscape facing our customers and prospects;
- our ability to educate the market regarding the advantages of our virtual machine-based security solution;
- our ability to maintain an adequate rate of revenue growth;
- our future financial and operating results;
- our business plan and our ability to effectively manage our growth and associated investments;
- beliefs and objectives for future operations;
- our ability to expand our leadership position in advanced network security;
- our ability to attract and retain customers;
- our ability to further penetrate our existing customer base;
- our expectations concerning renewal rates for subscriptions and services by existing customers;
- our ability to maintain our competitive technological advantages against new entrants in our industry;
- our ability to timely and effectively scale and adapt our existing technology;
- our ability to innovate new products and bring them to market in a timely manner;
- our ability to maintain, protect, and enhance our brand and intellectual property;
- our ability to expand internationally;
- our plans to reorganize our corporate structure and intercompany relationships and our ability to improve our overall effective tax rate;
- the effects of increased competition in our market and our ability to compete effectively;
- cost of revenues, including changes in costs associated with production, manufacturing and customer support;
- operating expenses, including changes in research and development, sales and marketing, and general and administrative expenses;
- anticipated income tax rates;
- sufficiency of cash to meet cash needs for at least the next 12 months;
- our ability to maintain our good standing with the United States and international governments and capture new contracts;
- costs associated with defending intellectual property infringement and other claims, such as those claims discussed in “Business—Legal Proceedings”;
- our expectations concerning relationships with third parties, including channel partners and logistics providers;
• economic and industry trends or trend analysis;
• the attraction and retention of qualified employees and key personnel;
• future acquisitions of or investments in complementary companies, products, subscriptions or technologies; and
• the effects of seasonal trends on our results of operations.

These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including those described in “Risk Factors” and elsewhere in this prospectus. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur, or unanticipated events or circumstances that we did not foresee may materialize, either of which could cause actual results to differ materially and adversely from those anticipated or implied in our forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances described in the forward-looking statements will be achieved or occur. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this prospectus to conform these statements to actual results, or to changes in our expectations, except as required by law.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the SEC as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.
MARKET AND INDUSTRY DATA

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity, and market size, is based on information from various sources, including Gartner, Inc., or Gartner, and International Data Corporation, or IDC, on assumptions we have made based on such data and other similar sources and on our knowledge of the markets for our products, subscriptions and services. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate is necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in “Risk Factors” and elsewhere in this prospectus. These and other factors could cause actual results to differ materially from the estimates made by the independent parties and by us.

The Gartner Reports described herein represent data, research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this prospectus) and the opinions expressed in the Gartner Reports are subject to change without notice.

In certain instances, the sources of the market and industry data contained in this prospectus are identified by superscript notations. The sources of these data are provided below:

2. Department of Defense’s U.S. Cyber Command’s Challenges and Opportunities to Make Military Networks Safe in Cyberspace, Author: Steve Hawald, Review date: 19 June 2012.
USE OF PROCEEDS

We estimate that the net proceeds from our sale of $\_\_\_\_\_\_\_\_\_\_\_\_ shares of common stock in this offering at an assumed initial public offering price of $\_\_\_\_\_\_\_\_\_\_\_\_ per share, the midpoint of the price range reflected on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $\_\_\_\_\_\_\_\_\_\_\_\_ million, or $\_\_\_\_\_\_\_\_\_\_\_\_ million if the underwriters exercise their overallotment option in full. A $1.00 increase (decrease) in the assumed initial public offering price would increase (decrease) the net proceeds to us from this offering by $\_\_\_\_\_\_\_\_\_\_\_\_ million, assuming the number of shares offered by us, as reflected on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to increase our capitalization and financial flexibility; create a public market for our stock, thereby enabling access to the public equity markets by our employees and stockholders; obtain additional capital; and increase our visibility in the marketplace. We intend to use the net proceeds received from this offering primarily for general corporate purposes, including headcount expansion, working capital, sales and marketing activities, product development, general and administrative matters, and capital expenditures. We may also use a portion of the net proceeds for the acquisition of, or investment in, technologies, solutions or businesses that complement our business, although we have no present commitments to complete any such transactions at this time. We will have broad discretion over the uses of the net proceeds of this offering. Pending these uses, we intend to invest the net proceeds from this offering in short-term, investment-grade interest-bearing securities such as money market accounts, certificates of deposit, commercial paper, and guaranteed obligations of the U.S. government.

DIVIDEND POLICY

We have never declared or paid cash dividends on our common stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any dividends on our common stock in the foreseeable future, if at all. Any future determination to declare dividends will be made at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements, general business conditions and other factors that our board of directors may deem relevant.
The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2013 on:

- an actual basis;
- a pro forma basis, giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock into 74,221,533 shares of common stock, the related reclassification of the preferred stock warrant liability to additional paid-in capital and the effectiveness of our amended and restated certificate of incorporation as of immediately prior to the completion of this offering, as if such conversion had occurred and our amended and restated certificate of incorporation had become effective on June 30, 2013; and
- a pro forma as adjusted basis, giving effect to the pro forma adjustments and the sale of shares of common stock by us in this offering, based on an assumed initial public offering price of $ per share, the midpoint of the price range reflected on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma as adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

You should read this table together with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our audited consolidated financial statements and related notes included elsewhere in this prospectus.

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<th>June 30, 2013</th>
<th>Actual</th>
<th>Pro Forma</th>
<th>Pro Forma As Adjusted(1)</th>
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<td>(In thousands, except share and per share data)</td>
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</tr>
<tr>
<td>Common stock, par value of $0.0001 per share; 130,000,000 shares authorized, 28,074,316 issued and outstanding, actual; shares authorized, 102,295,849 issued and outstanding, pro forma; 1,000,000,000 shares authorized, shares issued and outstanding, pro forma as adjusted</td>
<td>3</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>125,008</td>
<td>131,515</td>
<td></td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(170,063)</td>
<td>(170,063)</td>
<td></td>
</tr>
<tr>
<td>Total stockholders’ equity</td>
<td>(45,046)</td>
<td>(38,539)</td>
<td></td>
</tr>
<tr>
<td>Total capitalization</td>
<td>$ (18,539)</td>
<td>$ (18,539)</td>
<td>$</td>
</tr>
</tbody>
</table>

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the price range reflected on the cover page of this prospectus, would increase...
(decrease) our pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders’ equity and total capitalization by approximately $\,$\,$ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The number of shares of our common stock to be outstanding after this offering is based on 102,295,849 shares of our common stock outstanding as of June 30, 2013, and excludes:

- 20,433,497 shares of common stock issuable upon the exercise of stock options outstanding as of June 30, 2013, with a weighted-average exercise price of $3.75 per share;
- 2,195,500 shares of common stock issuable upon the exercise of stock options granted after June 30, 2013 with a weighted-average exercise price of $\,$\,$ per share;
- 483,000 shares of common stock issuable upon the vesting of restricted stock units outstanding as of June 30, 2013;
- 60,000 shares of common stock issuable upon the vesting of restricted stock units granted after June 30, 2013;
- 50,381 shares of restricted common stock granted after June 30, 2013;
- 615,790 shares of common stock issuable upon the exercise of convertible preferred stock warrants outstanding as of June 30, 2013, with a weighted-average exercise price of $0.8151 per share; and
- shares of common stock reserved for future grant or issuance under our stock-based compensation plans, consisting of:
  - 2,042,630 shares of common stock as of June 30, 2013 reserved for future grants under our 2008 Stock Plan, which shares will be added to the shares to be reserved under our 2013 Equity Incentive Plan, which will become effective in connection with this offering;
  - shares of common stock reserved for future grants under our 2013 Equity Incentive Plan;
  - shares of common stock reserved for future issuance under our 2013 Employee Stock Purchase Plan, which will become effective in connection with this offering; and
  - any shares of common stock that become available subsequent to this offering under our 2013 Equity Incentive Plan and 2013 Employee Stock Purchase Plan pursuant to provisions thereof that automatically increase the share reserves under such plans each year, as more fully described in “Executive Compensation—Employee Benefit and Stock Plans.”
If you invest in our common stock, your interest will be diluted to the extent of the difference between the amount per share paid by purchasers of shares of common stock in this offering and the pro forma as adjusted net tangible book value per share of common stock immediately after the completion of this offering.

As of June 30, 2013, our net tangible book value was approximately $\text{ }\text{ }$ million, or $\text{ }\text{ }$ per share of common stock. Our net tangible book value per share represents the amount of our total tangible assets reduced by the amount of our total liabilities and divided by the total number of shares of our common stock outstanding as of June 30, 2013, assuming the conversion of all outstanding shares of our convertible preferred stock into shares of common stock.

After giving effect to our sale in this offering of $\text{ }\text{ }$ shares of our common stock, at an assumed initial public offering price of $\text{ }\text{ }$ per share, the midpoint of the price range reflected on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma net tangible book value as of June 30, 2013 would have been approximately $\text{ }\text{ }$ million, or $\text{ }\text{ }$ per share of our common stock. This represents an immediate increase in pro forma net tangible book value of $\text{ }\text{ }$ per share to our existing stockholders and an immediate dilution of $\text{ }\text{ }$ per share to investors purchasing shares in this offering.

The following table illustrates this dilution:

| Assumed initial public offering price per share | $ |
| Pro forma net tangible book value per share as of June 30, 2013, before giving effect to this offering | $ |
| Increase per share attributable to this offering | $ |
| Pro forma net tangible book value, as adjusted to give effect to this offering | $ |
| Dilution in pro forma net tangible book value per share to new investors purchasing shares in this offering | $ |

A $1.00 increase (decrease) in the assumed initial public offering price of $\text{ }\text{ }$ per share, the midpoint of the price range reflected on the cover page of this prospectus, would increase (decrease) our pro forma net tangible book value, as adjusted to give effect to this offering, by $\text{ }\text{ }$ per share, the increase (decrease) attributable to this offering by $\text{ }\text{ }$ per share, and the dilution in pro forma as adjusted net tangible book value per share to new investors purchasing shares in this offering by $\text{ }\text{ }$ per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated expenses payable by us.

If the underwriters exercise their over-allotment option in full, the pro forma net tangible book value per share of our common stock after giving effect to this offering would be $\text{ }\text{ }$ per share, and the dilution in net tangible book value per share to investors in this offering would be $\text{ }\text{ }$ per share.
The following table summarizes, on a pro forma as adjusted basis as of June 30, 2013 after giving effect to (i) the automatic conversion of all of our convertible preferred stock into common stock, (ii) the effectiveness of our amended and restated certificate of incorporation, and (iii) the completion of this offering at an assumed initial public offering price of $ per share, the midpoint of the price range reflected on the cover page of this prospectus, the difference between existing stockholders and new investors with respect to the number of shares of common stock purchased from us, the total consideration paid to us, and the average price per share paid, before deducting estimated underwriting discounts and commissions and estimated offering expenses:

<table>
<thead>
<tr>
<th>Shares Purchased</th>
<th>Total Consideration</th>
<th>Average Price Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Percent</td>
<td>Amount</td>
</tr>
<tr>
<td>Existing stockholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New public investors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>$</td>
</tr>
</tbody>
</table>

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the price range reflected on the cover page of this prospectus, would increase (decrease) total consideration paid by new investors and total consideration paid by all stockholders by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

To the extent that our outstanding warrants or any of our outstanding options are exercised or additional options, warrants or shares of common stock are issued in the future, investors will experience further dilution.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters’ over-allotment option. If the underwriters exercise their over-allotment option in full, our existing stockholders would own % and our new investors would own % of the total number of shares of our common stock outstanding upon the completion of this offering.

The number of shares of our common stock to be outstanding after this offering is based on 102,295,849 shares of our common stock outstanding as of June 30, 2013, and excludes:

- 20,433,497 shares of common stock issuable upon the exercise of stock options outstanding as of June 30, 2013, with a weighted-average exercise price of $3.75 per share;
- 2,195,500 shares of common stock issuable upon the exercise of stock options granted after June 30, 2013 with a weighted-average exercise price of $ per share;
- 483,000 shares of common stock issuable upon the vesting of restricted stock units outstanding as of June 30, 2013;
- 60,000 shares of common stock issuable upon the vesting of restricted stock units granted after June 30, 2013;
- 50,381 shares of restricted common stock granted after June 30, 2013;
- 615,790 shares of common stock issuable upon the exercise of convertible preferred stock warrants outstanding as of June 30, 2013, with a weighted-average exercise price of $0.8151 per share; and
- shares of common stock reserved for future grant or issuance under our stock-based compensation plans, consisting of:
  - 2,042,630 shares of common stock as of June 30, 2013 reserved for future grants under our 2008 Stock Plan, which shares will be added to the shares to be reserved under our 2013 Equity Incentive Plan, which will become effective in connection with this offering;
  - shares of common stock reserved for future grants under our 2013 Equity Incentive Plan;
shares of common stock reserved for future issuance under our 2013 Employee Stock Purchase Plan, which will become effective in connection with this offering; and

any shares of common stock that become available subsequent to this offering under our 2013 Equity Incentive Plan and 2013 Employee Stock Purchase Plan pursuant to provisions thereof that automatically increase the share reserves under such plans each year, as more fully described in “Executive Compensation—Employee Benefit and Stock Plans.”
SELECTED CONSOLIDATED FINANCIAL DATA

The selected consolidated statements of operations data for the years ended December 31, 2010, 2011 and 2012 and the consolidated balance sheet data as of December 31, 2011 and 2012 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected consolidated statement of operations data for the six months ended June 30, 2012 and 2013, and the consolidated balance sheet data as of June 30, 2013, are derived from our unaudited interim consolidated financial statements included elsewhere in this prospectus. The selected consolidated balance sheet data as of December 31, 2009 and December 31, 2010 are derived from our audited consolidated financial statements that are not included in this prospectus. The unaudited interim consolidated financial statements were prepared on a basis consistent with our audited consolidated financial statements and, in the opinion of management, include all adjustments of a normal, recurring nature that are necessary for the fair presentation of the financial statements. The selected consolidated financial data in this section are not intended to replace our consolidated financial statements and the related notes, and are qualified in their entirety by the consolidated financial statements and related notes included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected for the full fiscal year or any period in the future.

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>$1,353</td>
<td>$9,270</td>
<td>$24,888</td>
<td>$52,265</td>
<td>$18,201</td>
<td>$32,228</td>
</tr>
<tr>
<td>Subscription and services</td>
<td>288</td>
<td>2,495</td>
<td>8,770</td>
<td>31,051</td>
<td>11,540</td>
<td>29,410</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>1,641</td>
<td>11,765</td>
<td>33,658</td>
<td>83,316</td>
<td>29,741</td>
<td>61,638</td>
</tr>
<tr>
<td><strong>Cost of revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>1,171</td>
<td>2,054</td>
<td>5,690</td>
<td>14,467</td>
<td>5,587</td>
<td>10,766</td>
</tr>
<tr>
<td>Subscription and services</td>
<td>135</td>
<td>277</td>
<td>1,590</td>
<td>3,163</td>
<td>1,279</td>
<td>6,402</td>
</tr>
<tr>
<td><strong>Total cost of revenue</strong></td>
<td>1,306</td>
<td>2,331</td>
<td>7,280</td>
<td>17,630</td>
<td>6,866</td>
<td>17,168</td>
</tr>
<tr>
<td><strong>Total gross profit</strong></td>
<td>335</td>
<td>9,434</td>
<td>26,378</td>
<td>65,686</td>
<td>22,875</td>
<td>44,470</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating expenses:</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and development</td>
<td>3,910</td>
<td>5,291</td>
<td>7,275</td>
<td>16,522</td>
<td>5,623</td>
<td>24,078</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>3,063</td>
<td>11,357</td>
<td>30,389</td>
<td>67,562</td>
<td>26,054</td>
<td>66,163</td>
</tr>
<tr>
<td>General and administrative</td>
<td>2,208</td>
<td>1,943</td>
<td>4,428</td>
<td>15,221</td>
<td>4,710</td>
<td>17,681</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>9,181</td>
<td>18,591</td>
<td>42,092</td>
<td>99,305</td>
<td>36,387</td>
<td>107,922</td>
</tr>
</tbody>
</table>

| Operating loss | (8,846) | (9,157) | (15,714) | (33,619) | (13,512) | (63,452) |
| Interest income | 1 | 3 | 9 | 1 | 3 | 52 |
| Interest expense | (5) | (158) | (94) | (537) | (210) | (276) |
| **Other income (expense), net** | 43 | (156) | (906) | (2,572) | (549) | (2,923) |
| **Loss before income taxes** | (8,807) | (9,468) | (16,711) | (36,721) | (14,268) | (66,599) |

| Provision for (benefit from) income taxes | (7) | 13 | 71 | (965) | 60 | 597 |

| **Net loss attributable to common stockholders** | $(8,800) | $(9,481) | $(16,782) | $(35,756) | $(14,328) | $(67,196) |
| **Net loss per share attributable to common stockholders, basic and diluted** | $(1.42) | $(1.30) | $(1.99) | $(3.28) | $(1.46) | $(3.98) |

| **Weighted-average shares used to compute net loss per share attributable to common stockholders** | 6,211 | 7,271 | 8,447 | 10,917 | 9,797 | 16,877 |

| **Pro forma net loss per share attributable to common stockholders, basic and diluted** | $(0.39) | $(0.70) |

| **Pro forma weighted-average shares used to compute net loss per share attributable to common stockholders, basic and diluted** | 84,664 | 91,098 |
(1) Includes share-based compensation expense as follows:

<table>
<thead>
<tr>
<th>Stock-Based Compensation Expense:</th>
<th>Year Ended December 31,</th>
<th>Six Months Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
<td>2010</td>
</tr>
<tr>
<td>Cost of product revenue</td>
<td>$ 7</td>
<td>$ 4</td>
</tr>
<tr>
<td>Research and development</td>
<td>43</td>
<td>60</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>5</td>
<td>63</td>
</tr>
<tr>
<td>General and administrative</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total stock-based compensation expense</strong></td>
<td><strong>$ 64</strong></td>
<td><strong>$137</strong></td>
</tr>
</tbody>
</table>

As of December 31, | As of June 30, |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2010</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,265</td>
</tr>
<tr>
<td>Working capital, excluding deferred revenue and costs</td>
<td>1,501</td>
</tr>
<tr>
<td>Total assets</td>
<td>3,210</td>
</tr>
<tr>
<td>Total deferred revenue</td>
<td>2,502</td>
</tr>
<tr>
<td>Total long-term debt, current portion</td>
<td>83</td>
</tr>
<tr>
<td>Total long-term debt, non-current portion</td>
<td>25</td>
</tr>
<tr>
<td>Preferred stock warrant liability</td>
<td>8</td>
</tr>
<tr>
<td>Total stockholders' equity (deficit)</td>
<td>(409)</td>
</tr>
</tbody>
</table>
You should read the following discussion and analysis of our financial condition and results of operations together with the consolidated financial statements and related notes that are included elsewhere in this prospectus. This discussion contains forward-looking statements based upon current plans, expectations and beliefs that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under “Risk Factors” and in other parts of this prospectus.

Overview

We have invented a purpose-built, virtual machine-based security platform that provides real-time protection to enterprises and governments worldwide against the next generation of cyber attacks. Our technology approach represents a paradigm shift from how IT security has been conducted since the earliest days of the information technology industry. The core of our purpose-built, virtual machine-based security platform is our virtual execution engine, to which we refer as our MVX engine, which identifies and protects against known and unknown threats that existing signature-based technologies are unable to detect. We believe it is imperative for organizations to invest in this new approach to security to protect their critical assets, such as intellectual property and customer and financial data, from the global pandemic of cybercrime, cyber espionage and cyber warfare.

We were founded in 2004 to address the fundamental limitations of legacy signature-based technologies in detecting and blocking sophisticated cyber attacks. From 2004 to 2008, we focused our efforts on research and development to build our virtual machine technology. We released our first product, the Web Malware Protection System, or Web MPS, in 2008. Our Web MPS is designed to analyze and block advanced attacks via the Web. Since that time, we have continued to enhance our product portfolio, releasing our Email MPS in 2011 and our File MPS in 2012. Our Email MPS and File MPS address advanced threats that are introduced through email attachments and file shares. Due to the scale of our customer deployments and our customers’ desire for deeper analysis of potential malicious software, we also provide management and analysis appliances, specifically our Central Management System, or CMS, and our Malware Analysis System, or MAS. We support and enhance the functionality of our products through our Dynamic Threat Intelligence, or DTI, cloud, a subscription service that offers global threat intelligence sharing and provides a closed-loop system that leverages the network effects of a globally distributed, automated threat analysis network. Our nine years of research and development in virtual machine technology, anomaly detection and associated heuristic algorithms has enabled us to provide signature-less threat protection against next-generation cyber attacks.

We primarily market and sell our virtual machine-based security platform to Global 2000 companies in a broad range of industries and governments worldwide. As of June 30, 2013, we had over 1,100 end-customers, including over 100 of the Fortune 500.

We have experienced rapid growth over the last several years, increasing our revenue at a compound annual growth rate of 167% from 2009 to 2012. We have also increased our number of employees from 35 as of December 31, 2008 to 416 and 932 as of December 31, 2012 and June 30, 2013, respectively. We expect to continue rapidly scaling our organization to meet the needs of our customers and to pursue opportunities in new and existing markets. We intend to continue to invest in the development of our sales and marketing teams, with a particular focus on expanding our network of international channel partners, opening sales offices, hiring key sales and marketing personnel and carrying out associated marketing activities in key geographies. As of June 30, 2013, we were selling our solution to end-customers in over 40 countries, and we expect revenue from international sales to grow as a percentage of our overall revenue. By the end of 2013, we intend to complete the reorganization of our corporate structure and intercompany relationships to more closely align our corporate organization with the expansion of our international business activities and improve our overall effective tax rate. We also intend to continue to invest in our product development organization to enhance the functionality of our
existing platform, introduce new products and subscriptions, and build upon our technology leadership. Due to our continuing investments to scale our business, particularly internationally, reorganize our corporate structure for improved tax efficiency, pursue new opportunities, enhance our product functionality, introduce new products and build upon our technology leadership in advance of, and in preparation for, our expected increase in sales and expansion of our customer base, we are continuing to incur expenses in the near term for which we may not realize any long-term benefit. As a result, we do not expect to be profitable for the foreseeable future.

During the years ended December 31, 2010, 2011 and 2012, our revenue was $11.8 million, $33.7 million and $83.3 million, representing year-over-year growth of 617%, 186% and 148%, respectively. During the six months ended June 30, 2012 and 2013, our revenue was $29.7 million and $61.6 million, representing year-over-year growth of 165% and 107%, respectively. Our net losses were $9.5 million, $16.8 million and $35.8 million during the years ended December 31, 2010, 2011 and 2012, respectively. Our net losses were $14.3 million and $67.2 million during the six months ended June 30, 2012 and 2013, respectively. During the year ended December 31, 2012, approximately 80%, 8% and 8% of our revenue came from the United States, Asia Pacific and Japan (APAC), and Europe, the Middle East and Africa (EMEA), respectively. During the six months ended June 30, 2013, approximately 74%, 9% and 14% of our revenue came from the United States, APAC and EMEA, respectively.

For a description of factors that may impact our future performance, see the disclosure below under “—Factors Affecting our Performance.”

Our Business Model

We generate revenue from sales of our products, subscriptions and services. Our product revenue consists primarily of revenue from the sale of our MPS portfolio of software-based appliances, consisting of our Web MPS, Email MPS and File MPS, as well as sales of our MAS and CMS appliances. We offer our MPS portfolio as a complete solution to protect the various entry points of a customer’s network from the next generation of cyber attacks. Because the typical customer’s network has more Web entry points to protect than email and file entry points, customers that purchase our MPS portfolio generally purchase more Web MPS appliances than Email MPS or File MPS appliances. As a result, Web MPS accounts for the largest portion of our MPS product revenue. In addition, because most malicious attacks occur through the Web threat vector, smaller customers and customers who do not have the budget to purchase the full MPS portfolio often only purchase Web MPS. While we have experienced steady growth in sales of our Email MPS since its introduction in 2011, these sales have not contributed as quickly to the growth in our overall product revenue because revenue associated with our Email MPS is recognized ratably over the longer of the contractual term or the estimated period the customer is expected to benefit from the product. By contrast, revenue associated with our Web MPS, File MPS, CMS and MAS products is recognized upon shipment. Finally, we recently introduced our File MPS in the second quarter of 2012, and as a result, revenue from our File MPS represents a small percentage of our product revenue.

We require customers to purchase a subscription to our DTI cloud and support and maintenance services when they purchase any part of our MPS portfolio. In addition, we require customers that purchase our Email MPS to also purchase a subscription to our Email MPS Attachment/URL engine. Our customers generally purchase these subscriptions and services for a one or three year term, and revenue from such subscriptions is recognized ratably over the subscription period. Sales of these subscriptions and services, along with sales of Email MPS for multi-year terms, have increased our deferred revenue. As of December 31, 2011, December 31, 2012 and June 30, 2013, our total deferred revenue was $30.1 million, $76.4 million and $102.6 million, respectively. Amortization of this growing deferred revenue has increased our subscription and services revenue as a percentage of total revenue. For the years ended December 31, 2010, December 31, 2011, December 31, 2012 and the six months ended June 30, 2013, subscription and services revenue as a percentage of total revenue was 21%, 26%, 37% and 48%, respectively. While most of the growth in our subscription and services revenue during such years relates to the amortization of the initial subscription and services agreements, renewals of such agreements have also contributed to this growth. Our renewal rate for subscriptions expiring in 2011 and 2012 was in excess of 90%, and we expect to maintain high renewal rates in the future due to the significant value we believe these subscriptions and services add to the efficacy of our MPS portfolio.
**Key Business Metrics**

We monitor the key business metrics set forth below to help us evaluate growth trends, establish budgets, measure the effectiveness of our sales and marketing efforts, and assess operational efficiencies. We discuss revenue and gross margin below under “—Components of Operating Results.” Deferred revenue, cash flow provided by (used in) operating activities, and free cash flow are discussed immediately below the following table.

<table>
<thead>
<tr>
<th></th>
<th>Year Ended or as of December 31,</th>
<th>Six Months Ended or as of June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>Product revenue</td>
<td>$ 9,270</td>
<td>$24,888</td>
</tr>
<tr>
<td>Subscription and services revenue</td>
<td>2,495</td>
<td>8,770</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$11,765</td>
<td>$33,658</td>
</tr>
<tr>
<td>Year-over-year percentage increase</td>
<td>617%</td>
<td>186%</td>
</tr>
<tr>
<td>Gross margin percentage</td>
<td>80%</td>
<td>78%</td>
</tr>
<tr>
<td>Deferred revenue, current portion</td>
<td>$3,518</td>
<td>$16,215</td>
</tr>
<tr>
<td>Deferred revenue, non-current portion</td>
<td>$2,748</td>
<td>$13,887</td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>$(6,701)</td>
<td>$(5,111)</td>
</tr>
<tr>
<td>Free cash flow (non-GAAP)</td>
<td>$(8,259)</td>
<td>$(106)</td>
</tr>
</tbody>
</table>

**Deferred revenue.** Our deferred revenue consists of amounts that have been invoiced but have not yet been recognized as revenue as of the period end. The majority of our deferred revenue consists of the unamortized balance of revenue from sales of our Email MPS, subscriptions to our DTI cloud and Email MPS Attachment/URL engine, and support and maintenance contracts. Because invoiced amounts for subscriptions and services can be for multiple years, we classify our deferred revenue as current or non-current depending on when we expect to recognize the related revenue. If the deferred revenue is expected to be recognized within 12 months, it is classified as current. Otherwise, the deferred revenue is classified as non-current. We monitor our deferred revenue balance because it represents a significant portion of revenue to be recognized in future periods.

**Net cash provided by (used in) operating activities.** We monitor net cash provided by (used in) operating activities as a measure of our overall business performance. Our net cash provided by (used in) operating activities is driven in large part by sales of our products and from up-front payments for both subscriptions and support and maintenance services. Monitoring net cash provided by (used in) operating activities enables us to analyze our financial performance without the non-cash effects of certain items such as depreciation, amortization, and stock-based compensation costs, thereby allowing us to better understand and manage the cash needs of our business.
Free cash flow. We define free cash flow as net cash provided by (used in) operating activities less purchases of property and equipment and demonstration units. We consider free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by our business that, after the purchases of property and equipment and demonstration units, can be used by us for strategic opportunities, including investing in our business, making strategic acquisitions and strengthening our balance sheet. A reconciliation of free cash flow to cash flow provided by (used in) operating activities, the most directly comparable financial measure calculated and presented in accordance with U.S. generally accepted accounting principles, or GAAP, is provided below:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended as of December 31,</th>
<th></th>
<th></th>
<th></th>
<th>Six Months Ended as of June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
<td>2012</td>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td>Cash flow provided by (used in) operating activities</td>
<td>$ (6,701)</td>
<td>$ 5,111</td>
<td>$ 21,500</td>
<td>$ 3,248</td>
<td>$(12,699)</td>
</tr>
<tr>
<td>Less: purchase of property and equipment and demonstration units</td>
<td>(1,558)</td>
<td>(5,217)</td>
<td>(18,848)</td>
<td>(9,397)</td>
<td>(22,055)</td>
</tr>
<tr>
<td>Free cash flow (non-GAAP)</td>
<td>$ (8,259)</td>
<td>$ (106)</td>
<td>$ 2,652</td>
<td>$ 6,149</td>
<td>$(34,754)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>$(1,518)</td>
<td>$(5,224)</td>
<td>$(20,215)</td>
<td>$(9,773)</td>
<td>$(23,652)</td>
</tr>
<tr>
<td>Net cash provided by financing activities</td>
<td>$14,619</td>
<td>$ 3,124</td>
<td>$ 48,239</td>
<td>$ 8,183</td>
<td>$ 30,236</td>
</tr>
</tbody>
</table>

**Factors Affecting our Performance**

**Market Adoption.** We rely on market education to raise awareness of today’s next-generation cyber attacks, articulate the need for our virtual machine-based security solution and, in particular, the reasons to purchase our products. Our prospective customers often do not have a specific portion of their IT budgets allocated for products that address the next generation of advanced cyber attacks. We invest heavily in sales and marketing efforts to increase market awareness, educate prospective customers and drive adoption of our solution. This market education is critical to creating new IT budget dollars or allocating IT budget dollars across enterprises and governments for next-generation threat protection solutions, and in particular, our platform. Our investment in market education has also increased awareness of us and our solution in international markets. However, we believe that we will need to invest additional resources in targeted international markets to drive awareness and market adoption. The degree to which prospective customers recognize the mission critical need for next-generation threat protection solutions, and subsequently allocate budget dollars for our platform, will drive our ability to acquire new customers and increase renewals and follow-on sales opportunities, which, in turn, will affect our future financial performance.

**Sales Productivity.** Our sales organization consists of a direct sales team, made up of field and inside sales personnel, and indirect channel sales teams to support our channel partner sales. We utilize a direct-touch sales model whereby we work with our channel partners to secure prospects, convert prospects to customers, and pursue follow-on sales opportunities. To date, we have primarily targeted large enterprise and government customers, who typically have sales cycles from three to six months. We have also recently expanded our inside sales teams to pursue customers in the small and medium enterprise, or SME, market.

Our growth strategy contemplates increased sales and marketing investments internationally. Newly hired sales and marketing resources will require several months to establish prospect relationships and drive overall sales productivity. In addition, sales teams in international regions will face local markets that have not had significant market education about advanced security threats that our platform addresses. All of these factors will influence timing and overall levels of sales productivity, impacting the rate at which we will be able to convert prospects to sales and drive revenue growth.

**Renewal Rates.** New or existing customers that purchase one of our MPS appliances are required to purchase a one or three year subscription to our DTI cloud and, in the case of our Email MPS, to our Email MPS Attachment/
URL engine, as well as support and maintenance services. New or existing customers that purchase one of our MAS or CMS appliances are required to purchase support and maintenance services for a term of one or three years.

We believe our renewal rate is an important metric to measure the long-term value of customer agreements and our ability to retain our customers. We calculate our renewal rate by dividing the number of renewing customers that were due for renewal in any rolling 12 month period by the number of customers that were due for renewal in that rolling 12 month period. Our renewal rate at December 31, 2011 and 2012 and June 30, 2013 was over 90%. These high renewal rates are primarily attributable to the incremental value added to our appliances by our DTI cloud and support and maintenance services. As DTI cloud subscriptions and support and maintenance services represented 37% and 48% of our total revenue during the year ended December 31, 2012 and the six months ended June 30, 2013, respectively, we expect our ability to maintain high renewal rates for these subscriptions and services to have a material impact on our future financial performance.

Follow-On Sales. After the initial sale to a new customer, we focus on expanding our relationship with such customer to sell additional products, subscriptions and services. To grow our revenue, it is important that our customers make additional purchases of our platform. Sales to our existing customer base can take the form of incremental sales of appliances, subscriptions and services, either to deploy our platform into additional parts of their network or to protect additional threat vectors. Our opportunity to expand our customer relationships through follow-on sales will increase as we add new customers, broaden our product portfolio to support more threat vectors, increase network performance and enhance functionality. Follow-on sales lead to increased revenue over the lifecycle of a customer relationship and can significantly increase the return on our sales and marketing investments. With some of our most significant customers, we have realized follow-on sales that were multiples of the value of their initial purchases.

Components of Operating Results

Revenue

We generate revenue from the sales of our products, subscriptions and services. As discussed further in “—Critical Accounting Policies and Estimates—Revenue Recognition” below, revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectability is reasonably assured.

Our total revenue consists of the following:

- **Product revenue.** Our product revenue is generated from sales of our appliances. For our Web MPS, File MPS, MAS and CMS appliances, we recognize product revenue at the time of shipment, provided that all other revenue recognition criteria have been met. For our Email MPS appliance, we recognize product revenue ratably over the longer of the contractual term of the subscription service or the estimated period the customer is expected to benefit from the product. Because we have only been selling our Email MPS since April 2011, we have a limited history with respect to subscription renewals for such product. As a result, revenue from all Email MPS products sold by us through June 30, 2013 has been recognized ratably over the contractual term of the subscription services.

- **Subscription and services revenue.** Subscription and services revenue is generated primarily from our DTI cloud, our Email MPS Attachment/URL engine, and support and maintenance services. Our DTI cloud subscription is determined as a percentage of the price of the related appliance. The Email MPS Attachment/URL engine is priced on a per-user basis. We recognize revenue from subscriptions and support and maintenance services over the one or three year contract term, as applicable.

Cost of Revenue

Our total cost of revenue consists of cost of product revenue and cost of subscription and services revenue. Personnel costs associated with our operations and global customer support organizations consist of salaries,
benefits, bonuses and stock-based compensation. Overhead costs consist of certain facilities, depreciation, benefits, and information technology costs.

- **Cost of product revenue.** Cost of product revenue primarily consists of costs paid to our third-party contract manufacturers and personnel and other costs in our manufacturing operations department. Our cost of product revenue also includes product testing costs, allocated costs and shipping costs. We expect our cost of product revenue to increase as our product revenue increases.

- **Cost of subscription and services revenue.** Cost of subscription and services revenue consists of personnel costs for our global customer support organization and allocated costs. We expect our cost of subscription and services revenue to increase as our customer base grows and as we hire additional professional services personnel.

**Gross Margin**

Gross margin, or gross profit as a percentage of revenue, has been and will continue to be affected by a variety of factors, including the average sales price of our products, subscriptions and services, manufacturing costs, the mix of products sold, and the mix of revenue among products, subscriptions and services. We expect our gross margins to fluctuate over time depending on the factors described above.

**Operating Expenses**

Our operating expenses consist of research and development, sales and marketing, and general and administrative expense. Personnel costs are the most significant component of operating expenses and consist of salaries, benefits, bonuses, stock-based compensation and, with regard to sales and marketing expense, sales commissions. Operating expenses also include overhead costs for facilities, IT and depreciation.

- **Research and development.** Research and development expense consists primarily of personnel costs and allocated overhead. Research and development expense also includes prototype-related expenses. We expect research and development expense to continue to increase in absolute dollars as we continue to invest in our research and product development efforts to enhance our product capabilities, address new threat vectors and access new customer markets, although such expense may fluctuate as a percentage of total revenue.

- **Sales and marketing.** Sales and marketing expense consists primarily of personnel costs, incentive commission costs and allocated overhead. We expense commission costs as incurred. Sales and marketing expense also includes costs for market development programs, promotional and other marketing activities, travel, office equipment, depreciation of proof-of-concept evaluation units and outside consulting costs. We expect sales and marketing expense to continue to increase in absolute dollars as we increase the size of our sales and marketing organizations and expand our international operations, although such expense may fluctuate as a percentage of total revenue.

- **General and administrative.** General and administrative expense consists of personnel costs, professional services and allocated overhead. General and administrative personnel include our executive, finance, human resources, facilities and legal organizations. Professional services consist primarily of legal, auditing, accounting and other consulting costs. We expect general and administrative expense to continue to increase in absolute dollars as we have recently incurred, and expect to continue to incur, additional general and administrative expenses as we grow our operations and prepare to operate as a public company, including higher legal, corporate insurance, and accounting expenses.

**Interest Income**

Interest income consists of interest earned on our cash and cash equivalent balances. We have historically invested our cash in money-market funds and other short-term, investment-grade investments. We expect interest
Income to vary each reporting period depending on our average investment balances during the period, types and mix of investments and market interest rates.

**Interest Expense**

Interest expense consists of interest on our outstanding debt. See Note 6 to our consolidated financial statements included elsewhere in this prospectus for more information about our debt.

**Other Expense, Net**

Other expense, net consists primarily of the change in fair value of our preferred stock warrant liability and gains or losses on disposal of fixed assets. Convertible preferred stock warrants are classified as a liability on our consolidated balance sheets and remeasured to fair value at each balance sheet date with the corresponding change recorded as other expense. Upon the earlier of the exercise of the warrants or the completion of a liquidation event, including the completion of this offering, the liability will be reclassified to stockholders’ equity, at which time it will no longer be subject to fair value accounting.

**Provision for (Benefit from) Income Taxes**

Provision for (benefit from) income taxes consists primarily of U.S. federal and state income taxes in the United States and income taxes in certain foreign jurisdictions in which we conduct business. We have a full valuation allowance for deferred tax assets, including net operating loss carryforwards, and tax credits related primarily to research and development. We expect to maintain this full valuation allowance for the foreseeable future.

**Results of Operations**

The following tables summarize our results of operations for the periods presented and as a percentage of our total revenue for those periods. The period-to-period comparison of results is not necessarily indicative of results for future periods.

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th>Six Months Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>$9,270</td>
<td>$24,888</td>
</tr>
<tr>
<td>Subscription and services</td>
<td>2,495</td>
<td>8,770</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$11,765</td>
<td>$33,658</td>
</tr>
<tr>
<td>Cost of revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>$2,054</td>
<td>$5,690</td>
</tr>
<tr>
<td>Subscription and services</td>
<td>277</td>
<td>1,590</td>
</tr>
<tr>
<td>Total cost of revenue</td>
<td>$2,331</td>
<td>$7,280</td>
</tr>
<tr>
<td>Total gross profit</td>
<td>$9,434</td>
<td>$26,378</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>5,291</td>
<td>7,275</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>11,357</td>
<td>30,389</td>
</tr>
<tr>
<td>General and administrative</td>
<td>1,943</td>
<td>4,428</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>18,591</td>
<td>42,092</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(9,157)</td>
<td>(15,714)</td>
</tr>
<tr>
<td>Interest income</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(158)</td>
<td>(194)</td>
</tr>
<tr>
<td>Other expense, net</td>
<td>(156)</td>
<td>(806)</td>
</tr>
<tr>
<td>Loss before income taxes</td>
<td>(9,468)</td>
<td>(16,711)</td>
</tr>
<tr>
<td>Provision for (benefit from) income taxes</td>
<td>13</td>
<td>71</td>
</tr>
<tr>
<td>Net loss attributable to common stockholders</td>
<td>$(9,481)</td>
<td>$(16,782)</td>
</tr>
<tr>
<td></td>
<td>Year Ended December 31,</td>
<td>Six Months Ended June 30,</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>(As a percentage of total revenue)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>79%</td>
<td>74%</td>
</tr>
<tr>
<td>Subscription and services</td>
<td>21%</td>
<td>26%</td>
</tr>
<tr>
<td>Total revenue</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Cost of revenue:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>Subscription and services</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td>Total cost of revenue</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Total gross profit</strong></td>
<td>80%</td>
<td>78%</td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>45%</td>
<td>22%</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>96%</td>
<td>90%</td>
</tr>
<tr>
<td>General and administrative</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>158%</td>
<td>125%</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(78%)</td>
<td>(47%)</td>
</tr>
<tr>
<td>Interest income</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(1%)</td>
<td>(1%)</td>
</tr>
<tr>
<td>Other expense, net</td>
<td>(1%)</td>
<td>(2%)</td>
</tr>
<tr>
<td>Loss before income taxes</td>
<td>(80%)</td>
<td>(50%)</td>
</tr>
<tr>
<td>Provision for (benefit from) income taxes</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net loss attributable to common stockholders</td>
<td>(80%)</td>
<td>(50%)</td>
</tr>
</tbody>
</table>

**Comparison of the Six Months Ended June 30, 2012 and 2013**

**Revenue**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>% of Total Revenue</th>
<th>2013</th>
<th>% of Total Revenue</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>%</td>
<td>Amount</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>$18,201</td>
<td>61%</td>
<td>$32,228</td>
<td>52%</td>
<td>$14,027</td>
</tr>
<tr>
<td>Subscription and services</td>
<td>11,540</td>
<td>39%</td>
<td>29,410</td>
<td>48%</td>
<td>17,870</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$29,741</td>
<td>100%</td>
<td>$61,638</td>
<td>100%</td>
<td>$31,897</td>
</tr>
<tr>
<td><strong>Revenue by geographic region:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>$24,754</td>
<td>83%</td>
<td>$45,358</td>
<td>74%</td>
<td>$20,604</td>
</tr>
<tr>
<td>EMEA</td>
<td>1,614</td>
<td>5%</td>
<td>8,415</td>
<td>14%</td>
<td>6,801</td>
</tr>
<tr>
<td>APAC</td>
<td>2,264</td>
<td>8%</td>
<td>5,824</td>
<td>9%</td>
<td>3,560</td>
</tr>
<tr>
<td>Other</td>
<td>1,109</td>
<td>4%</td>
<td>2,041</td>
<td>3%</td>
<td>932</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$29,741</td>
<td>100%</td>
<td>$61,638</td>
<td>100%</td>
<td>$31,897</td>
</tr>
</tbody>
</table>

Total revenue increased by $31.9 million, or 107%, during the six months ended June 30, 2013 compared to the six months ended June 30, 2012. The increase in product revenue was primarily driven by growth in our installed base of customers, which grew from approximately 660 to over 1,100 as of June 30, 2012 and 2013, respectively, as well as follow-on purchases from customers expanding their initial deployments of our MPS portfolio. Our Web MPS continued to account for the largest portion of our MPS product revenue as customers that purchase our MPS portfolio generally purchase more Web MPS appliances than Email MPS or File MPS appliances, reflecting the fact that their networks typically have more Web entry points than email or file entry points to protect. In addition, revenue associated with our Web MPS is recognized upon shipment whereas
Revenue associated with our Email MPS is recognized ratably over the longer of the contractual term or the estimated period the customer is expected to benefit from the product.

Revenue from the amortization of deferred subscription and services revenue related to initial customer purchases was $9.5 million and $22.4 million for the six months ended June 30, 2012 and 2013, respectively. Revenue from the amortization of deferred subscription and services revenue related to renewals was $2.0 million and $7.0 million for the six months ended June 30, 2012 and 2013, respectively. Given our high renewal rate and increasing base of customers, we expect revenue from the amortization of deferred subscription and services revenue related to renewals to increase as a percentage of our total revenue from deferred subscription and services revenue. Our renewal rate for subscription and services agreements expiring in the 12 months ended June 30, 2013 was in excess of 90%. Finally, international revenue increased $11.3 million, or 226%, during the six months ended June 30, 2013 compared to the six months ended June 30, 2012 as we began to see a return on our investment from increasing our international market presence.

Cost of Revenue and Gross Margin

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td></td>
<td>Amount (Dollars in thousands)</td>
<td>Gross Margin</td>
</tr>
<tr>
<td>Cost of revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>$5,587</td>
<td>69%</td>
</tr>
<tr>
<td>Subscription and services</td>
<td>1,279</td>
<td>89%</td>
</tr>
<tr>
<td>Total cost of revenue</td>
<td>$6,866</td>
<td></td>
</tr>
<tr>
<td>Gross margin:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>69%</td>
<td></td>
</tr>
<tr>
<td>Subscription and services</td>
<td>89%</td>
<td></td>
</tr>
<tr>
<td>Total gross margin</td>
<td>77%</td>
<td></td>
</tr>
</tbody>
</table>

Total cost of revenue increased $10.3 million, or 150%, during the six months ended June 30, 2013 compared to the six months ended June 30, 2012. The increase in cost of product revenue was driven primarily by an increase in product revenue and an increase in personnel costs in our manufacturing operations department. The increase in cost of subscription and services revenue was driven primarily by increased personnel costs in customer support. The decrease in product gross margin was driven by our increased investment in our manufacturing operations department. The decrease in subscription and services gross margin was due to an increase in our investment in customer support personnel and infrastructure.
Operating Expenses

<table>
<thead>
<tr>
<th>Operating expenses:</th>
<th>2012</th>
<th>% of Total Revenue</th>
<th>2013</th>
<th>% of Total Revenue</th>
<th>Change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and development</td>
<td>$ 5,623</td>
<td>19%</td>
<td>$24,078</td>
<td>39%</td>
<td>$18,455</td>
<td>328%</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>26,054</td>
<td>88%</td>
<td>66,163</td>
<td>107%</td>
<td>40,109</td>
<td>154%</td>
</tr>
<tr>
<td>General and administrative</td>
<td>4,710</td>
<td>16%</td>
<td>17,681</td>
<td>29%</td>
<td>12,971</td>
<td>275%</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$36,387</td>
<td>123%</td>
<td>$107,922</td>
<td>175%</td>
<td>$71,535</td>
<td>197%</td>
</tr>
</tbody>
</table>

Includes stock-based compensation expense of:

| Research and development               | $ 238    |                    | $ 2,075  |                    | $ 1,837  |       |
| Sales and marketing                    | 561      |                    | 2,094    |                    | 1,533    |       |
| General and administrative             | 960      |                    | 2,657    |                    | 1,697    |       |
| Total                                  | $ 1,759  |                    | $ 6,826  |                    | $ 5,067  |       |

Research and Development

Research and development expense increased $18.5 million, or 328%, during the six months ended June 30, 2013 compared to the six months ended June 30, 2012, primarily due to a $10.2 million increase in personnel costs as well as a $1.5 million increase in related consulting costs as we increased our headcount to support continued investment in our future product and service offerings. Additionally, overhead allocations and depreciation related to capital expenditures for departmental expansion increased by $5.5 million during the six months ended June 30, 2013.

Sales and Marketing

Sales and marketing expense increased $40.1 million, or 154%, during the six months ended June 30, 2013 compared to the six months ended June 30, 2012, primarily due to a $21.0 million increase in personnel costs attributable to increased headcount resulting from our international expansion and further investment in our U.S. sales team and higher commissions, a $2.4 million increase in depreciation expense and costs associated with shipping evaluation units, a $2.0 million increase in travel-related costs and a $2.1 million increase in marketing activity, primarily related to an increase in lead generation services and costs associated with trade shows and conventions, Website development and partner programs. The change was also attributable to a $1.3 million increase in consulting costs and a $9.3 million increase in overhead allocations associated with additional sales and marketing personnel.

General and Administrative

General and administrative expense increased $13.0 million, or 275%, during the six months ended June 30, 2013 compared to the six months ended June 30, 2012, primarily due to a $5.9 million increase in personnel costs, a $2.8 million increase in professional services, including legal, accounting and recruiting services, and a $0.9 million increase in consulting costs. The change was also attributable to a $2.3 million increase in overhead allocations associated with departmental expansion. The increase in personnel costs, professional services and consulting costs was primarily a result of supporting growth in operations and preparing to operate as a public company.
### Interest Income

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>$ 3</td>
<td>$52</td>
<td>$ 49</td>
<td>1,633%</td>
</tr>
</tbody>
</table>

The increase in interest income resulted from higher average balances in cash and cash equivalents during the six months ended June 30, 2013 compared to the six months ended June 30, 2012.

### Interest Expense

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest expense</td>
<td>$(210)</td>
<td>$(276)</td>
<td>$ 66</td>
<td>31%</td>
</tr>
</tbody>
</table>

The increase in interest expense resulted from increased bank borrowings during the six months ended June 30, 2013 compared to the six months ended June 30, 2012.

### Other Expense, Net

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other expense, net</td>
<td>$(549)</td>
<td>$(2,923)</td>
<td>$2,374</td>
<td>432%</td>
</tr>
</tbody>
</table>

The change in other expense, net was due to an increase in fair value of preferred stock warrant liability during the six months ended June 30, 2013 compared to the six months ended June 30, 2012. Upon the earlier of the exercise of the warrants or the completion of a liquidation event, including the completion of this offering, the liability will be reclassified to stockholders’ equity, at which time it will no longer be subject to fair value accounting.

### Provision for (Benefit from) Income Taxes

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for (benefit from) income taxes</td>
<td>$ 60</td>
<td>$ 597</td>
</tr>
</tbody>
</table>

The increase in provision for (benefit from) income taxes during the six months ended June 30, 2013 compared to the six months ended June 30, 2012 was primarily due to an increase in pre-tax income related to international operations.
Comparison of the Years Ended December 31, 2011 and 2012

Revenue

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th></th>
<th></th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
<td>Amount</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>% of Total Revenue</td>
<td>% of Total Revenue</td>
<td>Amount</td>
<td>%</td>
</tr>
<tr>
<td>(Dollars in thousands)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>$24,888</td>
<td>$52,265</td>
<td>$27,377</td>
<td>110%</td>
</tr>
<tr>
<td></td>
<td>74%</td>
<td>63%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscription and services</td>
<td>8,770</td>
<td>31,051</td>
<td>$22,281</td>
<td>254%</td>
</tr>
<tr>
<td></td>
<td>26%</td>
<td>37%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td>$33,658</td>
<td>$83,316</td>
<td>$49,658</td>
<td>148%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue by geographic region:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>$30,050</td>
<td>$66,556</td>
<td>$36,506</td>
<td>121%</td>
</tr>
<tr>
<td></td>
<td>89%</td>
<td>80%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EMEA</td>
<td>1,129</td>
<td>6,628</td>
<td>5,499</td>
<td>487%</td>
</tr>
<tr>
<td></td>
<td>3%</td>
<td>8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>APAC</td>
<td>1,142</td>
<td>6,488</td>
<td>5,346</td>
<td>468%</td>
</tr>
<tr>
<td></td>
<td>4%</td>
<td>8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1,337</td>
<td>3,644</td>
<td>2,307</td>
<td>173%</td>
</tr>
<tr>
<td></td>
<td>4%</td>
<td>4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td>$33,658</td>
<td>$83,316</td>
<td>$49,658</td>
<td>148%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total revenue increased by $49.7 million, or 148%, during the year ended December 31, 2012 compared to the year ended December 31, 2011. The increase in product revenue was primarily driven by growth in our installed base of customers, which grew from 485 as of December 31, 2011 to 927 as of December 31, 2012, as well as follow-on purchases from customers expanding their initial deployments of our MPS portfolio. Our Web MPS accounted for the largest portion of our MPS product revenue.

Revenue from the amortization of deferred subscription and services revenue related to initial customer purchases was $7.6 million and $25.1 million for the years ended December 31, 2011 and 2012, respectively. Revenue from the amortization of deferred subscription and services revenue related to renewals was $1.2 million and $6.0 million for the years ended December 31, 2011 and 2012, respectively. Our renewal rate for subscription and services agreements that expired in 2011 and 2012 was in excess of 90%. Finally, international revenue increased $13.2 million, or 365%, from 2011 to 2012 as we began to see a return on our investment in increasing our international market presence.

Cost of Revenue and Gross Margin

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th></th>
<th></th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
<td>Amount</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gross Margin</td>
<td>Gross Margin</td>
<td>Amount</td>
<td></td>
</tr>
<tr>
<td>(Dollars in thousands)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>$5,690</td>
<td>$14,467</td>
<td>$8,777</td>
<td></td>
</tr>
<tr>
<td>Subscription and services</td>
<td>1,590</td>
<td>3,163</td>
<td>1,573</td>
<td></td>
</tr>
<tr>
<td>Total cost of revenue</td>
<td>$7,280</td>
<td>$17,630</td>
<td>$10,350</td>
<td></td>
</tr>
<tr>
<td>Gross margin:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>77%</td>
<td>72%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscription and services</td>
<td>82%</td>
<td>90%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total gross margin</td>
<td>78%</td>
<td>79%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Total cost of revenue increased $10.4 million, or 142%, during the year ended December 31, 2012 compared to the year ended December 31, 2011. The increase in cost of product revenue was driven primarily by an increase in product revenue and an increase in personnel costs in our manufacturing operations department. The increase in cost of subscription and services revenue was driven primarily by increased personnel costs in customer support. The decrease in product gross margin was driven by our increased investment in our manufacturing operations department. The increase in subscription and services gross margin was due to the growth of our product, subscription and services revenue, partially offset by an increase in our investment in customer support personnel and infrastructure.

Operating Expenses

<table>
<thead>
<tr>
<th>Operating expenses:</th>
<th>Amount</th>
<th>% of Total Revenue</th>
<th>Amount</th>
<th>% of Total Revenue</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and development</td>
<td>$7,275</td>
<td>22%</td>
<td>$16,522</td>
<td>20%</td>
<td>$9,247</td>
<td>127%</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>30,389</td>
<td>90</td>
<td>67,562</td>
<td>81</td>
<td>37,173</td>
<td>122%</td>
</tr>
<tr>
<td>General and administrative</td>
<td>4,428</td>
<td>13</td>
<td>15,221</td>
<td>18</td>
<td>10,793</td>
<td>244%</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$42,092</td>
<td>125%</td>
<td>$99,305</td>
<td>119%</td>
<td>$57,213</td>
<td>136%</td>
</tr>
</tbody>
</table>

Includes stock-based compensation expense of:

| Research and development     | $148    | $1,465             | $1,317  |
| Sales and marketing          | 360     | 1,672              | 1,312   |
| General and administrative   | 168     | 3,536              | 3,368   |
| Total                        | $676    | $6,673             | $5,997  |

Research and Development

Research and development expense increased $9.2 million, or 127%, during the year ended December 31, 2012 compared to the year ended December 31, 2011, primarily due to a $6.1 million increase in personnel costs and a $0.6 million increase in consulting costs as we increased our headcount and consultants to support continued investment in our future product and service offerings. Additionally, overhead allocations and depreciation related to capital expenditures for departmental expansion increased by $1.7 million during the year ended December 31, 2012.

Sales and Marketing

Sales and marketing expense increased $37.2 million, or 122%, during the year ended December 31, 2012 compared to the year ended December 31, 2011, primarily due to a $20.7 million increase in personnel costs attributable to increased headcount and higher commissions, a $2.0 million increase in depreciation expense and costs associated with shipping evaluation units, a $0.8 million increase in consulting costs and a $3.5 million increase in marketing activity, primarily related to an increase in lead generation services and costs associated with trade shows and conventions, Website development and partner programs. The change was also attributable to a $2.8 million increase in travel-related costs and a $5.0 million increase in overhead allocations associated with additional sales and marketing personnel.

General and Administrative

General and administrative expense increased $10.8 million, or 244%, during the year ended December 31, 2012 compared to the year ended December 31, 2011, primarily due to a $5.5 million increase in...
personnel costs, a $1.4 million increase in consulting costs and a $2.6 million increase in professional services, including legal, accounting and recruiting services. The change was also attributable to a $1.1 million increase in overhead allocations associated with departmental expansion.

**Interest Income**

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
</tr>
<tr>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest income</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 3</td>
</tr>
<tr>
<td>$ 7</td>
</tr>
<tr>
<td>$ 4</td>
</tr>
<tr>
<td>133%</td>
</tr>
</tbody>
</table>

The increase in interest income resulted from higher average balances in cash and cash equivalents during the year ended December 31, 2012 compared to the year ended December 31, 2011.

**Interest Expense**

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
</tr>
<tr>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (194)</td>
</tr>
<tr>
<td>$ (537)</td>
</tr>
<tr>
<td>$ 343</td>
</tr>
<tr>
<td>177%</td>
</tr>
</tbody>
</table>

The increase in interest expense resulted from increased bank borrowings during the year ended December 31, 2012 compared to the year ended December 31, 2011.

**Other Expense, Net**

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
</tr>
<tr>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other expense, net</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ (806)</td>
</tr>
<tr>
<td>$ (2,572)</td>
</tr>
<tr>
<td>$ 1,766</td>
</tr>
<tr>
<td>219%</td>
</tr>
</tbody>
</table>

The change in other expense, net was due to an increase in fair value of preferred stock warrant liability during the year ended December 31, 2012 compared to the year ended December 31, 2011. Upon the earlier of the exercise of the warrants or the completion of a liquidation event, including the completion of this offering, the liability will be reclassified to stockholders' equity, at which time it will no longer be subject to fair value accounting.

**Provision for (Benefit from) Income Taxes**

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
</tr>
<tr>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Provision for (benefit from) income taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 71</td>
</tr>
<tr>
<td>$ (965)</td>
</tr>
</tbody>
</table>

Effective tax rate 0% 0%

The increase in provision for (benefit from) income taxes during the year ended December 31, 2012 compared to the year ended December 31, 2011 was primarily due to a reduction in the valuation allowance resulting from recording a deferred tax liability on acquisition related intangibles for which no tax benefit will be derived partially offset by an increase in pre-tax income related to international operations.
Comparison of the Years Ended December 31, 2010 and 2011

Revenue

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
<td>Change</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amount</td>
<td>% of Total Revenue</td>
<td>Amount</td>
<td>% of Total Revenue</td>
</tr>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>$9,270</td>
<td>79%</td>
<td>$24,888</td>
<td>74%</td>
</tr>
<tr>
<td>Subscription and services</td>
<td>2,495</td>
<td>21%</td>
<td>8,770</td>
<td>26%</td>
</tr>
<tr>
<td>Total revenue</td>
<td><strong>$11,765</strong></td>
<td>100%</td>
<td><strong>$33,658</strong></td>
<td>100%</td>
</tr>
</tbody>
</table>

Total revenue increased $21.9 million, or 186%, during the year ended December 31, 2011 compared to the year ended December 31, 2010. The increase in product revenue was primarily driven by higher product sales to new and existing customers. The increase in subscription and services revenue was primarily driven by sales to new and existing customers. Subscriptions and services revenue increased as a percentage of total revenue during year ended December 31, 2011 primarily due to growth of our installed base and subscription and service renewals from existing customers. Our total end-customers increased by approximately 130 and 300 for the years ended December 31, 2010 and 2011, respectively.

Cost of Revenue and Gross Margin

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
<td>Change</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Amount</td>
<td>Gross Margin</td>
<td>Amount</td>
<td>Gross Margin</td>
</tr>
<tr>
<td><strong>Cost of revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>$2,054</td>
<td>78%</td>
<td>$5,690</td>
<td>77%</td>
</tr>
<tr>
<td>Subscription and services</td>
<td>277</td>
<td>%</td>
<td>1,590</td>
<td>82%</td>
</tr>
<tr>
<td>Total cost of revenue</td>
<td><strong>$2,331</strong></td>
<td>78%</td>
<td><strong>$7,280</strong></td>
<td>78%</td>
</tr>
</tbody>
</table>

Total cost of revenue increased $4.9 million, or 212%, during the year ended December 31, 2011 compared to the year ended December 31, 2010. The increase in cost of product revenue was driven primarily by an increase in product revenue and an increase in personnel costs in our manufacturing operations. The increase in cost of subscription and services revenue was driven primarily by increased personnel costs in customer support. The decrease in product gross margin was driven by the increased investment in our manufacturing operations organization. The decrease in subscription and services gross margin was due to increased investment in customer support personnel and infrastructure.
Table of Contents

Operating Expenses

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Amount</th>
<th>% of Total Revenue</th>
<th>Amount</th>
<th>% of Total Revenue</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td></td>
<td>2011</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>$ 5,291</td>
<td>45%</td>
<td>$ 7,275</td>
<td>22%</td>
<td>$ 1,984</td>
<td>37%</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>11,357</td>
<td>96%</td>
<td>30,389</td>
<td>90%</td>
<td>19,032</td>
<td>168%</td>
</tr>
<tr>
<td>General and administrative</td>
<td>1,943</td>
<td>17%</td>
<td>4,428</td>
<td>13%</td>
<td>2,485</td>
<td>128%</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$18,591</td>
<td>158%</td>
<td>$42,092</td>
<td>125%</td>
<td>$23,501</td>
<td>126%</td>
</tr>
</tbody>
</table>

Includes stock-based compensation expense of:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and development</td>
<td>60</td>
<td>148</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>63</td>
<td>360</td>
</tr>
<tr>
<td>General and administrative</td>
<td>10</td>
<td>168</td>
</tr>
<tr>
<td>Total</td>
<td>133</td>
<td>676</td>
</tr>
</tbody>
</table>

Research and Development

Research and development expense increased $2.0 million, or 37%, during the year ended December 31, 2011 compared to the year ended December 31, 2010, primarily due to a $1.4 million increase in personnel costs as we increased our headcount to support continued investment in our future product and service offerings. Additionally, overhead allocations and depreciation related to capital expenditures for departmental expansion increased by $0.4 million.

Sales and Marketing

Sales and marketing expense increased $19.0 million, or 168%, during the year ended December 31, 2011 compared to the year ended December 31, 2010, primarily due to a $12.1 million increase in personnel costs due to increased headcount and sales commissions, a $2.3 million increase in depreciation expense and costs associated with shipping evaluation units and a $1.7 million increase in marketing expenditures primarily related to an increase in lead generation services, attendance at trade shows and conventions, Website development costs and partner programs. The change was also attributable to a $1.4 million increase in travel related costs.

General and Administrative

General and administrative expense increased $2.5 million, or 128%, during the year ended December 31, 2011 compared to the year ended December 31, 2010, primarily due to a $1.3 million increase in personnel costs and a $0.7 million increase in consulting costs.

Interest Income

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>$ 3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>$ 3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 543</td>
<td></td>
</tr>
</tbody>
</table>
There was no material change in interest income during the year ended December 31, 2011 compared to the year ended December 31, 2010.

**Interest Expense**

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
</tr>
<tr>
<td>(Dollars in thousands)</td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>$ (158)</td>
</tr>
</tbody>
</table>

The change in interest expense was due to an increase in interest expense resulting from increased bank borrowings during the year ended December 31, 2011 compared to the year ended December 31, 2010.

**Other Expense, Net**

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
</tr>
<tr>
<td>(Dollars in thousands)</td>
<td></td>
</tr>
<tr>
<td>Other expense, net</td>
<td>$ (156)</td>
</tr>
</tbody>
</table>

The change in other expense, net was due to an increase in the fair value of preferred stock warrant liability during the year ended December 31, 2011 compared to the year ended December 31, 2010.

**Provision for (Benefit from) Income Taxes**

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
</tr>
<tr>
<td>(Dollars in thousands)</td>
<td></td>
</tr>
<tr>
<td>Provision for (benefit from) income taxes</td>
<td>$ 13</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>0%</td>
</tr>
</tbody>
</table>

The increase in provision for (benefit from) income taxes during the year ended December 31, 2011 compared to the year ended December 31, 2010 was primarily due to the increase in pre-tax income related to international operations and minimum state taxes.
Quarterly Results of Operations

The following tables set forth selected unaudited quarterly consolidated statements of operations data for each of the ten quarters in the period ended June 30, 2013, as well as the percentage that each line item represents of total revenue for each quarter. The information for each of these quarters has been prepared on the same basis as the audited annual consolidated financial statements included elsewhere in this prospectus and, in the opinion of management, includes all adjustments of a normal, recurring nature that are necessary for the fair presentation of the results of operations for these periods in accordance with generally accepted accounting principles in the United States. This data should be read in conjunction with our audited consolidated financial statements and related notes included elsewhere in this prospectus. These quarterly operating results are not necessarily indicative of our operating results for a full fiscal year or any future period.

### Three Months Ended

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>$ 2,156</td>
<td>$ 6,249</td>
<td>$ 7,013</td>
<td>$ 9,470</td>
<td>$ 8,550</td>
<td>$ 9,651</td>
<td>$13,754</td>
<td>$20,310</td>
<td>$14,988</td>
<td>$17,240</td>
</tr>
<tr>
<td>Subscription and services</td>
<td>1,274</td>
<td>1,559</td>
<td>2,418</td>
<td>3,519</td>
<td>5,256</td>
<td>6,284</td>
<td>8,142</td>
<td>11,369</td>
<td>13,428</td>
<td>15,982</td>
</tr>
<tr>
<td><strong>Total revenue:</strong></td>
<td>$3,430</td>
<td>$7,808</td>
<td>$9,431</td>
<td>$12,989</td>
<td>$13,806</td>
<td>$15,935</td>
<td>$21,896</td>
<td>$31,679</td>
<td>$28,416</td>
<td>$33,222</td>
</tr>
<tr>
<td><strong>Cost of revenue:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>604</td>
<td>1,409</td>
<td>1,076</td>
<td>2,601</td>
<td>2,319</td>
<td>3,268</td>
<td>3,813</td>
<td>5,067</td>
<td>4,962</td>
<td>5,804</td>
</tr>
<tr>
<td>Subscription and services</td>
<td>278</td>
<td>309</td>
<td>398</td>
<td>605</td>
<td>904</td>
<td>980</td>
<td>1,290</td>
<td>1,920</td>
<td>4,482</td>
<td></td>
</tr>
<tr>
<td><strong>Total cost of revenue</strong></td>
<td>$882</td>
<td>$1,718</td>
<td>$1,474</td>
<td>$3,206</td>
<td>$2,918</td>
<td>$3,948</td>
<td>$4,717</td>
<td>$6,047</td>
<td>$6,882</td>
<td>$10,286</td>
</tr>
<tr>
<td><strong>Total gross profit</strong></td>
<td>$2,548</td>
<td>$6,090</td>
<td>$7,957</td>
<td>$9,783</td>
<td>$10,888</td>
<td>$11,987</td>
<td>$17,179</td>
<td>$25,632</td>
<td>$21,534</td>
<td>$22,936</td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>1,462</td>
<td>1,714</td>
<td>1,861</td>
<td>2,238</td>
<td>2,489</td>
<td>3,134</td>
<td>4,191</td>
<td>6,708</td>
<td>10,062</td>
<td>14,016</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>4,180</td>
<td>6,400</td>
<td>7,194</td>
<td>12,615</td>
<td>11,824</td>
<td>14,230</td>
<td>16,734</td>
<td>24,774</td>
<td>28,569</td>
<td>37,594</td>
</tr>
<tr>
<td>General and administrative</td>
<td>818</td>
<td>779</td>
<td>1,009</td>
<td>1,884</td>
<td>2,826</td>
<td>4,188</td>
<td>6,323</td>
<td>7,311</td>
<td>10,370</td>
<td></td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>$6,460</td>
<td>$8,893</td>
<td>$10,064</td>
<td>$16,675</td>
<td>$16,197</td>
<td>$20,190</td>
<td>$25,632</td>
<td>$37,805</td>
<td>$45,942</td>
<td>$61,980</td>
</tr>
<tr>
<td><strong>Loss before income taxes</strong></td>
<td>$(3,912)</td>
<td>$(2,803)</td>
<td>$(2,107)</td>
<td>$(6,892)</td>
<td>$(5,309)</td>
<td>$(8,203)</td>
<td>$(7,934)</td>
<td>$(12,173)</td>
<td>$(24,408)</td>
<td>$(39,044)</td>
</tr>
<tr>
<td>Interest income</td>
<td>1</td>
<td>1</td>
<td>—</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>(42)</td>
<td>(38)</td>
<td>(48)</td>
<td>(66)</td>
<td>(82)</td>
<td>(128)</td>
<td>(167)</td>
<td>(160)</td>
<td>(144)</td>
<td>(132)</td>
</tr>
<tr>
<td>Other expense, net</td>
<td>(138)</td>
<td>(203)</td>
<td>(147)</td>
<td>(318)</td>
<td>(210)</td>
<td>(339)</td>
<td>(699)</td>
<td>(1,324)</td>
<td>(2,200)</td>
<td>(723)</td>
</tr>
<tr>
<td><strong>Loss before income taxes</strong></td>
<td>$(4,091)</td>
<td>$(3,043)</td>
<td>$(2,302)</td>
<td>$(7,275)</td>
<td>$(5,599)</td>
<td>$(8,669)</td>
<td>$(8,798)</td>
<td>$(13,655)</td>
<td>$(26,748)</td>
<td>$(39,851)</td>
</tr>
<tr>
<td>Provision for (benefit from) income taxes</td>
<td>10</td>
<td>15</td>
<td>18</td>
<td>28</td>
<td>26</td>
<td>34</td>
<td>54</td>
<td>(1,079)</td>
<td>213</td>
<td>384</td>
</tr>
<tr>
<td><strong>Net loss attributable to common stockholders</strong></td>
<td>$(4,101)</td>
<td>$(3,058)</td>
<td>$(2,320)</td>
<td>$(7,303)</td>
<td>$(5,625)</td>
<td>$(8,703)</td>
<td>$(8,852)</td>
<td>$(12,576)</td>
<td>$(26,961)</td>
<td>$(40,235)</td>
</tr>
</tbody>
</table>
### Quarterly Revenue Trends

Our quarterly revenue increased year-over-year for all periods presented due to increased sales to new customers, as well as upsells to existing customers. Comparisons of our year-over-year total quarterly revenue are more meaningful than comparisons of our sequential results due to seasonality in the sale of our products and subscriptions and services. Our fourth quarter has historically been our strongest quarter for sales as a result of large enterprise buying patterns. While we believe that these seasonal trends have affected and will continue to affect our quarterly results, our rapid growth has largely masked seasonal trends to date. We believe that our business may become more seasonal in the future. Historical patterns in our business may not be a reliable indicator of our future sales activity or performance.

### Quarterly Gross Margin Trends

Total gross profit increased year-over-year for all periods presented. Total gross margin has remained relatively consistent over all periods presented, and any fluctuation is primarily due to shifts in the mix of sales between products and subscriptions and services, as well as the types and volumes of products sold. For the three months ended June 30, 2013, gross margin declined primarily due to an increase in cost of subscription and services revenue relating to increased personnel costs in customer support.

---

**Table: Revenue**

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>63%</td>
<td>80%</td>
<td>74%</td>
<td>73%</td>
<td>62%</td>
<td>61%</td>
<td>63%</td>
<td>64%</td>
<td>53%</td>
<td>52%</td>
</tr>
<tr>
<td>Sub. and Srv.</td>
<td>37%</td>
<td>20%</td>
<td>26%</td>
<td>27%</td>
<td>38%</td>
<td>39%</td>
<td>37%</td>
<td>36%</td>
<td>47%</td>
<td>48%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Table: Cost of Revenue**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>18%</td>
<td>18%</td>
<td>12%</td>
<td>20%</td>
<td>17%</td>
<td>21%</td>
<td>18%</td>
<td>16%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Sub. and Srv.</td>
<td>8%</td>
<td>4%</td>
<td>5%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>3%</td>
<td>7%</td>
<td>14%</td>
</tr>
<tr>
<td>Total Cost of Revenue</td>
<td>26%</td>
<td>22%</td>
<td>16%</td>
<td>25%</td>
<td>21%</td>
<td>25%</td>
<td>22%</td>
<td>19%</td>
<td>24%</td>
<td>31%</td>
</tr>
</tbody>
</table>

**Table: Gross Profit**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>74%</td>
<td>78%</td>
<td>84%</td>
<td>75%</td>
<td>79%</td>
<td>75%</td>
<td>78%</td>
<td>81%</td>
<td>76%</td>
<td>69%</td>
</tr>
</tbody>
</table>

**Table: Operating Expenses**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and dev.</td>
<td>42%</td>
<td>22%</td>
<td>20%</td>
<td>17%</td>
<td>18%</td>
<td>20%</td>
<td>19%</td>
<td>21%</td>
<td>35%</td>
<td>42%</td>
</tr>
<tr>
<td>Sales marketing</td>
<td>122%</td>
<td>82%</td>
<td>76%</td>
<td>97%</td>
<td>85%</td>
<td>89%</td>
<td>76%</td>
<td>78%</td>
<td>101%</td>
<td>113%</td>
</tr>
<tr>
<td>General &amp; admin.</td>
<td>24%</td>
<td>10%</td>
<td>11%</td>
<td>14%</td>
<td>14%</td>
<td>18%</td>
<td>20%</td>
<td>20%</td>
<td>26%</td>
<td>32%</td>
</tr>
<tr>
<td>Total Operating</td>
<td>188%</td>
<td>114%</td>
<td>107%</td>
<td>128%</td>
<td>117%</td>
<td>127%</td>
<td>115%</td>
<td>119%</td>
<td>162%</td>
<td>187%</td>
</tr>
</tbody>
</table>

**Table: Operating Income**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
<td>—%</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(1)%</td>
<td>—%</td>
<td>—%</td>
<td>(1)%</td>
<td>(1)%</td>
<td>(1)%</td>
<td>(1)%</td>
<td>(1)%</td>
<td>(1)%</td>
<td>—%</td>
</tr>
<tr>
<td>Other expense, net</td>
<td>(4)%</td>
<td>(3)%</td>
<td>(2)%</td>
<td>(2)%</td>
<td>(2)%</td>
<td>(2)%</td>
<td>(3)%</td>
<td>(3)%</td>
<td>(4)%</td>
<td>(8)%</td>
</tr>
<tr>
<td>Loss before income taxes</td>
<td>(119)%</td>
<td>(39)%</td>
<td>(24)%</td>
<td>(56)%</td>
<td>(41)%</td>
<td>(41)%</td>
<td>(40)%</td>
<td>(43)%</td>
<td>(94)%</td>
<td>(120)%</td>
</tr>
<tr>
<td>Provision for (benefit from) income taxes</td>
<td>1%</td>
<td>—%</td>
<td>1%</td>
<td>—%</td>
<td>—%</td>
<td>1%</td>
<td>—%</td>
<td>(4)%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Net loss attributable to common stockholders</td>
<td>(120)%</td>
<td>(39)%</td>
<td>(25)%</td>
<td>(56)%</td>
<td>(41)%</td>
<td>(55)%</td>
<td>(40)%</td>
<td>(39)%</td>
<td>(95)%</td>
<td>(121)%</td>
</tr>
</tbody>
</table>
Quarterly Expense Trends

Total operating expenses increased year-over-year for all periods presented primarily due to the addition of personnel in connection with the expansion of our business. Research and development expense increased sequentially over the periods as we increased our headcount to support continued investment in our future product and subscription and services offerings. Sales and marketing expense increased significantly in the three months ended December 31, 2011 compared to the three months ended September 30, 2011, primarily due to higher sales and the resulting increase in commission expense. Sales and marketing expense increased significantly in the three months ended December 31, 2012 compared to the three months ended September 30, 2012, primarily due to an increase in personnel costs related to increases in headcount, higher commission expense related to higher sales, and higher stock-based compensation expense. Sales and marketing expense increased significantly in the three months ended June 30, 2013 compared to the three months ended March 31, 2013, primarily due to an increase in personnel costs related to increases in headcount, higher commission expense related to higher sales, higher stock-based compensation expense and an increase in overhead allocations associated with additional sales and marketing personnel. General and administrative expense increased significantly in the three months ended December 31, 2012 compared to the three months ended September 30, 2012 and in the three months ended June 30, 2013 compared to the three months ended March 31, 2013, primarily due to an increase in personnel, legal expense and higher professional services fees for preparing to be a public company. For the three months ended December 31, 2012, we recorded a benefit for income taxes due to a reduction in the valuation allowance resulting from recording a deferred tax liability on acquisition-related intangibles for which no tax benefit will be derived, partially offset by an increase in pre-tax income related to international operations.

Liquidity and Capital Resources

<table>
<thead>
<tr>
<th>As of December 31, 2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$7,665</td>
<td>$10,676</td>
<td>$60,200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>As of June 30, 2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$7,665</td>
<td>$10,676</td>
<td>$60,200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year Ended December 31, 2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by (used in) operating activities</td>
<td>$(6,701)</td>
<td>$5,111</td>
<td>$21,500</td>
</tr>
<tr>
<td>Cash used in investing activities</td>
<td>$(1,518)</td>
<td>$(5,224)</td>
<td>$(20,215)</td>
</tr>
<tr>
<td>Cash provided by financing activities</td>
<td>$14,619</td>
<td>$3,124</td>
<td>$48,239</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>$6,400</td>
<td>$3,011</td>
<td>$49,524</td>
</tr>
</tbody>
</table>

As of June 30, 2013, our cash and cash equivalents of $54.1 million were held for working capital purposes, of which approximately $1.7 million was held outside of the United States and was not presently available to fund domestic operations and obligations. If we were to repatriate cash held outside of the United States, it could be subject to U.S. income taxes, less any previously paid foreign income taxes.

In June 2010, we entered into a loan agreement that provides for: (i) a revolving line of credit facility, (ii) an equipment facility and (iii) a term loan. In addition, this loan agreement was amended and restated in August 2011 to provide for additional borrowings under a growth facility. As of June 30, 2013, we had outstanding borrowings in the amount of $20.0 million under the revolving line of credit. The line of credit carries a floating interest rate equal to prime plus 1.5%, and borrowings under the line of credit are collateralized by all of our assets, excluding intellectual property. The availability of borrowings under the line of credit are subject to certain borrowing base limitations on our outstanding accounts receivable. As of June 30, 2013, amounts available under the line of credit amounted to $25.0 million, of which $20.0 million had been drawn and was currently outstanding. These amounts have a maturity date of December 31, 2014. In addition, we also have access to a supplemental equipment line of $15.0 million, which has a maturity date in September 2016.
To date, we have financed our operations primarily through private sales of equity securities and, to a lesser extent, proceeds from our bank facility and cash generated from operations. We believe that our existing cash and cash equivalents will be sufficient to meet our anticipated cash needs for at least the next 12 months. Our future capital requirements will depend on many factors, including our growth rate, the timing and extent of spending to support development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced product and service offerings, and the continuing market acceptance of our products. In the event that additional financing is required from outside sources, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, operating results, and financial condition would be adversely affected.

**Operating Activities**

During the six months ended June 30, 2013, operating activities used $12.7 million in cash as a result of a net loss of $67.2 million, adjusted by non-cash charges of $17.6 million and a net increase of $36.9 million in our net operating assets and liabilities. The net increase in our net operating assets and liabilities was primarily the result of a $26.2 million increase in deferred revenue as a result of increases in sales of subscriptions and support and maintenance services, an $8.2 million increase in accounts payable due to growth in our business, a $2.1 million decrease in accounts receivable and a $4.9 million increase in accrued compensation as a result of the growth in our headcount. This increase was partially offset by a $4.6 million increase in prepaid expenses and other assets.

During the year ended December 31, 2012, operating activities provided $21.5 million in cash as a result of a net loss of $35.8 million, adjusted by non-cash charges of $15.3 million and a net increase of $42.0 million in our net operating assets and liabilities. The net increase in our net operating assets and liabilities was primarily the result of a $46.3 million increase in deferred revenue as a result of increases in sales of subscriptions and support and maintenance services and a $6.2 million increase in accounts payable due to the growth in our business and a $3.2 million increase in accrued compensation as a result of the growth in our headcount. This increase was partially offset by a $10.1 million increase in accounts receivable due to an increase in sales and a $3.1 million increase in prepaid expenses and other assets.

During the year ended December 31, 2011, operating activities provided $5.1 million in cash, primarily as a result of a net loss of $16.8 million, adjusted by non-cash charges of $5.0 million and a net increase of $16.9 million in our net operating assets and liabilities. The net change in our operating assets and liabilities was primarily the result of a $23.8 million increase in deferred revenue as a result of increases in sales of subscriptions and support and maintenance services and, to a lesser extent, increases in accounts payable and accrued compensation. This increase was partially offset by a $13.5 million increase in accounts receivable due to an increase in sales.

During the year ended December 31, 2010, operating activities used $6.7 million in cash, primarily as a result of a $9.5 million net loss, adjusted by non-cash charges of $1.3 million, and a net increase of $1.5 million in our net operating assets and liabilities. The net change in our net operating assets and liabilities was primarily the result of a $3.8 million increase in deferred revenue as a result of increases in sales of subscriptions and support and maintenance services, an increase of $2.3 million in accrued compensation as a result of the growth in our headcount. This increase was partially offset by a $5.6 million increase in accounts receivable due to an increase in sales.

**Investing Activities**

Cash used in investing activities during the six months ended June 30, 2013 was $23.7 million, primarily resulting from capital expenditures to purchase property and equipment and demonstration units. Cash used in investing activities during the years ended December 31, 2012, 2011 and 2010 was $20.2 million, $5.2 million and $1.5 million, respectively, primarily resulting from capital expenditures to purchase property and equipment and demonstration units.
Financing Activities

During the six months ended June 30, 2013, financing activities provided $30.2 million in cash, primarily from proceeds of $10.0 million from the issuance of convertible preferred stock, additional borrowings of $10.0 million under our line of credit, proceeds of $7.3 million from the collection of notes receivable from stockholders as of December 31, 2012 and proceeds of $4.8 million from exercises of equity awards, partially offset by payments on bank borrowings.

During the year ended December 31, 2012, financing activities provided $48.2 million in cash, primarily from issuance of convertible preferred stock and proceeds from bank borrowings.

During the year ended December 31, 2011, financing activities provided $3.1 million in cash, primarily from proceeds from bank borrowings, partially offset by payments on bank borrowings.

During the year ended December 31, 2010, financing activities provided $14.6 million in cash, primarily from issuance of convertible preferred stock and proceeds from bank borrowings.

Contractual Obligations and Commitments

The following summarizes our contractual obligations and commitments as of December 31, 2012:

<table>
<thead>
<tr>
<th>Payments Due by Period</th>
<th>Total</th>
<th>Less Than 1 Year</th>
<th>1 - 3 Years</th>
<th>3 - 5 Years</th>
<th>More Than 5 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$20,006</td>
<td>$6,118</td>
<td>$12,681</td>
<td>$1,207</td>
<td>$—</td>
</tr>
<tr>
<td>Operating leases</td>
<td>$4,577</td>
<td>$1,605</td>
<td>$1,765</td>
<td>$1,207</td>
<td>$—</td>
</tr>
<tr>
<td>Contract manufacturer commitments</td>
<td>3,282</td>
<td>3,282</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Debt obligations</td>
<td>12,147</td>
<td>1,231</td>
<td>10,916</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Off-Balance Sheet Arrangements

As of December 31, 2012 and June 30, 2013, we did not have any relationships with unconsolidated entities or financial partnerships, such as structured finance or special purpose entities, that were established for the purpose of facilitating off-balance sheet arrangements or other purposes.

Segment Information

We have one primary business activity and operate in one reportable segment.

Quantitative and Qualitative Disclosures about Market Risk

Foreign Currency Exchange Risk

Our sales contracts are primarily denominated in U.S. dollars. A portion of our operating expenses are incurred outside the United States and are denominated in foreign currencies and are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the British Pound Sterling, Japanese Yen and Euro. Additionally, fluctuations in foreign currency exchange rates may cause us to recognize transaction gains and losses in our statement of operations. To date, foreign currency transaction gains and losses have not been material to our financial statements, and we have not engaged in any foreign currency hedging transactions. As our international operations grow, we will continue to reassess our approach to managing the risks relating to fluctuations in currency rates.
Interest Rate Risk

We had cash and cash equivalents of $60.2 million and $54.1 million as of December 31, 2012 and June 30, 2013, respectively, consisting of bank deposits and money market funds. Such interest-earning instruments carry a degree of interest rate risk. To date, fluctuations in interest income have not been significant. We also had total outstanding debt of $12.1 million as of December 31, 2012, of which $1.2 million was due within 12 months. As of June 30, 2013, we had total outstanding debt of $20.0 million, none of which was due within 12 months. The outstanding debt relates to an outstanding line of credit in the amount of $20.0 million. The line of credit carries a variable interest rate equal to the prime rate plus 1.5% and is available through December 31, 2014.

We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. We have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates. The interest rate on a significant majority of our outstanding debt is variable, which also reduces our exposure to these interest rate risks. A hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our financial statements.

Concentration

Accuvant, one of our resellers, accounted for approximately 10% of our revenue for the year ended December 31, 2012. Our agreement with this reseller was made in the ordinary course of our business and may be terminated with or without cause by either party with advance notice. Although we believe we would experience some short-term disruption in the distribution of our products, subscriptions and services if this agreement were terminated, we believe such termination would not have a material adverse effect on our financial results and that alternative resellers and other channel partners exist to deliver our products to our end-customers.

Critical Accounting Policies and Estimates

Our consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. Actual results may differ from these estimates. To the extent that there are material differences between these estimates and our actual results, our future financial statements will be affected.

The critical accounting policies requiring estimates, assumptions, and judgments that we believe have the most significant impact on our consolidated financial statements are described below.

Revenue Recognition

We generate revenue from the sales of products, subscriptions, support and maintenance and other services, primarily through our indirect relationships with our partners as well as end customers through a direct sales force. Our products include operating system software that is integrated into the appliance hardware and is deemed essential to its functionality. As a result, we account for revenue in accordance with ASC 605 and all related interpretations as all our security appliance deliverables include proprietary operating system software, which together deliver the essential functionality of our products.

Revenue is recognized when all of the following criteria are met:

• **Persuasive Evidence of an Arrangement Exists.** We rely upon non-cancelable sales agreements and purchase orders to determine the existence of an arrangement.

• **Delivery has Occurred.** We use shipping documents or receipt of transmissions of service contract registration codes to verify delivery.
• **The Fee is Fixed or Determinable.** We assess whether the fee is fixed or determinable based on the payment terms associated with the transaction.

• **Collectability is Reasonably Assured.** We assess collectability based on credit analysis and payment history.

Our products include three principal security product families that address critical vectors of attack, including Web, email and file shares. Our Web MPS, File MPS, MAS and CMS appliance and subscription services qualify as separate units of accounting. Therefore, Web MPS, File MPS, MAS and CMS appliance product revenue is recognized at the time of shipment. However, unlike our Web MPS and File MPS, our Email MPS cannot function without the use of our Email MPS Attachment/URL Engine, which analyzes email attachments and URLs embedded in emails for next-generation threats. As such, our Email MPS and related services do not have stand-alone value and do not qualify as separate units of accounting. Therefore, Email MPS product revenue is recognized ratably over the longer of the contractual term of the subscription services or the estimated period the customer is expected to benefit from the product, provided that all other revenue recognition criteria have been met. Because we have only been selling our Email MPS since April 2011, we have a limited history with respect to subscription renewals for such product. As a result, revenue from all Email MPS products sold by us through June 30, 2013 has been recognized ratably over the contractual term of the subscription services. At the time of shipment, product revenue generally meets the criteria for fixed or determinable fees as our partners receive an order from an end-customer prior to placing an order with us. In addition, payment from our partners is not contingent on the partners’ collection from their end-customers. Our partners do not stock products and do not have any stock rotation rights. We recognize subscription and support and maintenance services revenue ratably over the contractual service period, which is typically one or three years. Other services revenue is recognized as the services are rendered and has not been significant to date.

Most of our arrangements, other than renewals of subscriptions and support and maintenance services, are multiple-element arrangements with a combination of product, subscriptions, support and maintenance, and other services. For multiple-element arrangements, we allocate revenue to each unit of accounting based on an estimated selling price at the arrangement inception. The estimated selling price for each element is based upon the following hierarchy: vendor-specific objective evidence, or VSOE, of selling price, if available, third-party evidence, or TPE, of selling price, if VSOE of selling price is not available, or best estimate of selling price, or BESP, if neither VSOE nor TPE of selling price are available. The total arrangement consideration is allocated to each separate unit of accounting using the relative estimated selling prices of each unit based on the aforementioned selling price hierarchy. We limit the amount of revenue recognized for delivered elements to an amount that is not contingent upon future delivery of additional products or services or meeting of any specified performance conditions.

To determine the estimated selling price in multiple-element arrangements, we establish VSOE of selling price using the prices charged for a deliverable when sold separately and, for subscriptions and support and maintenance, based on the renewal rates and discounts offered to partners. If VSOE of selling price cannot be established for a deliverable, we establish TPE of selling price by evaluating similar and interchangeable competitor products or services in standalone arrangements with similarly situated partners. However, as our products contain a significant element of proprietary technology and offer substantially different features and functionality from our competitors, we are unable to obtain comparable pricing of our competitors’ products with similar functionality on a stand-alone basis. Therefore, we have not been able to obtain reliable evidence of TPE of selling price. If neither VSOE nor TPE of selling price can be established for a deliverable, we establish BESP primarily based on historical transaction pricing. Historical transactions are segregated based on our pricing model and our go-to-market strategy, which include factors such as type of sales channel (reseller, distributor, or end-customer), the geographies in which our products and services were sold (domestic or international), offering type (products or services), and whether or not the opportunity was identified by our sales force or by our partners. In analyzing historical transaction pricing, we evaluate whether a majority of the prices charged for a product, as represented by a percentage of list price, fall within a reasonable range. To further support the BESP of selling price as determined by the historical transaction pricing or when such information is unavailable, such
as when there are limited sales of a new product, we consider the same factors we have established through our pricing model and go-to-market strategy. The determination of BESP is made through consultation with and approval by our management.

Shipping charges billed to partners are included in revenue and related costs are included in cost of revenue. Sales commissions and other incremental costs to acquire contracts are also expensed as incurred. After receipt of a partner order, any amounts billed in excess of revenue recognized are recorded as deferred revenue.

**Stock-Based Compensation**

Compensation expense related to stock-based transactions, including employee and non-employee director stock options, is measured and recognized in the financial statements based on the fair value of the awards granted. The fair value of each option award is estimated on the grant date using the Black-Scholes option-pricing model and a single option award approach. Stock-based compensation expense is recognized, net of forfeitures, over the requisite service periods of the awards, which is generally four years.

Our use of the Black-Scholes option-pricing model requires the input of highly subjective assumptions, including the fair value of the underlying common stock, the expected term of the option, the expected volatility of the price of our common stock, risk-free interest rates, and the expected dividend yield of our common stock. The assumptions used in our option-pricing model represent management’s best estimates. These estimates involve inherent uncertainties and the application of management’s judgment. If factors change and different assumptions are used, our stock-based compensation expense could be materially different in the future.

These assumptions and estimates are as follows:

- **Fair Value of Common Stock.** Because our common stock is not yet publicly traded, we must estimate the fair value of common stock, as discussed in “Common Stock Valuations” below.

- **Risk-Free Interest Rate.** We base the risk-free interest rate used in the Black-Scholes option-pricing model on the implied yield available on U.S. Treasury zero-coupon issues with a remaining term equivalent to that of the options for each option group.

- **Expected Term.** The expected term represents the period that our stock-based awards are expected to be outstanding. We base the expected term assumption on our historical exercise behavior combined with estimates of the post-vesting holding period.

- **Volatility.** We determine the price volatility factor based on the historical volatilities of our publicly traded peer group. Industry peers consist of several public companies in the technology industry that are similar to us in size, stage of life cycle, and financial leverage. We used the same set of peer group companies in all the relevant valuation estimates. We did not rely on implied volatilities of traded options in our industry peers’ common stock because the volume of activity was relatively low. We intend to continue to consistently apply this process using the same or similar public companies until a sufficient amount of historical information regarding the volatility of our own common stock share price becomes available, or unless circumstances change such that the identified companies are no longer similar to us, in which case, more suitable companies whose share prices are publicly available would be utilized in the calculation.

- **Dividend Yield.** The expected dividend assumption is based on our current expectations about our anticipated dividend policy. Consequently, we used an expected dividend yield of zero.
The following table summarizes the assumptions used in the Black-Scholes option-pricing model to determine the fair value of our stock options as follows:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
<th>Six Months Ended June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>Fair value of common stock</td>
<td>$0.07 – $0.57</td>
<td>$0.57 – $1.65</td>
</tr>
<tr>
<td>Risk-free interest rate</td>
<td>0.7% – 2.7%</td>
<td>1.0% – 2.8%</td>
</tr>
<tr>
<td>Expected term (in years)</td>
<td>1 – 6</td>
<td>5 – 7</td>
</tr>
<tr>
<td>Volatility</td>
<td>29% – 53%</td>
<td>51% – 52%</td>
</tr>
<tr>
<td>Dividend yield</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

In addition to the assumptions used in the Black-Scholes option-pricing model, we must also estimate a forfeiture rate to calculate the stock-based compensation expense for our awards. Our forfeiture rate is based on an analysis of our actual forfeitures. We will continue to evaluate the appropriateness of the forfeiture rate based on actual forfeiture experience, analysis of employee turnover, and other factors. Quarterly changes in the estimated forfeiture rate can have a significant impact on our stock-based compensation expense as the cumulative effect of adjusting the rate is recognized in the period the forfeiture estimate is changed. If a revised forfeiture rate is higher than the previously estimated forfeiture rate, an adjustment is made that will result in a decrease to the stock-based compensation expense recognized in the financial statements. If a revised forfeiture rate is lower than the previously estimated forfeiture rate, an adjustment is made that will result in an increase to the stock-based compensation expense recognized in the financial statements.

We will continue to use judgment in evaluating the assumptions related to our stock-based compensation on a prospective basis. As we continue to accumulate additional data related to our common stock, we may have refinements to our estimates, which could materially impact our future stock-based compensation expense.

**Common Stock Valuations**

We are required to estimate the fair value of the common stock underlying our stock-based awards when performing the fair value calculations with the Black-Scholes option-pricing model. The fair values of the common stock underlying our stock-based awards were determined by our board of directors, with input from management and third-party valuations. We believe that our board of directors has the relevant experience and expertise to determine the fair value of our common stock. As described below, the exercise price of our stock-based awards was determined by our board of directors based on the most recent contemporaneous third-party valuation as of the grant date. If awards were granted a short period of time preceding the date of a valuation report, we assessed the fair value used for financial reporting purposes after considering the fair value reflected in the subsequent valuation report and other facts and circumstances on the date of grant as discussed below. In such instances, the fair value that we used for financial reporting purposes generally exceeded the exercise price for those awards, although we believe that relying on the preceding valuation report was appropriate for tax purposes.

Given the absence of a public trading market of our common stock, and in accordance with the American Institute of Certified Public Accountants Practice Guide, Valuation of Privately-Held-Company Equity Securities Issued as Compensation, our board of directors exercised reasonable judgment and considered numerous objective and subjective factors to determine the best estimate of the fair value of our common stock, including:

- contemporaneous valuations performed by unrelated third-party specialists;
- the prices, rights, preferences, and privileges of our convertible preferred stock relative to those of our common stock;
- the lack of marketability of our common stock;
In valuing the common stock, the board of directors determined the fair value of our business, or Enterprise Value or EV, by taking a weighted combination of the value indications under an income approach, market approach and Probability Weighted Expected Return Method, or PWERM, approach.

The income approach estimates the Enterprise Value based on the present value of future estimated cash flows. These future cash flows are discounted to their present values using a discount rate, which is derived from an analysis of the cost of capital of comparable publicly traded companies in the same industry or similar lines of business, or Guideline Companies, as of each valuation date. This weighted-average cost of capital discount rate, or WACC, is adjusted to reflect the risks inherent in the business. The WACC used for these valuations was determined to be reasonable and appropriate given our stage of development at the time of each respective valuation. The valuations performed during this period evaluated our business under the basis that it was initially in either the second or third stage of development as of the December 2011 valuation but moving forward toward the fourth or fifth stage of development in the March, April, May and June 2013 valuations. The income approach also assesses the residual value beyond the forecast period, or the Terminal Value, utilizing multiples from the Guideline Companies to our future revenue projections.

The market approaches were not always relied upon for these valuations. Specifically, the comparable companies market multiple approach and the comparable transactions market approach were not used in these valuations to determine an EV, but methods similar to these were used in the PWERM approach discussed further below. When applicable due to a recent preferred stock offering or a significant common stock repurchase, the prior sale of stock market approach was either assessed as a point of reference or actually utilized in the valuation. This approach involves examining any transactions involving the stock of the business being valued considering the following: the number of shares involved and the timing of the transaction with regard to the valuation date, the class of stock in the transaction, whether other considerations were involved and the participants in the transaction (i.e., related party or new investor), amongst others. Often this involves backing into an Enterprise Value based on the terms of the new financing or stock sale if performed at an arm’s length and with new investors.

The PWERM approach estimates the Enterprise Value by evaluating the following multiples as a guide for determining an EV: (1) multiples of the Guideline Companies’ Enterprise Values compared to either last 12 months revenue or EBITDA, (2) multiples of the Enterprise Values of similar companies that had recently been acquired compared to either last 12 months revenue or EBITDA, or (3) multiples of the Enterprise Values of similar companies that had recently completed an IPO compared to either last 12 months revenue or net income.

The equity values determined by the various valuation approaches, if more than one was used, were then weighted to determine the aggregate equity value of our business. As we moved closer to our proposed initial public offering, the weighting towards the PWERM approach increased, generally resulting in an increase in the fair value of our common stock.
When considering which companies to include as our Guideline Companies, we focused on U.S. based companies in the information technology industry in which we operate. More specifically, we focused on companies that address components of the network security market and networking companies with similar business models of generating revenue from the sale of both products and services, companies with a market capitalization greater than $1 billion, companies with revenue growth rates generally greater than 10%, and companies with net income and positive cash flow from operating activities. In considering companies that have recently completed an initial public offering, we selected those companies with business models similar to ours. The Guideline Companies remained mostly unchanged for the valuations during 2012 and 2013.

In some cases, we considered the amount of time between the valuation date and the grant date to determine whether to use the latest common stock valuation determined pursuant to one of the methods described above or to use another value based on a straight-line calculation between two valuation dates. This determination included an evaluation of whether the subsequent valuation increase was the result of specific events recognized by the board that resulted in the increase during the interim period or whether the increase was due to less visible reasons such as general improvements in the business or changes in the valuation methodologies or components.

The Enterprise Value determined by the income and market approaches, excluding any PWERM valuations, were then allocated to the common stock using the option pricing method, or OPM. The OPM treats common stock and convertible preferred stock as call options on a business, with exercise prices based on the liquidation preference of the convertible preferred stock. Therefore, the common stock has value only if the funds available for distribution to the stockholders exceed the value of the liquidation preference at the time of a liquidity event such as a merger, sale or initial public offering, assuming the business has funds available to make a liquidation preference meaningful and collectible by the stockholders. The common stock is modeled to be a call option with a claim on the business at an exercise price equal to the remaining value immediately after the convertible preferred stock is liquidated. The OPM uses the Black-Scholes option-pricing model to price the call option. The OPM is appropriate to use when the range of possible future outcomes is so difficult to predict that forecasts would be highly speculative. The PWERM was considered but not used due to the uncertainty of the board’s estimates of the probabilities for future potential liquidity events for the valuations as of December 31, 2011, June 30, 2012 and September 30, 2012. However, the PWERM was utilized for the December 31, 2012 and the March 31, April 30, May 31 and June 30, 2013 valuations.

In addition, we also considered an appropriate discount adjustment to recognize the lack of marketability within each valuation due to being a closely held entity.

Between April 1, 2012 and the date of this prospectus, we granted the following stock options:

<table>
<thead>
<tr>
<th>Grant Date</th>
<th>Number of Awards Granted</th>
<th>Exercise Price</th>
<th>Fair Value Per Share of Common Stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2012</td>
<td>3,726,611</td>
<td>$1.65</td>
<td>$2.21</td>
</tr>
<tr>
<td>June 2012</td>
<td>41,000</td>
<td>1.65</td>
<td>2.48</td>
</tr>
<tr>
<td>September 2012</td>
<td>1,307,850</td>
<td>2.48</td>
<td>3.66</td>
</tr>
<tr>
<td>November 2012</td>
<td>968,000</td>
<td>3.66</td>
<td>4.47</td>
</tr>
<tr>
<td>January 2013</td>
<td>3,570,844</td>
<td>5.44</td>
<td>6.05</td>
</tr>
<tr>
<td>February 2013</td>
<td>642,900</td>
<td>5.44</td>
<td>6.46</td>
</tr>
<tr>
<td>May 2013</td>
<td>3,058,900</td>
<td>7.93</td>
<td>8.73</td>
</tr>
<tr>
<td>May 2013</td>
<td>798,700</td>
<td>7.93</td>
<td>9.17</td>
</tr>
<tr>
<td>June 2013</td>
<td>1,295,450</td>
<td>9.68</td>
<td>10.21</td>
</tr>
<tr>
<td>July 2013</td>
<td>1,243,000</td>
<td>10.25</td>
<td></td>
</tr>
<tr>
<td>August 2013</td>
<td>952,500</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In addition to the stock options granted, we also granted 2,265,360, 69,632, 26,111, 23,711 and 26,670 shares of restricted common stock in May 2012, December 2012, May 2013, July 2013 and August 2013, respectively. In addition, we granted restricted stock units in January 2013, February 2013 and August 2013 which are performance based and the underlying shares of common stock are subject to adjustment. Each of the restricted stock unit grants is discussed in greater detail in the individual valuation discussions below.
We obtained independent third-party valuations, the results and timing of which were as follows:

<table>
<thead>
<tr>
<th>Valuation Date (As of)</th>
<th>Fair Value Per Share of Common Stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31, 2011</td>
<td>$ 1.65</td>
</tr>
<tr>
<td>June 30, 2012</td>
<td>2.48</td>
</tr>
<tr>
<td>September 30, 2012</td>
<td>3.66</td>
</tr>
<tr>
<td>December 31, 2012</td>
<td>5.44</td>
</tr>
<tr>
<td>March 31, 2013</td>
<td>7.93</td>
</tr>
<tr>
<td>April 30, 2013</td>
<td>8.63</td>
</tr>
<tr>
<td>May 31, 2013</td>
<td>9.68</td>
</tr>
<tr>
<td>June 30, 2013</td>
<td>10.25</td>
</tr>
</tbody>
</table>

The following discussion relates primarily to our determination of the fair value per share of our common stock for purposes of calculating stock-based compensation expenses since April 2012. No single event caused the valuation of our common stock to increase during this period. Instead, a combination of the factors described below in each period led to the changes in the fair value of our common stock. Notwithstanding the fair value reassessments described below, we believe we applied a reasonable valuation method to determine the stock option exercise prices on the respective stock option grant dates.

**May and June 2012**

We granted 3,726,611 stock options in May 2012. Our board of directors set an exercise price of $1.65 per share for these options based in part on a third-party valuation prepared as of December 31, 2011. In addition, we granted 2,265,360 shares of restricted common stock in May 2012 which, by definition, do not have an exercise price. When assessing the appropriate fair value for purposes of calculating the related stock-based compensation expense for these awards, we evaluated the two surrounding valuations prepared as of December 31, 2011 and June 30, 2012.

The December 31, 2011 contemporaneous valuation was prepared on a minority, non-marketable basis assuming our business was in the second or third stage of development. We considered our business to be in the second or third stage of development because our product development was generally complete, we were receiving feedback from our customers and sales growth was very strong. However, there was still significant risk associated with our business plan. This valuation was developed using the income approach, specifically a discounted cash flow analysis, to determine our EV. The discounted cash flow analysis was developed based on our forecast through 2014 and utilized a WACC of 35%, which was deemed appropriate considering our stage of development. For purposes of determining a Terminal Value, the valuation applied a multiple consistent with observed revenue multiples from our Guideline Companies. This calculated value was then discounted to present value using the same WACC to determine the final Terminal Value. The resulting equity value was then allocated to the common stock utilizing an OPM with the following assumptions: a time to a liquidity event of 2.25 years, risk-free rate of 0.3%, dividend yield of 0% and volatility of 50% over the time to a liquidity event. The fair value of our common stock, as determined by an OPM and after applying a marketability discount of 30%, was $1.65 per share as of December 31, 2011.

The June 30, 2012 contemporaneous valuation was prepared on a minority, non-marketable basis assuming our business was in the third stage of development. We considered our business to be in the third stage of development because our sales growth remained very strong and profitability was becoming seemingly more achievable, but there was still risk around operating in a competitive market that is subject to technological change with larger established competitors. This valuation was developed using a combination of the income approach, specifically a discounted cash flow analysis, and the prior sales of stock market approach to determine
our EV. The discounted cash flow analysis was developed based on our forecast through 2014 and utilized a WACC of 31\% which was deemed appropriate considering our stage of development. For purposes of determining a Terminal Value, the valuation applied a multiple consistent with observed revenue multiples from our Guideline Companies. This calculated value was then discounted to present value using the same WACC to determine the final Terminal Value. The resulting equity value was then allocated to the common stock utilizing an OPM with the following assumptions: a time to a liquidity event of 2.0 years, risk-free rate of 0.3\%, dividend yield of 0\% and volatility of 57\% over the time to a liquidity event. The fair value of our common stock under the income approach, as determined by an OPM and after applying a marketability discount of 25\%, was $2.35 per share as of June 30, 2012. When combined with the results from the prior sale of stock under the market approach, the fair value of our common stock as of June 30, 2012 was determined to be $2.48 per share.

The primary reasons for the increase in fair value from the December 31, 2011 valuation to the June 30, 2012 valuation was the decrease in the WACC due to the evolution of our business’s stage of development and the use of a higher multiple in the Terminal Value calculation as we were recognizing record growth in revenue. These changes directly resulted in an increase in EV from December 2011 to June 2012. In addition, the OPM in the June 2012 valuation utilized a slightly shorter time to a liquidity event due to the passage of time, and the valuation utilized a lower marketability discount as we neared this assumed liquidity event.

For financial reporting purposes for the awards granted in May 2012, we applied a straight-line calculation between the $1.65 per share determined in the contemporaneous third-party valuation as of December 31, 2011 and the $2.48 per share determined in the contemporaneous third-party valuation as of June 30, 2012 to determine the fair value of our common stock on the grant date. Using the benefit of hindsight, we determined that the straight-line calculation would provide the most appropriate conclusion for the valuation of our common stock on the interim dates between valuations because we did not identify any single event or series of events that occurred during this interim period that would have caused a material change in fair value. Based on this calculation, we assessed the fair value of our common stock for awards granted in May 2012 to be $2.21 per share.

In addition, we granted 41,000 stock options in June 2012. Our board of directors set an exercise price of $1.65 per share for these options based in part on a third-party valuation prepared as of December 31, 2011 because the June 30, 2012 valuation was not completed until August 2012.

For financial reporting purposes for the awards granted in June 2012, we utilized the fair value of $2.48 per share determined in the contemporaneous third-party valuation as of June 30, 2012 for the grant date fair value of these awards.

September 2012

We granted 1,307,850 stock options in September 2012. Our board of directors set an exercise price of $2.48 per share for these options based in part on a third-party valuation prepared as of June 30, 2012.

Following the grant of these options, a contemporaneous valuation was prepared as of September 30, 2012 on a minority, non-marketable basis assuming our business was in the third stage of development. We considered our business to still be in the third stage of development because our sales growth remained very strong and it appeared that profitability was becoming more achievable, but there also remained risk around operating in a competitive market that is subject to technological change with larger established competitors. This valuation was developed using the income approach, specifically a discounted cash flow analysis, to determine our EV. The discounted cash flow analysis was developed based on our forecast through 2014 and utilized a WACC of 28\% which was deemed appropriate considering our stage of development. For purposes of determining a Terminal Value, the valuation applied a multiple which was unchanged from the June 30, 2012 valuation. This multiple was determined to still be appropriate as it was still consistent with observed revenue multiples from our Guideline Companies. This calculated value was then discounted to present value using the same WACC to determine the final Terminal Value. The resulting equity value was then allocated to the common stock utilizing an OPM with the following
assumptions: a time to a liquidity event of 1.75 years, risk-free rate of 0.2%, dividend yield of 0% and volatility of 55% over the time to a liquidity event. The fair value of our common stock, as determined by an OPM and after applying a marketability discount of 25%, was $3.66 per share as of September 30, 2012.

The primary reasons for the increase in fair value from the June 30, 2012 valuation to the September 30, 2012 valuation was the decrease in the WACC as we continued to recognize record growth in revenue and improvements in our forecasting ability. In addition, the forecasts for 2013 and 2014 were revised for this valuation to show increases in revenue over the forecast used in the prior valuations. These changes directly resulted in an increase in EV from June to September 2012. In addition, the OPM in the September 2012 valuation utilized a slightly shorter time to a liquidity event due to the passage of time.

For financial reporting purposes for the awards granted in September 2012, we utilized the fair value of $3.66 per share determined in this contemporaneous third-party valuation as of September 30, 2012 to determine the grant date fair value of these awards.

November and December 2012

We granted 968,000 stock options in November 2012 and 69,632 shares of restricted common stock in December 2012. Our board of directors set an exercise price of $3.66 per share for the November 2012 options based in part on a third-party valuation prepared as of September 30, 2012. When assessing the appropriate fair value for purposes of calculating the related stock-based compensation expense for these awards, we evaluated the two surrounding valuations prepared as of September 30, 2012 and December 31, 2012.

As discussed in the preceding section, the September 30, 2012 valuation determined a fair value of $3.66 per share as of that date. The December 31, 2012 contemporaneous valuation was prepared on a minority, non-marketable basis. This valuation was developed using a combination of the prior sales of stock market approach and the PWERM approach to determine our EV. The prior sales of stock market approach incorporated our recent convertible preferred stock financing in which we sold shares of Series F convertible preferred stock at approximately $10.53 per share. Using the information from the Series F convertible preferred stock financing, the valuation determined an equity value for our business. The equity value was then allocated to the common stock utilizing an OPM with the following assumptions: a time to liquidity event of 1.5 years, risk-free rate of 0.2%, dividend yield of 0% and volatility of 55% over the time to liquidity event. The fair value of our common stock per the prior sales of stock market approach, as determined by an OPM and after applying a marketability discount of 15%, was $3.15 per share as of December 31, 2012. The ultimate fair value determined in the PWERM approach was developed by combining the results of two similar valuations, one estimating an initial public offering, or IPO, in September 2013 and the other estimating an IPO in June 2014. However, both of these valuations were derived by developing hypothetical enterprise values for three different scenarios for the selected IPO timing, a low estimate, medium estimate and high estimate, which were all iterated such that the value attributable to the Series F convertible preferred stock was equal to the purchase price of the Series F convertible preferred stock of approximately $10.53 per share in the recent financing. The results from the three scenarios were then weighted as follows: 20% for the scenario that provided the lowest fair value while the other two scenarios were each weighted by 40%. The results from the two IPO PWERM valuations were then combined with the fair value determined in the IPO by September 2013 valuation weighted by 30% and the fair value determined in the IPO by June 2014 valuation by 70%. The resulting equity value was then reduced by a marketability discount of 15% to determine a fair value under the PWERM approach of $7.73 per share. Finally, the fair value determined under the prior sales of stock market approach was weighted by 50% while the fair value determined under the PWERM approach was also weighted by 50% to determine a final fair value of $5.44 per share as of December 31, 2012.

The primary reasons for the increase in fair value from the September 30, 2012 valuation to the December 31, 2012 valuation was inclusion of the information from the Series F convertible preferred stock financing and the increase in multiples assessed in the PWERM approach.
For financial reporting purposes for the awards granted in November 2012, we applied a straight-line calculation between the $3.66 per share determined in the contemporaneous third-party valuation as of September 30, 2012 and the $5.44 per share determined in the contemporaneous third-party valuation as of December 31, 2012 to determine the fair value of our common stock on the grant date. Using the benefit of hindsight, we determined that the straight-line calculation would provide the most appropriate conclusion for the valuation of our common stock on the interim date between valuations because we did not identify any single event or series of events that occurred during this interim period that would have caused a material change in fair value. Based on this calculation, we determined the fair value of our common stock for awards granted in November 2012 to be $4.47 per share. In addition, we used the fair value of $5.44 per share for financial reporting purposes for the restricted common stock granted in December 2012.

January and February 2013

We granted 3,570,844 stock options in January 2013 and 642,900 stock options in February 2013. Our board of directors set an exercise price of $5.44 per share for these options based in part on a third-party valuation prepared as of December 31, 2012. In addition, we granted restricted stock units in January 2013 and February 2013, which, by definition, do not have an exercise price. The restricted stock units are performance-based awards and do not vest unless we complete our IPO by December 31, 2014. The target shares of common stock to be issued if we meet certain performance conditions would be 327,000 shares of common stock for the January 2013 restricted stock unit grant and 10,000 shares of common stock for the February 2013 restricted stock unit grant. These grants allow for a maximum issuance of 490,500 shares for the January 2013 restricted stock unit grant and 15,000 shares for the February 2013 restricted stock unit grant if we outperform with regard to these conditions. In addition, it was noted that 15,000 target shares from the January 2013 restricted stock unit grant, which allowed for a maximum issuance of 22,500 shares, were cancelled soon after the date of grant in February 2013. Because part of the performance element with respect to the restricted stock unit grants are related to our completion of an IPO, we will not recognize any expense related to these awards until the applicable performance conditions have been met. We determined the fair value of the awards on the respective grant dates based on the valuation discussion immediately following. When assessing the appropriate fair value for purposes of calculating the related stock-based compensation expense for these awards, we evaluated the two surrounding valuations prepared as of December 31, 2012 and March 31, 2013.

As discussed in the preceding section, the December 31, 2012 valuation determined a fair value of $5.44 per share as of that date. The March 31, 2013 valuation was prepared on a minority, non-marketable basis assuming our business was in the fourth or fifth stage of development. We considered our business to be in the fourth or fifth stage of development because our forecasting process showed reduced risks and a liquidity event was nearing. This valuation was developed using a combination of the income approach, specifically a discounted cash flow analysis, and the PWERM approach to determine our EV. The discounted cash flow analysis was developed based on our forecast through 2015 and utilized a WACC of 24%, which was deemed appropriate considering our stage of development. For purposes of determining a Terminal Value, the valuation applied a multiple consistent with observed revenue multiples from our Guideline Companies. This calculated value was then discounted to present value using the same WACC to determine the final Terminal Value. The resulting equity value was then allocated to the common stock utilizing an OPM with the following assumptions: a time to liquidity event of 1.0 year, risk-free rate of 0.2%, dividend yield of 0% and volatility of 48% over the time to a liquidity event. The fair value of our common stock from the income approach, as determined by an OPM and after applying a marketability discount of 18%, was $7.50 per share as of March 31, 2013. Similar to the December 2012 valuation, the ultimate fair value determined in the PWERM approach was developed by combining the results of two similar valuations, one estimating an IPO in September 2013 and the other estimating an IPO in June 2014. Both of these valuations, however, were derived by developing hypothetical enterprise values for three different scenarios for the selected IPO timing: a low estimate, medium estimate and high estimate. The hypothetical Enterprise Values were estimated using multiples consistent with an analysis of our Guideline Companies and an analysis of IPOs in the IT space during recent years. The results from the three scenarios were then weighted as follows: 20% for the scenario with the lowest estimated enterprise value.
and 40% for the other two scenarios. The results from the two IPO valuations were then combined, with the fair value determined in the IPO by September 2013 valuation weighted by 50% and the fair value determined in the IPO by June 2014 valuation weighted by 50%. This derived equity value was then reduced by a marketability discount of 18% to determine a fair value under the PWERM approach of $8.36 per share. Finally, the fair value determined under the income approach was weighted by 50% while the fair value determined under the PWERM approach was also weighted by 50% to determine a final fair value of $7.93 per share as of March 31, 2013.

The increase in fair value from the December 31, 2012 valuation to the March 31, 2013 valuation was primarily due to our success in continuing to drive revenue growth and the related increase in our forecast, as well as a higher likelihood of an IPO.

For financial reporting purposes for the awards granted in January and February 2013, we applied a straight-line calculation between the $5.44 per share determined in the contemporaneous third-party valuation as of December 31, 2012 and the $7.93 per share determined in the contemporaneous third-party valuation as of March 31, 2013 to determine the fair value of our common stock on the grant date. Using the benefit of hindsight, we determined that the straight-line calculation would provide the most appropriate conclusion for the valuation of our common stock on the interim date between valuations because we did not identify any single event or series of events that occurred during this interim period that would have caused a material change in fair value. Based on this calculation, we assessed the fair value of our common stock to be $6.05 per share for awards granted in January 2013 and $6.46 per share for awards granted in February 2013.

May 2013

We granted 3,857,600 stock options in May 2013. Our board of directors set an exercise price of $7.93 per share for these options based in part on a third-party valuation prepared as of March 31, 2013. In addition, we granted 26,111 shares of restricted common stock in May 2013, which, by definition, do not have an exercise price. When assessing the appropriate fair value for purposes of calculating the related stock-based compensation expense for these awards, we evaluated two surrounding valuations prepared as of April 30 and May 31, 2013.

The April 30, 2013 valuation was prepared on a minority, non-marketable basis assuming our business was in the fourth or fifth stage of development. We considered our business to be in the fourth or fifth stage of development because our forecasting process showed reduced risks and an approaching liquidity event. This valuation was also developed using a combination of the income approach, specifically a discounted cash flow analysis, and the PWERM approach to determine our EV. The discounted cash flow analysis was developed based on our forecast through 2015 and utilized a WACC of 24%, which was consistent with the March 31, 2013 valuation and still deemed appropriate considering our stage of development. For purposes of determining a Terminal Value, the valuation applied a multiple consistent with observed revenue multiples from our Guideline Companies. This calculated value was then discounted to present value using the same WACC to determine the final Terminal Value. The resulting equity value was then allocated to our common stock utilizing an OPM with the following assumptions: a time to liquidity event of 1.0 year, risk-free rate of 0.1%, dividend yield of 0% and volatility of 50% over the time to a liquidity event. The fair value of our common stock from the income approach, as determined by an OPM and after applying a marketability discount of 15%, was $8.04 per share as of April 30, 2013. Similar to the December 2012 and March 2013 valuations, the ultimate fair value determined in the PWERM approach was developed by combining the results of two similar valuations, one estimating an IPO in September 2013 and the other estimating an IPO in June 2014. Both of these valuations, however, were derived by developing hypothetical Enterprise Values for three different scenarios for the selected IPO timing: a low estimate, medium estimate and high estimate. The hypothetical Enterprise Values were estimated using multiples consistent with an analysis of our Guideline Companies and an analysis of IPOs in the IT space during recent years. The results from the three scenarios were then weighted as follows: 30% for the scenario with the lowest estimated Enterprise Value and 35% for the other two scenarios. The results from the two IPO valuations were then combined, with the fair value determined in the IPO by September 2013 valuation weighted by 60%, and the fair value determined in the IPO by June 2014 valuation weighted by 40%. This derived equity value was then reduced by a marketability discount of 18% to determine a fair value of $8.36 per share. Finally, the fair value determined under the income approach was weighted by 50% while the fair value determined under the PWERM approach was also weighted by 50% to determine a final fair value of $7.93 per share as of March 31, 2013.
discount of 15% to determine a fair value under the PWERM approach of $9.02 per share. Finally, the fair value determined under the income approach was weighted by 40%, while the fair value determined under the PWERM approach was weighted by 60% to determine a final fair value of $8.63 per share as of April 30, 2013.

The May 31, 2013 valuation was prepared on a minority, non-marketable basis assuming our business was in the fourth or fifth stage of development. We considered our business to be in the fourth or fifth stage of development because our forecasting process showed reduced risks and an approaching liquidity event. This valuation was also developed using a combination of the income approach, specifically a discounted cash flow analysis, and the PWERM approach to determine our EV. The discounted cash flow analysis was developed based on our forecast through 2015 and utilized a WACC of 23%, which was a small decrease from the April 30, 2013 valuation but still deemed appropriate considering our stage of development. For purposes of determining a Terminal Value, the valuation applied a multiple consistent with observed revenue multiples from our Guideline Companies. This calculated value was then discounted to present value using the same WACC to determine the final Terminal Value. The resulting equity value was then allocated to our common stock utilizing an OPM with the following assumptions: a time to liquidity event of 1.0 year, risk-free rate of 0.1%, dividend yield of 0% and volatility of 50% over the time to a liquidity event. The fair value of our common stock from the income approach, as determined by an OPM and after applying a marketability discount of 13%, was $9.01 per share as of May 31, 2013. Similar to the December 2012 and March and April 2013 valuations, the ultimate fair value determined in the PWERM approach was developed by combining the results of two similar valuations, one estimating an IPO in September 2013 and the other estimating an IPO in June 2014. Both of these valuations, however, were derived by developing hypothetical Enterprise Values for three different scenarios for the selected IPO timing: a low estimate, medium estimate and high estimate. The hypothetical Enterprise Values were estimated using multiples consistent with an analysis of our Guideline Companies and an analysis of IPOs in the IT space during recent years. The results from the three scenarios were then weighted as follows: 30% for the scenario with the lowest estimated Enterprise Value and 35% for the other two scenarios. The results from the two IPO valuations were then combined, with the fair value determined in the IPO by September 2013 valuation weighted by 70%, and the fair value determined in the IPO by June 2014 valuation weighted by 30%. This derived equity value was then reduced by a marketability discount of 13% to determine a fair value under the PWERM approach of $9.97 per share. Finally, the fair value determined under the income approach was weighted by 30%, while the fair value determined under the PWERM approach was weighted by 70% to determine a final fair value of $9.68 per share as of May 31, 2013.

The increase in fair value from the March 31, 2013 valuation to the April 30 and May 31, 2013 valuations was primarily due to a higher likelihood of an IPO and our continued performance to forecast.

For financial reporting purposes for the awards granted in May 2013, we applied a straight-line calculation between the fair value of $8.63 per share determined in the contemporaneous third-party valuation as of April 30, 2013 and the fair value of $9.68 per share determined in the contemporaneous third-party valuation as of May 31, 2013 to determine the fair value of our common stock on the grant dates. More specifically, of the options granted in May 2013, 3,058,900 were granted on May 3, 2013 and 798,700 were granted on May 16, 2013. In addition, the 26,111 shares of restricted common stock were granted on May 3, 2013 as well. Using the benefit of hindsight, we determined that the straight-line calculation would provide the most appropriate conclusion for the valuation of our common stock on the interim date between valuations because we did not identify any single event or series of events that occurred during the month of May 2013 that would have caused a material change in fair value. Based on this calculation, we assessed the fair value of our common stock to be $8.73 per share for awards granted on May 3, 2013 and $9.17 per share for awards granted on May 16, 2013.

We granted 1,295,450 stock options in June 2013. Our compensation committee set an exercise price of $9.68 per share for these options based in part on a third-party valuation prepared as of May 31, 2013. When
assessing the appropriate fair value for purposes of calculating the related stock-based compensation expense for these awards, we evaluated two surrounding valuations prepared as of May 31, 2013 and June 30, 2013.

As discussed in the preceding section, the May 31, 2013 valuation determined a fair value of $9.68 per share as of that date. The June 30, 2013 valuation was prepared on a minority, non-marketable basis assuming our business was in the fourth or fifth stage of development. We considered our business to be in the fourth or fifth stage of development because our forecasting process showed reduced risks and an approaching liquidity event. This valuation was also developed using a combination of the income approach, specifically a discounted cash flow analysis, and the PWERM approach to determine our EV. The discounted cash flow analysis was developed based on our forecast through 2015 and utilized a WACC of 22%, which was a small decrease from the May 31, 2013 valuation but still deemed appropriate considering our stage of development. For purposes of determining a Terminal Value, the valuation applied a multiple consistent with observed revenue multiples from our Guideline Companies. This calculated value was then discounted to present value using the same WACC to determine the final Terminal Value. The resulting equity value was then allocated to our common stock utilizing an OPM with the following assumptions: a time to liquidity event of 0.75 years, risk-free rate of 0.1%, dividend yield of 0% and volatility of 46% over the time to a liquidity event. The fair value of our common stock from the income approach, as determined by an OPM and after applying a marketability discount of 10%, was $9.67 per share as of June 30, 2013. Similar to the December 2012 and the March, April and May 2013 valuations, the ultimate fair value determined in the PWERM approach was developed by combining the results of two similar valuations, one estimating an IPO in September 2013 and the other estimating an IPO in June 2014. Both of these valuations, however, were derived by developing hypothetical Enterprise Values for three different scenarios for the selected IPO timing: a low estimate, medium estimate and high estimate. The hypothetical Enterprise Values were estimated using multiples consistent with an analysis of our Guideline Companies and an analysis of IPOs in the IT space during recent years. The results from the three scenarios were then weighted as follows: 30% for the scenario with the lowest estimated Enterprise Value and 70% for the other two scenarios. The results from the two IPO valuations were then combined, with the fair value determined in the IPO by September 2013 valuation weighted by 70%, and the fair value determined in the IPO by June 2014 valuation weighted by 30%. This derived equity value was then reduced by a marketability discount of 10% to determine a fair value under the PWERM approach of $10.50 per share. Finally, the fair value determined under the income approach was weighted by 30%, while the fair value determined under the PWERM approach was weighted by 70% to determine a final fair value of $10.25 per share as of June 30, 2013.

The increase in fair value from the May 31, 2013 valuation to the June 30, 2013 valuation was primarily due to our continued performance against forecast.

For financial reporting purposes for the awards granted in June 2013, we applied a straight-line calculation between the fair value of $9.68 per share determined in the contemporaneous third-party valuation as of May 31, 2013 and the fair value of $10.25 per share determined in the contemporaneous third-party valuation as of June 30, 2013 to determine the fair value of our common stock on the grant date. Using the benefit of hindsight, we determined that the straight-line calculation would provide the most appropriate conclusion for the valuation of our common stock on the interim date between valuations because we did not identify any single event or series of events that occurred during the month of June 2013 that would have caused a material change in fair value. Based on this calculation, we assessed the fair value of our common stock to be $10.21 per share for awards granted in June 2013.

July 2013

We granted 1,243,000 stock options in July 2013. Our compensation committee set an exercise price of $10.25 per share for these options based in part on a third-party valuation prepared as of June 30, 2013. In addition, we granted 23,711 shares of restricted common stock in July 2013, which, by definition, do not have an exercise price.

As of the date of this prospectus, we had not yet determined the fair value of our common stock associated with the July 2013 grants for financial reporting purposes. We will consider the progression of our proposed IPO,
including any proposed initial public offering price, changes in our business and operating results achieved since June 30, 2013, among other things, when determining the fair value of our common stock and recording the related stock-based compensation expense for the quarter ending September 30, 2013.

August 2013

We granted 952,500 stock options in August 2013. In addition, we granted 26,670 shares of restricted common stock in August 2013, which, by definition, do not have an exercise price.

In addition, we granted restricted stock units in August 2013, which, by definition, do not have an exercise price. The restricted stock units are performance-based awards and do not vest unless we complete our IPO by December 31, 2014. The target shares of common stock to be issued if we meet certain performance conditions would be 40,000 shares of common stock. This grant allows for a maximum issuance of 60,000 shares if we outperform with regard to these conditions. Because part of the performance element with respect to the restricted stock unit grants are related to our completion of an IPO, we will not recognize any expense related to these awards until the applicable performance conditions have been met.

Warrants

Warrants to purchase shares of our convertible preferred stock are classified as a liability on the consolidated balance sheet at fair value because the warrants contain “down-round protection” and therefore, do not meet the scope exception for treatment as a derivative. The fair value of the warrants is estimated using the Monte Carlo model at each reporting date. The change in fair value of the warrants is then recorded on the consolidated statements of operations as other expense. We use management judgment to estimate the fair value of these warrants, and these estimates could differ significantly in the future. We determined the fair value of the outstanding convertible preferred stock warrants utilizing a Monte Carlo model with the following assumptions as of December 31, 2011 and 2012 and as of June 30, 2013:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31,</th>
<th>As of June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Remaining contractual term (in years)</td>
<td>3.6 – 9.7</td>
<td>2.6 – 8.7</td>
</tr>
<tr>
<td>Risk-free interest rate</td>
<td>1.6% – 2.4%</td>
<td>0.3% – 1.5%</td>
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<tr>
<td>Volatility</td>
<td>67% – 79%</td>
<td>55% – 64%</td>
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<tr>
<td>Change of control probability</td>
<td>30% – 55%</td>
<td>25% – 50%</td>
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<td>Control premium</td>
<td>40%</td>
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<tr>
<td>IPO threshold (in billions)</td>
<td>$0.5 – $0.6</td>
<td>$0.6 – $1.8</td>
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The above assumptions were determined as follows:

**Remaining contractual term**—The remaining contractual term represents the time from the date of the valuation to the expiration of the warrant;

**Risk-free interest rate**—The risk-free interest rate is based on the U.S. Treasury yield in effect as of December 31, 2011 and 2012 and as of June 30, 2013 for zero coupon U.S. Treasury notes with maturities approximately equal to the term of the warrant;

**Volatility**—The volatility is derived from historical volatilities of several unrelated publicly listed peer companies over a period approximately equal to the term of the warrant because there is currently no trading history. When making the selections of industry peer companies to be used in the volatility calculation, we considered the size, operational and economic similarities to our principle business operations;

**Change of control probability**—The change of control probability is the board of directors’ estimate of the probability that we are involved with a change of control transaction; and
Control premium—The control premium represents an additional amount above the value of an entity’s common stock that an investor would be willing to pay to obtain control over that entity.

The fair value of the warrants was recorded as a warrant liability upon issuance. The warrant is recorded at its estimated fair value utilizing the Monte Carlo model with changes in the fair value of the warrant liability reflected in other expense, net. Upon the earlier of the exercise of the warrants or the completion of a liquidation event, including the completion of an initial public offering in which the shares underlying the warrants would convert from the related shares of convertible preferred stock into shares of common stock, the preferred stock warrant liability will be remeasured to fair value one final time, and any remaining liability will be reclassified to additional paid-in capital. We expect the fair value of the warrants to increase leading up to this offering, but we do not expect any future charges following the completion of this offering.

As of December 31, 2011 and 2012 and June 30, 2013, all of the convertible preferred stock warrants were still outstanding as follows (in thousands, except share and per share amounts):

<table>
<thead>
<tr>
<th>Class of Shares</th>
<th>Issuance Dates</th>
<th>Expiration Dates</th>
<th>No. of Shares</th>
<th>Exercise Price per Share</th>
<th>Fair Value as of December 31</th>
<th>Fair Value as of June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series A-2</td>
<td>2005 and 2006</td>
<td>2015 and 2016</td>
<td>245,899</td>
<td>$0.61</td>
<td>$477</td>
<td>$1,632</td>
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<td>Series B</td>
<td>2006 through 2008</td>
<td>2016 through 2018</td>
<td>118,942</td>
<td>$1.32</td>
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<td>925</td>
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<td>Series D</td>
<td>June 2010</td>
<td>June 2020</td>
<td>100,000</td>
<td>$0.39</td>
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<td>634</td>
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<td>Series E</td>
<td>August 2011</td>
<td>August 2021</td>
<td>60,661</td>
<td>$1.36</td>
<td>87</td>
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<td>$994</td>
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During the years ended December 31, 2010, 2011 and 2012, we recognized charges in the amount of $0.2 million, $0.8 million and $2.5 million, respectively, from the remeasurement of the fair value of the warrants, which was recorded through other expense, net in the consolidated statements of operations. During the six months ended June 30, 2012 and 2013, we recognized charges in the amount of $0.5 million and $3.0 million, respectively, from the remeasurement of the fair value of the warrants, which was recorded through other expense, net in the consolidated statements of operations.

Upon the earlier of the exercise of the warrants or the completion of a liquidation event, including the completion of an initial public offering, the liability will be reclassified to stockholders’ equity, at which time it will no longer be subject to fair value accounting.

Income Taxes

We account for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in our financial statements or tax returns. In addition, deferred tax assets are recorded for the future benefit of utilizing net operating losses and research and development credit carryforwards. Valuation allowances are provided when necessary to reduce deferred tax assets to the amount expected to be realized.

We apply the authoritative accounting guidance prescribing a threshold and measurement attribute for the financial recognition and measurement of a tax position taken or expected to be taken in a tax return. We recognize liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step requires us to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement.

Significant judgment is required in evaluating our uncertain tax positions and determining our provision for income taxes. Although we believe our reserves are reasonable, no assurance can be given that the final tax...
outcome of these matters will not be different from that which is reflected in our historical income tax provisions and accruals. We adjust these reserves in light of changing facts and circumstances, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences may impact the provision for income taxes in the period in which such determination is made.

Significant judgment is also required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, we consider all available evidence, including past operating results, estimates of future taxable income, and the feasibility of tax planning strategies. In the event that we change our determination as to the amount of deferred tax assets that can be realized, we will adjust our valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

Estimates of future taxable income are based on assumptions that are consistent with our plans. Assumptions represent management’s best estimates and involve inherent uncertainties and the application of management’s judgment. Should actual amounts differ from our estimates, the amount of our tax expense and liabilities could be materially impacted.

**Contract Manufacturer Liabilities**

We outsource most of our manufacturing, repair, and supply chain management operations to our independent contract manufacturer and payments to it are a significant portion of our product cost of revenue. Although we could be contractually obligated to purchase manufactured products, we generally do not own the manufactured products. Product title transfers from our independent contract manufacturer to us and immediately to our partner upon shipment. Our independent contract manufacturer assembles our products using design specifications, quality assurance programs, and standards that we establish and it procures components and assembles our products based on our demand forecasts. These forecasts represent our estimates of future demand for our products based upon historical trends and analysis from our sales and product management functions as adjusted for overall market conditions. If the actual component usage and product demand are significantly lower than forecast, we may accrue for costs for contractual manufacturing commitments in excess of our forecasted demand including costs for excess components or for carrying costs incurred by our contract manufacturer. To date, we have not accrued any significant costs associated with this exposure.

As of December 31, 2012 and June 30, 2013, we had approximately $3.3 million and $7.0 million, respectively, of open orders with our contract manufacturer that may not be cancelable.

**Loss Contingencies**

We are subject to the possibility of various loss contingencies arising in the ordinary course of business. We consider the likelihood of loss or impairment of an asset, or the incurrence of a liability, as well as our ability to reasonably estimate the amount of loss, in determining loss contingencies. An estimated loss contingency is accrued when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. If we determine that a loss is possible and the range of the loss can be reasonably determined, then we disclose the range of the possible loss. We regularly evaluate current information available to us to determine whether an accrual is required, an accrual should be adjusted or a range of possible loss should be disclosed.

**Warranties**

We generally provide a one-year warranty on our hardware and a three-month warranty on our software products. We do not accrue for potential warranty claims as a component of cost of product revenue as all product warranty claims are satisfied under our support and maintenance contracts.
Recent Accounting Pronouncements

In June 2011, the Financial Accounting Standards Board, or FASB, issued authoritative guidance that addresses the presentation of comprehensive income for annual reporting of financial statements was issued. The guidance is intended to improve the comparability, consistency and transparency of financial reporting and to increase the prominence of items reported in other comprehensive income by eliminating the option to present components of other comprehensive income as part of the statement of changes in stockholders’ equity. Such changes in the stockholders’ equity will be required to be disclosed in either a single continuous statement of comprehensive income or in two separate but consecutive statements. The guidance is effective for fiscal years beginning after December 15, 2011, and should be applied retrospectively for all periods presented. Early adoption is permitted. This new guidance impacts how we report comprehensive income, and did not have any effect on our results of operations, financial position or liquidity upon its required adoption on January 1, 2012.

Additionally, in May 2011, updated authoritative guidance to amend existing requirements for fair value measurements and disclosures was issued. The guidance expands the disclosure requirements around fair value measurements categorized in Level 3 of the fair value hierarchy and requires disclosure of the level in the fair value hierarchy of items that are not measured at fair value but whose fair value must be disclosed. It also clarifies and expands upon existing requirements for fair value measurements of financial assets and liabilities as well as instruments classified in stockholders’ equity. The guidance was effective for the year ended December 31, 2012 and was applied prospectively. This new guidance impacts how we report on fair value measurements only, and had no effect on our results of operations, financial position or liquidity upon our adoption on January 1, 2012.

In February 2013, the FASB issued guidance which addresses the presentation of amounts reclassified from accumulated other comprehensive income. This guidance does not change current financial reporting requirements, instead an entity is required to cross-reference to other required disclosures that provide additional detail about amounts reclassified out of accumulated other comprehensive income. In addition, the guidance requires an entity to present significant amounts reclassified out of accumulated other comprehensive income by line item of net income if the amount reclassified is required to be reclassified to net income in its entirety in the same reporting period. Adoption of this standard is required for periods beginning after December 15, 2012 for public companies. This new guidance impacts how we report comprehensive income and will have no effect on our results of operations, financial position or liquidity upon its required adoption on January 1, 2013.
BUSINESS

Overview

We have invented a purpose-built, virtual machine-based security platform that provides real-time protection to enterprises and governments worldwide against the next generation of cyber attacks. Our technology approach represents a paradigm shift in how IT security has been conducted since the earliest days of the information technology industry. The core of our purpose-built, virtual machine-based security platform is our virtual execution, or MVX, engine, which identifies and protects against known and unknown threats that existing signature-based technologies are unable to detect. The new generation of cyber attacks on organizations, including large and small enterprises and governments worldwide, is characterized by an unprecedented escalation in the complexity and scale of advanced malware created by criminal organizations and nation-states. These highly sophisticated cyber attacks routinely circumvent traditional signature-based defenses by launching dynamic, stealthy and targeted malware that penetrates defenses in multiple stages and through multiple entry points of an IT network. Our proprietary virtual machine-based technology represents a new approach to detecting these cyber attacks in real time with high efficacy while also scaling in response to ever-increasing network performance requirements. We believe it is imperative for organizations to invest in this new approach to security to protect their critical assets, such as intellectual property and customer and financial data, from the global pandemic of cybercrime, cyber espionage and cyber warfare.

Our nine years of research and development in proprietary virtual machine technology, anomaly detection and associated heuristic, or experience-based, algorithms enables us to provide real-time, dynamic threat protection without the use of signatures while delivering high efficacy and network performance. We provide a comprehensive platform that employs a virtualized execution engine and a cloud-based threat intelligence network that uniquely protects organizations from next-generation threats at all stages of the attack lifecycle and across all primary threat vectors, including Web, email and file systems. Our MVX engine detonates, or “runs,” Web objects, suspicious attachments and files within purpose-built virtual machine environments to detect and block the full array of next-generation threats, including attacks that leverage unknown vulnerabilities in widely used software programs, also known as “zero-day” attacks. Newly identified threats are quarantined to prevent exposure to the organization’s actual network environment, and information regarding such threats is sent to our Dynamic Threat Intelligence, or DTI, cloud. Our DTI cloud enables real-time global sharing of threat intelligence uploaded by our customers’ cloud-connected FireEye appliances.

As part of our sales strategy, we often provide prospective customers with our products for a short-term evaluation period. To date, we have conducted over 1,000 of these evaluations across many countries and with companies of all sizes. In each case, our products are deployed within the prospective customer’s network, typically for a period ranging from one week to several months. During this period, the prospective customer conducts evaluations with the assistance of our system engineers and members of our security research team. These evaluations have been part of our ordinary course business practices for the past two years. In over 95% of these prospective customer evaluations, we have discovered incidents of next-generation threats that were conducting malicious activities and that successfully evaded the prospective customers’ existing security infrastructure, including traditional firewalls, next-generation firewalls, intrusion prevention systems, anti-virus software, email security and Web filtering appliances. By deploying our platform, organizations can stop inbound attacks and outbound theft of valuable intellectual property and data with a negligible false-positive rate, enabling them to avoid potentially catastrophic financial and intellectual property losses, reputational harm and damage to critical infrastructures.

Our platform is delivered through a family of software-based appliances and includes our DTI cloud subscription as well as support and maintenance services. Our principal appliance families address three critical vectors of attack: Web, email and file shares. We also provide a family of management appliances that serve as a central nervous system unifying reporting and configuration, while monitoring and correlating attacks that simultaneously cross multiple vectors of the network, thereby increasing the efficacy of our security platform. Our management appliances enable us to share intelligence regarding threats at a local implementation level and
also across the organization. In addition, we enhance the efficacy of our solution by sharing with customers anonymized global threat data through our DTI cloud. Finally, we offer a malware analysis appliance that provides IT security analysts with the ability to test, characterize and conduct forensic examinations on next-generation threats by simulating their execution path with our virtual machine technology.

Our sales model consists of a direct sales team and channel partners that collaborate to identify new sales prospects, sell products and services, and provide post-sale support. We believe this approach allows us to maintain face-to-face connectivity with our customers, including key enterprise accounts, and helps us support our partners, while leveraging their reach and capabilities. As of June 30, 2013, we had over 1,100 end-customers across more than 40 countries, including over 100 of the Fortune 500. Our customers include leading enterprises in a diverse set of industries, including telecommunications, technology, financial services, public utilities, healthcare and oil and gas, as well as leading U.S. and international governmental agencies.

For 2010, 2011 and 2012, our revenue was $11.8 million, $33.7 million and $83.3 million, respectively, representing year-over-year growth of 186% for 2011 and 148% for 2012, and our net losses were $9.5 million, $16.8 million and $35.8 million, respectively. For the six months ended June 30, 2012 and 2013, our revenue was $29.7 million and $61.6 million, respectively, representing year-over-year growth of 165% and 107%, respectively, and our net losses were $14.3 million and $67.2 million, respectively. Subscription and services revenue, which represents a recurring portion of our revenue, has increased as a percentage of revenue over the last three years, from 21% in 2010 to 37% in 2012 and 48% for the six months ended June 30, 2013.

Industry Background

Organizations Are Spending Billions On Signature-Based Security Technologies

Organizations today are embracing a confluence of technologies to enhance the productivity of their employees, generate new revenue sources and improve their operating efficiency. These technologies include cloud services, mobile computing and online services and social networking sites, such as LinkedIn, Facebook and Twitter. This emergence of an increasingly distributed IT infrastructure, along with the explosion in the diversity, scale and importance of this infrastructure has greatly increased the vulnerability of these organizations to potential security attacks. This greater reliance on information technology has resulted in significant investments in IT security products and personnel to help protect against a myriad of potential threats. According to IDC, a global market research firm, 2013 worldwide IT security spending will be approximately $17.9 billion, including investments in traditional security technologies such as firewalls, intrusion prevention systems and endpoint security software. In order to deploy and manage these products, organizations are relying upon an increasingly large staff of highly specialized IT security personnel.

To date, organizations have deployed security products to protect their IT infrastructure against earlier generations of security threats. These security products typically fell into two main categories. First, technologies like firewalls were developed in order to enforce a set of policies that governed which types of traffic would be allowed onto an organization’s network. Second, technologies like intrusion detection and anti-virus software were developed to protect against potential security threats embedded within an organization’s traffic. These technologies defended against earlier generations of security threats by utilizing signature-based threat protection technology. The signature model works by forensically examining the code base of known malware and, if no match is found, subsequently developing a signature that network security devices can match against future incoming traffic. These signatures are gathered by IT security companies and distributed periodically to organizations that subscribe to the security company’s update service. This signature-based approach is the principal foundation of existing threat protection technologies.

Next-Generation Threats Present New Challenges For Organizations

In general, cyber attacks from the late 1990s and early 2000s were intentionally designed to be visible and to be distributed as separate stand-alone software components, making them relatively easy and straightforward for
security devices to identify, analyze and prevent. These early generation attacks were deployed less frequently than advanced threats. As a result, IT departments were generally able to respond more effectively to patch system vulnerabilities. These attacks generally consisted of malicious software, or malware, that would be performed only the first time it was encountered by the organization. Because this type of malware was not designed to be persistent, it had significantly less potential to cause incremental damage beyond its initial attack. Moreover, the historical threat landscape was defined by amateur hackers who launched attacks principally for fame or mischief. While these hackers garnered media attention, they caused relatively little damage, and signature-based security solutions were effective at detecting and preventing them. These threats were not targeted at specific individuals or specific IT security vulnerabilities within an organization. Rather, the attacks were broad based in nature and therefore less damaging. Attacks such as these represent the majority of attacks faced by organizations during the last 20 years.

Today's security attacks are being conducted by increasingly sophisticated threat actors

Today's organizations face an advanced malware pandemic of unprecedented severity led by “advanced persistent threat actors,” such as cybercriminals, nation-states and hacktivists. Cybercriminals are expending significant resources to exfiltrate sensitive intellectual property and personal data from organizations, causing financial and reputational damage; nation-states are pursuing cyber espionage and warfare targeting critical infrastructure, such as power grids, and highly sensitive information that can threaten national security; and hacktivists, who are driven by political ideologies, are defacing Websites, stealing information and launching denial of service attacks. These threat actors are utilizing highly sophisticated next-generation threats to circumvent traditional IT defenses at an alarming rate. Given their significant resources, nation-states and organized cyber criminals are now employing automated, constantly changing threats known as “polymorphic attacks” to penetrate mission critical systems. These sophisticated groups are constantly evolving their capabilities to penetrate IT infrastructure, steal sensitive information, and conduct espionage and cyber warfare. They have the human and financial resources to continuously modify and improve attacks to identify and exploit network vulnerabilities that will allow them to breach a target’s network. A 2011 Ponemon Institute study estimated a 44% increase in successful cyber attacks from the prior year. According to Gartner, Inc., a global market research firm, the federal government estimates that there is some $5 trillion of IP in the U.S., most of it commercially owned, with more than $300 billion of IP stolen each year from all U.S. networks. Contributing to this trend is a rise in state sponsored cyber-espionage with many countries armed for cyber warfare. The problem has become so severe that the United States Department of Defense recently elevated cyberspace in the 2010 Quadrennial Defense Report to be a domain on the same level of importance as land, sea, air and space. In addition, cyber attacks are listed as a top national security threat in the 2013 Worldwide Threat Assessment of the US Intelligence Community.

These threat actors are utilizing highly sophisticated techniques that differ dramatically from earlier generation threats

Next-generation threats, utilized by advanced persistent threat actors, are fundamentally different from earlier generation threats, with a unique set of characteristics that create a new set of detection and prevention challenges. One of the most dangerous characteristics of next-generation threats is their ability to take advantage of a previously unknown vulnerability in widely used software programs, creating what is known as “zero day” threats. By exploiting this vulnerability, significant damage can be done because it can take days before signature-based software vendors discover the vulnerability and patch it, and an even longer period of time for traditional security products to update their signature databases accordingly. Next-generation threats are stealthy by design and are significantly harder to detect. Further compounding the problem, next-generation threats are dynamic, or polymorphic, meaning they are designed to mutate quickly and retain their function while changing their code, making it almost impossible for traditional signature technologies to detect them. These threats are also targeted, which enables them to present specific individuals within organizations’ networks with customized
messages or content that maximizes the likelihood of the individual becoming an unwitting accomplice to the attack. Finally, these attacks are persistent and can perform malicious activity over a significantly longer period of time by remaining resident in the network and spreading undetected across devices for a specific period of time before conducting their activity, thereby resulting in higher damage potential.

Next-generation threats are attacking all primary entry points and manifesting themselves over a complex series of stages

Next-generation threats target all possible entry points of a network by launching advanced malware attacks at the organization through Web, email and file vectors. Web-based attacks happen when users unknowingly navigate to malicious Websites and click on links or buttons that then execute code on the user’s browser or activate applications on the user’s computer that serve as the initial insertion point for the threat. Worse still, some Web-based attacks, called “drive-by downloads,” require no user interaction beyond simply visiting the Web page to infect user devices. Email attacks typically happen when users are presented with a customized message to lure them into clicking on a link in the email, which then directs the unwitting user to a malicious Website or executes a local application, creating an initial insertion point for malware. File-based attacks happen when a malicious program has already entered the network and is free to propagate malware to network file shares, such as Microsoft network file sharing service, from which it is able to exfiltrate high-value data. An additional level of complexity in advanced malware is that the same threat can simultaneously target multiple vectors of a network to gain entry, such as through a Web page, email or file. These advanced “blended” attacks have become increasingly commonplace and significantly increase the difficulty of detection by legacy security products.

Next-generation threats are difficult to detect and block at each step of their attack lifecycle

Next-generation threats are significantly more complex in the way they carry out their attacks. The threats formulate over multiple steps, and they are difficult to detect via legacy security technologies at each step. The typical next-generation attack lifecycle contains the following five steps:

1. **Initial Exploit**: An exploit is typically a small amount of seemingly harmless content, often just a few hundred bytes in size, that when inserted into vulnerable software can make the software execute code it was not programmed to run. The initial exploit phase is critical and occurs when cyber attackers take advantage of inherent vulnerabilities in widely used software and applications, such as Adobe Acrobat, Flash, and Internet Explorer, to initially penetrate a victim system. The exploit is stealthy and its code can enter an organization even when a user does nothing more than visit a Web page that has been compromised. Importantly, this entire process happens within the compromised system’s random access memory and does not involve writing any files to the hard drive, making it almost impossible to detect with legacy security solutions that are focused on examining files and executables once they are written to the hard drive on a host computer.

2. **Malware Download**: Once the initial exploit is successful in penetrating a victim’s system, a larger malware program in the form of a file can be downloaded onto the hard drive of the compromised system. Because the download is initiated by seemingly innocuous software from inside the organization and the malware file can be obfuscated to seem harmless, legacy security systems cannot detect the threat. As an example, the file can be presented as a .jpg (a picture) instead of an .exe (executable) file and therefore avoid detection by legacy security technologies designed to look for executables. In addition, the malware program is encrypted and the key to decrypt the file is only available in the exploit code. Therefore, only if a security product detects the initial exploit code, can it collect the key to decrypt, detect and block the larger malware program.

3. **Callback and Establish Control**: After the larger malware download is successful, it will initiate an outbound connection to an external command and control server operated by a threat actor. Once the program has successfully made a connection, the cyber attacker has full control over the compromised host. Many legacy security solutions do not analyze outbound traffic for malicious
transmissions and destinations. Other solutions that attempt to detect malicious outbound transmissions can only find transmissions to known destination IP addresses of servers, and are not able to identify malicious transmissions to unknown destinations.

4. **Data Exfiltration:** Having established a secure connection with the command and control server, the malware will proceed to take control of the host computer as well as transfer sensitive data, such as intellectual property, credit card information, user credentials, and sensitive file content. Because legacy security solutions cannot detect any of the previous three steps—exploit, malware download and callback—they are unable to detect and block the outbound transfer of data.

5. **Lateral Movement:** At any point after the malware is downloaded, the malware may conduct reconnaissance across the network to locate other vulnerable systems, and then spread laterally to file shares located deep within the organization’s network to search for additional data that is valuable to exfiltrate. As the lateral movement is conducted within the enterprise, firewalls and other perimeter security solutions focused on blocking malicious traffic from entering an organization are not able to detect the movement of malware within the organization.

*Next-generation threats have already caused significant damage to organizations*

Next-generation threats are pervasive and cause substantial damage to organizations around the world. Below are examples of well-known next-generation attacks that breached the legacy network security technologies deployed by large organizations:

- **Flame:** The Flame cyber attacks were discovered in 2012. These attacks targeted private individuals, governments, enterprises and educational organizations in the Middle East, predominantly in Iran. The malware associated with Flame was built specifically for information gathering and ongoing monitoring of victims. It could activate microphones and Web cameras to record audio and video and use blue tooth connections to download data from devices connected to infected computers. Flame has been called the most sophisticated malware ever found. The malware had several unique characteristics that made it extremely hard to detect. One feature allowed the malware to identify security programs on the host and transform its code base to ensure that it evaded the specific security program identified. Flame is an example of modern day espionage, in the form of a cyber attack that targets a broad base of victims. This type of espionage is becoming the strategy of choice for intelligence agencies to execute their missions.

- **RSA Attack:** The infiltration of RSA, discovered in 2011, is an example that is commonly referred to as an “advanced persistent threat.” This cyber attack started out as a “spear phishing” email titled “2011 Recruitment Plan” with an excel attachment. Once opened, the excel sheet would infect the host computers. The code would then slowly harvest user credentials and look for ways to get onto additional computers of users with higher level credentials. The attackers slowly gained the credentials they needed to infiltrate the core RSA SecureID token master key database, thereby compromising the security of thousands of other companies. This attack took substantial time and effort to access the SecureID token database, which was only one step of a larger plan to attack the organizations using these stolen credentials.

- **Operation Aurora:** Discovered in 2010, Operation Aurora compromised the systems of several Fortune 500 companies by relying on a zero-day threat to gain access to well protected IT infrastructure. Specifically, there was a vulnerability within Internet Explorer that allowed malicious code to infect a user’s computer when the user took no action other than visiting a Website. This is an example of how a small zero-day exploit on one type of software can allow cyber attackers to compromise even the most sophisticated organizations.

- **Shady RAT:** Operation Shady RAT, or Shady RAT, is an ongoing series of cyber attacks that started in 2006. The attacks hit and penetrated over 70 organizations, including major defense contractors, the United Nations and the International Olympic Committee. The campaign used spear phishing emails targeted at users with administrative privileges and took advantage of known exploits. The attack is
A widespread underground community has formed to significantly increase the accessibility of attack tools

To further compound the problem, attacks like those described above are now being created with automated processes and software easily accessible on the Internet. The software development tool kits necessary to create new unique malware can be purchased for a few hundred U.S. dollars. These tools have shortened the time to threat creation and deployment, resulting in a significant increase in the volume and diversity of unknown threats attacking an organization. A cybercrime ecosystem of developers, consultants, technology providers and funding sources has emerged to support the large and growing market for next-generation threats. Advanced persistent threat actors can purchase the latest technology from this ecosystem or even contract with developers to launch attacks. This ecosystem provides a critical source of funding and resources for the development of the latest advanced malware technology, which has led to a pronounced increase in the proliferation of highly sophisticated cyber attacks.

Existing Security Solutions Are Not Architected For Next-Generation Threats

The evolving threat landscape has rendered traditional defenses incapable of protecting organizations against next-generation threats. The list below identifies the major security product categories available in the market today and their respective shortcomings in defending against next-generation threats.

- **Traditional firewall.** Firewalls regulate incoming and outgoing network traffic by limiting which internal and external systems can communicate with each other, and which ports and protocols can be used for those communications. Most attacks and subsequent malware communications tunnel over widely used port and protocol configurations, such as port 80 and HTTP, which organizations must allow through the firewall. Traditional firewalls were not designed to inspect the communications of the traffic itself, making them blind to the potentially malicious content being carried through network traffic that they are allowing into the organization. Also, since firewalls operate at the network perimeter, they are unable to block threats that have bypassed the perimeter and spread onto internal file shares or that have attempted to enter through a different vector of attack, such as through the email gateway.

- **Next-generation firewall.** Next-generation firewalls, or NGFWs, have recently been adopted by organizations to improve upon the capabilities of traditional firewalls. NGFWs add layers of policy rules based on users and applications. This allows administrators to selectively enable the use of certain applications and represents a major improvement in policy-oriented challenges faced by organizations. However, this approach does not address the inability of the firewall itself to intelligently process and inspect traffic to detect potentially malicious content.

- **Intrusion prevention system.** Intrusion prevention systems, or IPS, were developed to address the firewall’s visibility and granularity limitations. IPS products utilize a signature database of known threats and network vulnerabilities to scan for potentially malicious traffic, making them reactive and unable to look for exploits targeting unknown vulnerabilities. Furthermore, IPS offerings were originally built to detect and analyze network services-based attacks, rather than the client-side application attacks that have become the more popular target for cyber attackers. Everyday client applications being used by individuals, such as browsers, PDF readers and Flash plug-ins, rather than server applications, are the primary targets for advanced malware attacks. Because cyber attackers can disguise these client-side application attacks within multiple layers of application and network protocols, it is nearly impossible for IPS products, to examine the contents of the applications with any granularity.

- **Endpoint security.** Endpoint security products, like anti-virus, are commonplace in IT environments. As endpoint products rely purely on signatures, they are incapable of detecting next-generation threats.
that exploit new vulnerabilities in commercial software. The endpoint approach forces organizations to wait as long as a few months before known attacks are forensically examined and the appropriate signatures are propagated through the distribution network. In addition, even if endpoint providers are technically able to prepare signatures quickly, they will often delay the dissemination of signature updates to avoid creating liability for themselves if their signature is faulty and inadvertently causes damage to an organization. Furthermore, whitelisting approaches, which are used to tag trusted applications, are vulnerable because approved applications or servers running on whitelisted IP addresses can be infiltrated by threat actors and become conduits for next-generation threats.

- **Web filters.** These appliances provide Web filtering and Web browsing security, but rely on a constantly updated database of bad Website addresses when filtering traffic. Given the pace of change of domains and URLs and the transient nature of the Web, these signatures have become outdated and less relevant for organizations.

### Protecting Today’s IT Infrastructure Requires a Fundamentally Different Approach to Security

The rapid and unprecedented escalation in the complexity and scale of next-generation threats has made traditional IT security products almost powerless in their ability to defend the world’s organizations from the advanced persistent threat actors that are developing them. Any solution that could effectively address these threats would have to be built from the ground up and include the following key capabilities:

- **Detection and protection capability that overcomes limitations of signature-based approaches.** Being able to defend against next-generation threats is now the most critical aspect of any IT security strategy. Central to defending against these threats is a solution that is capable of identifying unknown threats without relying on a signature database and dynamically blocking any exfiltration of sensitive data outside the organization.

- **The ability to protect the infrastructure across multiple threat vectors.** Today’s most sophisticated attacks target all parts of the IT infrastructure across threat vectors—what may appear benign in one threat vector may be nefarious when combined with threat data from other threat vectors. To achieve adequate levels of security, IT security administrators must put solutions in place that cover Web, email and file systems, which are the three primary ways in which organizations exchange and store information.

- **Visibility into each stage of the attack life cycle and particularly the ability to detect and block attacks at the exploit phase.** Given the complexity of next-generation threats today, it is critical to have visibility into any and all phases of an attack lifecycle for any given threat. The initial exploit is extremely difficult to detect because it is stealthy, can be delivered through tiny bits of code and resides within memory as opposed to within a file on the hard drive. It is paramount that any solution be able to detect and block this initial exploit, because once the exploit has penetrated a system, a beachhead has been established allowing for the payload to be delivered and the attack to be carried out. To effectively detect the exploit phase, it is important to have visibility from the network layer to the operating system to applications, browsers, files and plug-ins. Also, subsequent stages of the attack can then be obfuscated, such as through the encryption of a piece of malware that is downloaded onto a host site. It is also important for this platform to be aware of any process that may represent one of the other stages of an attack lifecycle, as advanced malware can lie dormant but then over time attempt to call back to criminal servers, or be introduced to the network from portable devices like USB drives.

- **Negligible false-positive rates, thereby allowing the organization’s IT infrastructure to be secure without hindering business productivity.** An effective solution must deliver a high degree of detection accuracy and minimize the amount of manual intervention required to “tune” the system.

- **The ability to scan all relevant traffic without degrading network performance.** An effective solution must be able to block threats as effectively as it detects them. As a result, such a solution must have the ability to operate in the line of network traffic without introducing additional latency in the network.
order to do so, a platform must be capable of accurately detecting malicious threats while exhibiting performance capabilities that scale with today’s ever-increasing network throughput requirements.

- **The ability to dynamically leverage knowledge gained by prior threat analysis.** An effective solution needs to learn rapidly from previously identified threats, as they occur in real time, and automatically assemble and distribute this intelligence to other devices locally and across a global threat intelligence network.

- **Rapid deployment and streamlined management capabilities.** The majority of existing enterprise-grade security solutions require extensive resources to deploy and operate, often taking weeks to properly install. They also require significant time from IT teams for ongoing configuration and maintenance of the overall solution offering. Security appliances need to deliver faster time to value through rapid deployment with minimal human intervention, as well as simplified and intuitive management capabilities.

**Our Solution**

We have invented a purpose-built, virtual machine-based security platform that provides real-time protection to enterprises and governments against the next generation of cyber attacks. Our technology platform, built on our proprietary MVX engine, is able to identify and protect against known and unknown threats without relying on existing signature-based technologies employed by legacy IT security vendors and best-of-breed point solution vendors. The key benefits of our solution include:

- **Proprietary MVX engine to enable dynamic, real-time protection against next-generation threats.** Our appliance combines dynamic threat intelligence with our proprietary virtual execution engine to analyze network traffic in real time. Our proprietary virtual execution engine is able to capture, analyze, execute, identify and report on next-generation threats. Because our hypervisor, or software that creates and runs virtual machines, resides below the operating system, we are able to detect attacks throughout the protocol stack from the network layer to the operating system, to files, applications, browsers and plug-ins. By executing the potential threat in a virtual environment created by our MVX engine, our appliance can accurately determine if the behavior exhibited by the software is malicious before it enters the network. Each virtual machine has the unique ability to test hundreds of different applications and a complete set of all versions of those applications, Web objects and attachment types. It also has the ability to mimic hundreds of different potential customer operating system environments and versions. Our MVX engine has the ability to run numerous virtual machines per appliance, which can run hundreds of permutations of attacks across three primary vectors (Web, email and file) and all stages of the attack life cycle. Our platform can support thousands of virtual machines across multiple appliances within an organization. Finally, our global intelligence network, in concert with our CMS system, coordinates and correlates all of this Dynamic Threat Intelligence, or DTI, information at both an enterprise and global level. We believe this ability to process millions of data points and find the “needle in the haystack,” or the set of potentially malicious threats, is a significant achievement in the field of computer science and represents a foundational competitive advantage.

- **Defense across primary vectors of attack.** Our broad product portfolio includes software-based appliances to protect against Web and email threat vectors as well as malware resident on file shares. Each of these appliance families interoperate seamlessly with one another and also can be managed centrally, enabling the real-time sharing and correlation of information across all of the appliances within a customer’s infrastructure. By deploying our products across all vectors of attack, we provide not only the broadest level of protection for our customers but also utilize the coordinated DTI across all three vectors to further enhance our overall efficacy rates, since many advanced cyber attacks, such as blended attacks, infiltrate the organization through more than one vector.

- **Visibility of each stage of the attack life cycle and particularly the ability to detect and block attacks at the exploit phase.** Our platform enables a comprehensive, stage-by-stage analysis of next-generation threats, from initial system exploitation to data exfiltration. Because our virtual execution engine can
detonate all suspicious traffic flowing through the network, we virtually execute all of the flows of an attack, enabling us to play out the execution path of a piece of malware over a prolonged period of time and uncover, for example, any attempts to call back to a command and control server. Furthermore, because we can watch the execution path of the initial exploit with a high degree of granularity, we have high detection accuracy at the exploit level. Next-generation threats often encrypt the malware they download, making virtual execution impossible unless it has been monitored at the exploit phase. In the exploit phase, our appliance collects the encryption key necessary to properly execute the program in a virtual environment. We are also able to detect threats by running the exploit, not just the malware, through our virtual execution engine, which provides greater defense efficacy since we have an additional point at which we can detect suspicious behavior.

- **High efficacy next-generation threat detection.** When evaluating a potential threat, our proprietary virtual execution engine mimics multiple production environments simultaneously, causing the potential malicious software to reveal itself by executing in what appears to be a real machine. We can address the hundreds of permutations of software environment targeted by advanced malware attacks by concurrently deploying thousands of virtual machines across an organization’s network, allowing us to monitor attempted exploits of multiple operating system and application versions and hundreds of object types at line speed. This approach allows for high detection efficacy with negligible false-positive rates, resulting in minimal disruption to the business and IT organization.

- **Real-time detection across all network traffic with negligible performance degradation.** All of our appliances are capable of operating in-line, providing comprehensive and highly accurate detection and protection without slowing down the network. We accomplish this by deploying a scalable technology architecture that processes traffic through our proprietary anomaly detection and associated heuristic algorithms before the virtual machine step. As a result, we end up only sending a fraction of the original network traffic to be processed by our virtual machine technology. Furthermore, our DTI cloud provides significant intelligence on next-generation threats that are already known, enabling us to confidently block certain traffic that we have already previously identified, further reducing the load on our virtual machine technology. Finally, our proprietary technology enables us to process the remaining traffic in a scalable fashion, generating hundreds of potential virtual machines in any given second for each appliance. Our high performance virtual machine technology, working in concert with our cloud services and advanced heuristic algorithms, enables us to deliver industry-leading protection against next-generation threats while scaling with our customers’ network throughput requirements.

- **Global cloud-based data sharing within and across organizations.** Our CMS correlates threat information that is being generated by our software-based appliances and facilitates rapid sharing of information at a local implementation level and also across the organization. In addition, by sharing anonymous real-time global threat data through our DTI cloud, our customers have access to a system that leverages the network effects of a globally distributed, automated threat analysis network. By combining our MVX engine with our DTI cloud, our platform is able to increase performance while providing robust and comprehensive threat protection.

- **Rapid deployment and rich centralized management capabilities.** Our MPS appliances are easy to integrate and deploy with minimal modification to existing networks, devices or configurations. Our solution is generally deployed in a few hours and most often finds existing next-generation threats immediately after deployment. Our CMS appliances offer rich management capabilities, such as coordinating software upgrades, automating the configuration of multiple appliances and presenting security data in an intuitive interface to facilitate reporting and auditing. By designing our solutions to be easy to deploy and manage, we enable our customers to shorten the time to value for our products.

**Our Market Opportunity**

According to IDC, worldwide IT security spending in 2013 will be approximately $17.9 billion across firewalls, virtual private networking, Web security, unified threat management, intrusion detection and
prevention, messaging security and corporate endpoint security. While this spending is focused principally on traditional IT security products, we believe the rise in next-generation threats is creating significant new demand from organizations for products that offer advanced protection against this new threat paradigm. Gartner, Inc., a global market research firm, estimates that by 2020, 75% of enterprises’ information security budgets will be allocated for rapid detection and response approaches, up from less than 10% in 2012.3

Our technology approach represents a paradigm shift from how IT security has been conducted since the earliest days of the information technology industry. We believe it will be a critical imperative for organizations worldwide to invest in new solutions that protect their IT infrastructure from next-generation threats. We believe our platform is essential to protect these organizations against next-generation threats. As such, we believe that this approach will take an increasing share of IT security spending from traditional enterprise IT security markets. Specifically, we believe this approach can be applied to initially supplement, and ultimately replace, any threat protection technology that utilizes a traditional signature-based approach. These markets consist of Web security ($2.4 billion), messaging security ($2.9 billion), intrusion detection and prevention ($2.1 billion) and corporate endpoint security ($4.2 billion), and aggregate to a total projected spending of $11.6 billion in 2013, in each case according to IDC.

Our Competitive Strengths

We believe we are the leader in protecting enterprises and governments against advanced cyber attacks. We have developed the following key competitive advantages that we believe will allow us to maintain and extend our leadership position:

• **Leader in protecting organizations against the new breed of cyber attacks.** We are the inventor of and a leader in providing a virtual machine security approach to protect enterprises and governments against the next generation of cyber attacks. Given the significant potential cost and reputational damage to organizations that can arise from being vulnerable to next-generation threats, we believe that we have become a mission critical vendor to the most discerning customers in the world. This provides us with a strong leadership position, which allows us to attract top technical talent and brands us as the de-facto standard in a rapidly growing and increasingly important market.

• **Platform built from the ground up to address next-generation threats.** We were founded with the sole purpose of developing a platform to detect and block next-generation threats. To achieve this goal, we developed a proprietary hypervisor (i.e., software that creates and runs virtual machines) and MVX engine to meet the specific challenges associated with high throughput processing of next-generation threats. Our proprietary hypervisor, which is purpose built for security, allows us to achieve a significant level of accuracy and processing efficiency. Unlike recent attempts by others to process next-generation threats with “sandbox” approaches that use third-party hypervisors, our proprietary hypervisor technology allows us to make fundamental improvements and scale our technology to run several virtual machines on each appliance to simultaneously detect multiple threats. We have over one million virtual machines running across our customer environments. We can also embed strict, government-grade security defenses in our hypervisor to prevent the virtual machine itself from being compromised and also make the virtual environment indistinguishable from a real host environment. In addition, we can run hundreds of permutations of files, operating systems, software versions, languages and applications to mimic desktop operating environments and force malicious software to reveal itself. We have custom built our anomaly detector, which is now in its third generation, with a focus on helping to filter potentially suspicious data from benign traffic. This filtering allows most normal traffic to pass through and any other traffic to be executed in our virtual machine. While our virtual machine can ultimately process all traffic, using an anomaly detector helps to increase network throughput and limit the amount of traffic that requires virtual execution.

• **Network effects from our customer base and DTI cloud.** Our installed base of over 1,100 end-customers and over one million virtual machines across customer environments, allows our

3 See note (1) in “Market and Industry Data.”
network to have rich and broad set of dynamic threat protection data. By sharing this data with our global customer base, we are able to provide both a higher level of protection and higher performance compared to competitors. Because we are protecting many high-profile enterprise and government targets, we are the first to see the most advanced threats and attack techniques, often months or years before our competitors, and are therefore able to develop superior defensive countermeasures that continue to perpetuate our ability to provide the highest level of protection. Our close relationship with customers also allows us to develop insights and knowledge into how they use our products, which we are able to translate into platform enhancements. This relationship between customers and differentiated threat intelligence drives a network effect around our company, leading additional customers to be increasingly attracted to the depth and breadth of our capabilities and intelligence.

• **Strong management team with significant IT security expertise.** We have a highly experienced management team with extensive IT security expertise gained from past service in leading IT security and networking companies. Our Chief Executive Officer, David G. DeWalt, previously served as the Chief Executive Officer of McAfee and is also a member of the President’s National Security Telecommunications Advisory Committee. Our Founder, Chief Technology Officer and Chief Strategy Officer, Ashar Aziz, is an inventor on multiple patents in the areas of cryptography, network security and networking and is widely regarded as an IT security visionary. We believe that our management team and unique engineering talent places us at the leading edge of the IT security industry and positions us well to continue to lead the broader IT security industry to adopt our proprietary virtual machine-based approach.

• **Comprehensive platform that enables modular deployment options.** Our customers typically initially deploy our solution at one of the threat vectors that we protect, such as Web, email or file shares. Once deployed, our customers can then deploy additional appliances to protect the first threat vector, as well as expand their level of protection to additional vectors to achieve end-to-end protection for the primary vectors through which next-generation threats enter IT environments. Customers can also purchase our CMS appliances, which enhance the management of multiple appliances and the overall level of threat intelligence across appliances protecting different vectors. Our comprehensive multi-vector platform enables us to enter a customer network for a single use case and expand over time, allowing us to become a critical part of our customers’ security infrastructure and offering us significant revenue opportunities.

• **Significant technology lead.** Our technology is recognized as innovative and is protected by, among other things, a combination of copyright, trademark and trade secret laws; confidentiality procedures and contractual provisions; and a patent portfolio including five issued and 43 pending U.S. patents.

**Our Strategy**

We are the global leader in virtual machine-based security solutions that protect against next-generation threats. Our objective is to extend our global leadership by making virtual machine-based security the standard for how IT security is conducted across all categories of threat protection. The key elements of our strategy include:

• **Invest in research and development efforts to extend our technology leadership.** We plan to build upon our current performance and current technology leadership to enhance our product capabilities, such as protecting new threat vectors and providing focused solutions for certain markets, such as small and medium-sized enterprises and service providers. Moreover, we intend to deliver additional physical and virtual appliances to address the changing security needs of our customers as well as access new product markets and threat vectors.

• **Expand our sales organization to acquire new customers.** We intend to continue to invest in our sales organization to drive the efficient acquisition of new customers. In particular, we intend to significantly increase our investments in our international sales organizations as we pursue larger enterprise and government opportunities outside of the United States. As of June 30, 2013, we had grown our sales
organization to over 375 employees, including direct field and inside sales employees and sales support engineers.

- **Expand our channel relationships and develop our partner ecosystem.** We believe our channel serves a critical role in our direct-touch sales process, and we intend to continue to invest in our channel and partner ecosystem. In particular, we believe the role our channel partners play in international markets is vital to the sale of our products in those regions. We have established a channel program that, as of June 30, 2013, had approximately 400 channel partners worldwide. We work with many of the world’s leading IT security channel partners. We intend to continue adding and incentivizing our distributors and resellers to drive greater sales and enable further leverage for our internal sales organization. We may also develop OEM relationships as other providers of security, networking and application infrastructure products seek to enhance the security of their products by embedding our proprietary virtual machine-based technology.

- **Drive greater penetration into our customer base.** We believe our over 1,100 end-customers provide us a large market opportunity to drive incremental sales. Typically, customers initially deploy our platform to protect a portion of their IT infrastructure against one type of security threat, such as Web-based threats. We see a significant opportunity to upsell and cross sell additional products, subscriptions and services as our customers realize the increasing value of our platform. We often expand our presence within our customers’ IT infrastructures to cover a broader portion of their network, address additional threat vectors, such as email and file-based threats, and manage multiple appliances.

- **Leverage our innovative virtual machine technology in additional product markets.** We believe our patented virtual machine technology can serve as a foundational element for the next generation of IT security products. We intend to apply our purpose-built virtual machine security engine to additional security markets that can benefit from the real-time virtual execution of potentially malicious software. In particular, we believe our technology can apply to any threat-protection technology that utilizes a traditional signature-based approach, such as IPS, endpoint security and Web filters. We believe these additional solutions will be critical for organizations to adapt to the rapidly evolving threat landscape.

Our Products and Services

Products

- **Malware Protection System (MPS).** Our Malware Protection System, or MPS, is a vector-specific security appliance that provides next-generation threat protection for both inbound and outbound network traffic that may contain sensitive information. Our MPS portfolio of software-based appliances consists of the Web MPS, Email MPS and File MPS.

  - **Web MPS.** Our Web MPS appliances are deployed inline at enterprise Internet access points to analyze all Web traffic. Utilizing our MVX engine, the Web MPS identifies and blocks next-generation threats deeply embedded inside Web traffic, creates real-time protection descriptors from the identified threats, and captures potential outbound communication data from threats that may already be inside the network. Our MVX engine detects advanced attacks exploiting unknown vulnerabilities as well as malicious code embedded in common Web and multimedia content. Our MVX engine executes suspicious software against a range of browsers, plug-ins, applications, and operating environments that are instrumental in tracking malicious actions. As potential threats can sometimes enter the network via user devices and may have been resident in the network previously, our MVX engine also analyzes outbound traffic for threats that may attempt to extract sensitive information or enable control of devices within the network by communicating with servers.

  - **Email MPS.** The Email MPS detects and stops advanced attacks that exploit unknown OS, browser, and application vulnerabilities as well as malicious code embedded in email content.
Using our MVX engine, the Email MPS analyzes all email attachments, including all common file formats and archive formats. In particular, the Email MPS secures against spear phishing emails, which bypass traditional anti-spam and reputation-based technologies. Spear phishing is a common next-generation threat that is effectively a method used by cybercriminals for financial gain or to extract sensitive information. They attempt to do so by sending professionally disguised email to users hoping the users respond to what they believe are benign email communications. Our MVX engine actively executes, and is able to quickly identify, this malicious content.

- **File MPS.** Our File MPS appliance analyzes network file servers to detect and quarantine malicious software brought into the network by users within the organization through technologies, such as online file sharing and associated collaboration tools, which bypass traditional network solutions. The File MPS analyzes files using our MVX engine and detects malicious code embedded in common file types, including PDF, Microsoft Office documents, archived files, and multimedia content such as QuickTime and other video, audio and image files. The File MPS performs recursive, scheduled, and on-demand scanning of accessible network file servers to continuously identify and quarantine resident threats.

- **Central Management System (CMS).** Our Central Management System, or CMS, unifies reporting, configuration, and threat data sharing and manages the overall deployment of our MPS products. The CMS is used to distribute the dynamic descriptor content locally to each MPS appliance to provide real-time protection throughout our entire deployment. The CMS also provides cross-enterprise threat data correlation to identify and block blended attacks wherever they may occur in a large global enterprise. It also consolidates the management, reporting, and data sharing of threat data in an easy-to-deploy, network-based appliance. The CMS consolidates activities and improves organization-wide situational awareness with a unified security dashboard. The dashboard provides a real-time view of the number of infected systems and enables users to drill directly down to infection details.

- **Malware Analysis System (MAS).** Our Malware Analysis System, or MAS, provides powerful auto-configured test environments to allow forensics teams to manually execute and inspect advanced malware, zero-day, and other advanced cyber attacks embedded in files, email attachments, and Web objects. The MAS inspects single files or batches of files for malware and tracks outbound connection attempts across multiple protocols. In virtual execution mode, the MAS analyzes the execution path of a particular malware sample to generate a dynamic and anonymized profile that can be distributed to other FireEye appliances on the network. Malware attack profiles include identifiers of malware code, exploit URLs, and other sources of infections and attacks. To fully analyze the behavior of every unknown file, the MAS provides full malware life cycle analysis. While the MAS is not required for deployments, our larger customers typically purchase the product to enable advanced and deeper analysis of potential malicious software outside of the real-time traffic scanning done by our MPS appliances.

**Subscription and Services**

- **Subscription.** We offer the following cloud-based subscriptions as part of our platform:

  - **Dynamic Threat Intelligence Cloud (DTI).** Our Dynamic Threat Intelligence, or DTI, cloud interconnects the FireEye appliances deployed within customer networks, technology partner networks, and service providers around the world. Our global FireEye Malware Intelligence Lab team identifies emerging threats, collects threat samples, and replicates, reviews and characterizes attacks. Threat intelligence is also dynamically generated by each MVX engine to provide real-time forensics used to protect the local network and can be shared globally through our DTI cloud. We leverage the threat intelligence we conduct as well as the real-time analysis from our appliances to update our malware descriptors, attack definitions, scanning engines, and other security solution components. We can easily distribute these updates to customers through our
DTI cloud. Our DTI cloud provides a closed-loop system that leverages the network effects of a globally distributed, automated threat analysis network enabled by our MPS appliances. Customers are required to purchase either a one or three year DTI cloud subscription as part of their initial appliance purchase.

- **Email MPS Attachment/URL Engine.** Our Email MPS Attachment/URL engine analyzes email attachments and URLs embedded in emails for next-generation threats. Customers who purchase the Email MPS are also required to purchase a one or three year subscription to our Email MPS Attachment/URL engine.

**Support and Maintenance Services.**

- **Training and professional Services.** Like our subscription services, our support and maintenance contracts have terms of either one or three years.

  - **Customer support.** We offer technical support on our products and subscriptions to our customers. We provide multiple levels of support and have regional support centers located across the globe. Our service representatives work with customers to qualify and solve technical challenges encountered by our customers. In addition to post sales support activities, our support organization places emphasis on service readiness by coordinating with our product management team to ensure the attainment of defined pre-requisite quality levels for our products and services prior to release.

  - **Training and professional services.** We offer training services to our customers and channel partners through our training department and authorized training partners. For both our customers and our channel partners, these services are designed to provide education regarding implementation, use and functionality, and maintenance and support of our products. Specifically for our channel partners, we also provide training regarding how to manage all stages of our sales cycle. We also offer professional services to customers for large implementations where expert technical resources are required. Our professional services consultants help in the design of deployments of our products and work closely with customer engineers, managers and other project team members to implement our products according to design, utilizing network analysis tools, attack simulation software and scripts. We provide professional services directly to our customers, but also deliver these resources by enabling our authorized partners, who provide similar services to our customers.
Our products are designed to address security requirements for small-to-mid sized businesses, remote offices, large enterprises, governments and service providers. The table below presents an overview of the various FireEye appliance models and capabilities:

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Models / Types</th>
<th>Key Features</th>
<th>Subscriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Web</td>
<td>Web MPS 1310</td>
<td>• 1U Rack-mount</td>
<td>• DTI</td>
</tr>
<tr>
<td></td>
<td>Web MPS 2310</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Web MPS 4310</td>
<td>• 20Mbps to 1Gbps throughput</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Web MPS 4320</td>
<td>• 100—10,000 end points</td>
<td></td>
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<tr>
<td></td>
<td>Web MPS 7300</td>
<td>• Broad Web object support</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Web MPS 7320</td>
<td>• Anti-virus integration</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td>Email MPS 3300</td>
<td>• 1U to 2U Rack-mount</td>
<td>• DTI</td>
</tr>
<tr>
<td></td>
<td>Email MPS 5300</td>
<td>• Email quarantine</td>
<td>• Email MPS Attachment/URL Engine</td>
</tr>
<tr>
<td></td>
<td>Email MPS 8300</td>
<td>• Blended attack correlation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Email MPS 8320</td>
<td>• Spear phishing security</td>
<td></td>
</tr>
<tr>
<td>File</td>
<td>File MPS 5300</td>
<td>• 1U to 2U Rack-mount</td>
<td>• DTI</td>
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<tr>
<td></td>
<td>File MPS 8300</td>
<td>• File quarantine</td>
<td></td>
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<td></td>
<td></td>
<td>• Deep file analysis</td>
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<td></td>
<td></td>
<td>• Anti-virus integration</td>
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<tr>
<td></td>
<td></td>
<td>• Broad file type support</td>
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</tr>
<tr>
<td>Management</td>
<td>CMS 4310</td>
<td>• 1U Rack-mount</td>
<td>• DTI</td>
</tr>
<tr>
<td></td>
<td>CMS 7300</td>
<td>• Appliance management</td>
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<td></td>
<td></td>
<td>• Blended attack correlation</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• SIEM Integration</td>
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<td></td>
<td></td>
<td>• Quarantine storehouse</td>
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<tr>
<td></td>
<td></td>
<td>• Detailed reporting</td>
<td></td>
</tr>
<tr>
<td>Analysis</td>
<td>MAS 4310</td>
<td>• 1U to 2U Rack-mount</td>
<td>• DTI</td>
</tr>
<tr>
<td></td>
<td>MAS 7300</td>
<td>• Full threat lifecycle analysis</td>
<td></td>
</tr>
<tr>
<td></td>
<td>MAS 8300</td>
<td>• Sandbox and honeypot modes</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Broad file type support</td>
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</tbody>
</table>

The list price of our products range from $12,000 to $235,000 based on throughput and other performance requirements.

Our Technology

The key technologies underlying our platform have been built from the ground up to address next-generation threats. Our foundational technologies are: (i) line rate anomaly detection, (ii) proprietary MVX, (iii) exploit stage monitoring, (iv) cross correlation, and (v) evolved network security architecture. We have built our technology over nine years of research and development, and we believe it represents a significant competitive advantage for us.

Custom Anomaly Detector. Commercial anomaly detectors are common place in IT security. While such anomaly detectors are the foundation for IPS solutions, they generate a significant number of false positives, making their efficacy in detecting IT security threats challenging. We have custom built our anomaly detector with a focus on helping to filter potentially suspicious data from benign traffic. This filtering allows for most normal traffic to pass through and any other traffic to be executed in our virtual machine. While our virtual machine can ultimately process all traffic, using an anomaly detector helps to increase network throughput and limit the amount of traffic that requires virtual execution. We are constantly improving the efficacy of our anomaly detector as we discover new threats in our virtual machine. Our anomaly detector also receives updates from our DTI cloud in the attributes, or markers, it looks for when inspecting potentially suspicious data.
Uniquely, because the line rate anomaly detector is designed to feed suspicious flows to our MVX engine, it can focus on minimizing missed attacks by aggressively categorizing traffic as suspicious. Any potential false alerts in the output of this system are automatically weeded out by our MVX engine, which confirms whether a suspicious flow or object is malicious. Because we first identify suspicious flows with our line rate anomaly detector and then, through a separate process, use our MVX engine to determine whether such suspicious flows are malicious, our solution is able to achieve negligible false-positive rates and missed attacks, which are the desired results of the ideal detection engine.

**Proprietary MVX Engine.** Our appliances utilize a proprietary virtual execution engine to execute potentially suspicious software code. We have built our virtual execution engine to take advantage of advances in multi-core processing and run on many-core network processors. As we do not use a commercially available virtual machine, we are not encumbered by any incremental overhead beyond the execution of our environments and the detection of threats. We are also free to make modifications to the code base of our virtual execution engine, which our competitors are not able to do. Our virtual execution engine mimics operating systems and configurations of several user devices, including several popular operating systems, applications and Web browsers. Once the unknown software code is loaded into this environment, our engine monitors the software’s behavior. Using a proprietary behavior analysis technology, our appliances determine if the actions the code is taking in the virtual environment are malicious or benign. We have developed our MVX engine over the past 9 years to provide high performance next-generation threat protection while maintaining high threat detection efficacy, negligible false-positive rates, and minimal impact on network performance.

**Exploit Stage Monitoring.** Our appliances are able to monitor the full spectrum of data that enters the network. This allows visibility into all stages of an attack, including the exploit phase, where an attacker first compromises a program. The exploit object can be embedded in any piece of content, such as an ordinary Web page. This stage is invisible to legacy network security technologies that are focused on examining files and executables once they are written to the hard drive on a host computer. Next-generation threats often encrypt the malware file they download, making virtual execution impossible unless it has been monitored at the exploit phase. In the exploit phase, our appliance collects the encryption key necessary to properly execute the program in a virtual environment. We are also able to detect threats by running the exploit, not just the malware, through our virtual execution engine, which provides greater defense efficacy since we have an additional point at which we can detect suspicious behavior.

**Multi-Vector Cross Correlation.** Our MPS appliances, when deployed with the CMS appliance, communicate in real time on threat information as well as receive updates from our DTI cloud. This awareness allows our appliances, which are specific to threat vectors, to communicate threat data to each other in real time to prevent sophisticated multi-vector threats, particularly blended attacks. This cross-fertilization of traffic information enables our appliances to piece together seemingly benign components of a broader blended or multi-vector attack. Cross correlation requires MPS appliances that target different vectors and our CMS appliance work in concert.

**Evolved Network Security Architecture.** Our appliances are designed to operate as part of a comprehensive architecture to defend networks against next-generation threats. This allows appliances to be deployed at the right vectors and have visibility into the traffic streams necessary to detect and block next-generation threats. The ability to monitor all traffic and file stores is critical to detecting next-generation threats that will enter through multiple vectors and move laterally across the network. This is impossible for legacy network security providers to achieve with architectures that were built around traditional threats and file scanning and don’t have visibility into the traffic sources next-generation threats utilize during attacks.

As our MPS appliances are typically deployed inline with network traffic, they analyze traffic through the following four major phases.

- **Fast Path Blocking.** To maintain high network throughput and leverage known threat data, our MPS appliances utilize our proprietary database of threat intelligence as well as third-party threat data feeds
to perform identification of known threats. If the traffic is identified as malicious, it is blocked immediately. If the traffic is not identified as malicious, it is passed to our custom anomaly detector. Threat intelligence includes behavioral information about the threat, versus a specific byte-by-byte fingerprint found with signatures. This helps us to guard against threats that can evolve over time.

- **Line Rate Anomaly Detection.** Traffic that is not blocked in our fast path blocking phase is passed to our proprietary anomaly detector. The anomaly detector is designed to identify any remotely suspicious network flows. We have custom built our anomaly detector to deliver high levels of accuracy while preventing any threats from being missed. If any suspicious attributes are detected, the flow is passed on to the virtual execution environment.

- **MVX Execution.** Through a pre-configured, instrumented virtual analysis environment, our MVX engine fully executes suspicious objects and flows to allow deep inspection of common file formats, email attachments, and Web objects. Newly discovered malware is installed and executed to completion within our MVX engine so that it is forensically analyzed, tracked and blocked. Analysis of malware is automated to create dynamic blocking of inbound attacks and its outbound transmissions.

- **Notification.** If a threat is identified in the virtual environment, the associated DTI gained in the process is shared with other FireEye appliances on the network through our CMS appliance and globally via our DTI cloud.

**Customers**

Our customer base has grown from approximately 190 customers at the end of 2010 to over 1,100 end-customers as of June 30, 2013 in more than 40 countries, including more than 100 of the Fortune 500. We provide products and subscriptions to customers of varying sizes, including enterprises, governmental agencies and educational and nonprofit organizations. Our customers include leading enterprises in a diverse set of industries, including telecommunications providers, financial services entities, Internet search engines, social networking sites, stock exchanges, electrical grid operators, networking vendors, oil and gas companies and leading U.S. and international governmental agencies. Our business is not dependent on any particular end-customer as no end-customer represented more than 10% of our revenue in 2011 or 2012 or the six months ended June 30, 2013. Accuvant, one of our resellers, accounted for approximately 10% of our revenue in 2011 and 2012. For the six months ended June 30, 2013, Accuvant and Fishnet Security, Inc., another of our resellers, accounted for approximately 11% and 10% of our revenue, respectively.

**Customer Case Studies**

The following are examples of customers successfully deploying our platform to protect their organizations against next-generation cyber attacks:

**Fortune 500 Global Manufacturer**

*Problem:* As a global manufacturer with annual sales of over $20 billion and more than 100,000 employees, this enterprise was increasingly targeted with advanced malware, zero-day, and other next-generation threats. This enterprise needed a way to identify and combat these attacks across a number of distributed properties, including those of recently acquired companies. As a result, to be viable, any solution needed to be not only effective, but also easy to deploy and efficient to manage.

*Solution:* With our virtual machine-based security solution, this global manufacturer can detect and block a broad range of cyber-attacks, including advanced malware, spear phishing and other next-generation threats. Our Web MPS and Email MPS appliances were deployed across existing corporate offices, and now, before an acquired company’s networks are integrated with the enterprise, the enterprise deploys our solution to ensure newly acquired properties do not introduce new vulnerabilities or compromise the enterprise’s IT security. Since deployment, our solution identified over 10,000 malicious events and callback communications that circumvented and were undetected by the enterprise’s legacy, signature-based systems, including approximately 20 APT attacks. Security professionals within the enterprise realized the value of our solution almost immediately upon deployment. As a result of this success, after installing our Web MPS and CMS appliances in
Global Technology Manufacturer

Problem: This global high-tech enterprise with over 50,000 employees around the world knew that advanced malware was getting past its existing security tools, which included next-generation firewalls, IPS, and AV. Given the nature of its business, this enterprise needed to protect its intellectual property to maintain its competitive advantage. It also wanted to ensure that both its own and its customers’ confidential information remained private. The enterprise decided to look into adding a layer of security specifically to address threats that its existing infrastructure was missing.

Solution: A competitive analysis was done on several of our products, two of which were tested in a proof-of-concept evaluation. Our platform detected and blocked threats that the enterprise’s existing security solutions had missed and, based on this success, was selected for deployment around the world. The enterprise initially purchased our Web MPS in 2011 and has since purchased additional Web MPS and CMS appliances. Our solution has been integrated with the enterprise’s existing security tools, including SIEM, providing this enterprise with a global, consolidated view of new, unknown threats attacking its organization. As a result, as of December 31, 2012, the aggregate price of the products, subscriptions and services purchased by this enterprise from us was approximately 2.7x the amount it initially purchased from us in 2010.

Global Telecommunications Enterprise

Problem: As one of the largest global telecom companies, this enterprise was the target of an onslaught of cyber-attacks. Protecting customer data and intellectual property was vital, yet the enterprise’s existing security architecture was ill-equipped to detect the multi-vector, multi-phased attacks that were being encountered.

Solution: The enterprise started by purchasing our Web MPS appliances in the fall of 2012. It quickly determined that it needed broader protection and subsequently purchased our Email MPS and CMS appliances. Working together, these appliances detect threats on a daily basis that were not being discovered by the enterprise’s signature-based security solutions alone. Our solution has identified more than 200,000 Web and email threats and over 1,000 sophisticated APT attacks. Given the value the enterprise has seen delivered, it has begun to offer its own customers a security service that leverages our solution.

Global Information Technology and Electronics Company

Problem: As one of the largest information technology and electronics companies in the world, this enterprise had critical intellectual property that needed to be protected. The security team was concerned that the enterprise’s existing security architecture was missing advanced attacks that were exploiting unknown, zero-day vulnerabilities. As a result, the enterprise was increasingly exposed to cyber attacks that it believed could have a devastating impact on its business.

Solution: The enterprise has leveraged our Web MPS and Email MPS products to ensure real-time protection of its corporate network. In its initial testing of our solution, the enterprise’s security team immediately identified hundreds of breached systems from which calls were being made to servers outside of the enterprise’s networks. The enterprise was also able to immediately detect an APT attack that had infiltrated its network and had been missed by the enterprise’s prior defenses. Since deploying our solution, the enterprise has identified thousands of advanced threats that had not been detected by its prior defenses.
Backlog

Each order for services for multiple years is billed shortly after receipt of the order and is included in deferred revenue. The timing of revenue recognition for services may vary depending on the contractual service period or when the services are rendered. Products are shipped and billed shortly after receipt of an order. We do not believe that our product backlog at any particular time is meaningful because it is not necessarily indicative of future revenue in any given period, as such orders may be delayed. Additionally, the majority of our product revenue comes from orders that are received and shipped in the same quarter.

Sales and Marketing

Sales. Our sales organization consists of a direct sales team and channel partners who work in collaboration with our direct sales team to identify new sales prospects, sell products, subscriptions and services, and provide post-sale support. Our direct field sales team is responsible for securing enterprise and government accounts globally. Our direct inside sales organization is responsible for securing medium and smaller organizations that are focused on protecting key assets. We also recently built a strategic account management team to support and expand sales within our customer base. Our sales cycle varies by industry, but can last several months, although some deals close in only a few weeks given the typically shorter deployment time of our products as compared to traditional network security products. We also have a dedicated team focused on the channel, who work with our direct sales organization to manage the relationships with our channel partners and work with our channel partners in winning and supporting customers. We believe this direct-touch sales approach allows us to leverage the benefits of the channel as well as maintain face-to-face connectivity with our customers, including key enterprise accounts. We expect to continue to grow our sales headcount in all markets, particularly in countries where we currently do not have a direct sales presence. In our most recent quarter, nearly a third of our engagements with prospects have been led by channel partners.

Our sales organization is supported by sales engineers with deep technical domain expertise who are responsible for pre-sales technical support, solutions engineering for our customers, proof of concept work and technical training for our channel partners. We believe that, by providing a proof of concept to potential customers, we are able to contrast the effectiveness of our platform versus our competitors in identifying suspicious and potentially malicious software code in their actual IT environments. Our sales engineers also act as the liaison between customers and our marketing and product development organizations.

Marketing. Our marketing is focused on building our brand reputation and the market awareness of our platform, driving customer demand and a strong sales pipeline, and working with our channel partners around the globe. Our marketing team consists primarily of corporate marketing, channel marketing, account/lead development, operations, and corporate communications. Marketing activities include demand generation, advertising, managing our corporate Website and partner portal, trade shows and conferences, press and analyst relations, and customer awareness. We are also actively engaged in driving global thought leadership programs through blogs and media and developing rich content such as the global cyber maps and report released in the second quarter of 2013. In 2011, we started releasing a semi-annual threat report, called FireEye Advanced Threat Report, the industry’s first report exclusively focused on the next-generation threat landscape.

Technology Alliance Partners

Given our role in our customer networks, we maintain a large technology alliance network with other enterprise technology vendors. These vendors include service providers and consulting firms, managed security service providers, network appliance vendors, enterprise hardware manufacturers, enterprise infrastructure software vendors, and threat intelligence firms. The list below contains a representative subset of our broader technology alliance network:

- Network Monitoring vendors, including Gigamon, Solera Networks (acquired by Blue Coat Systems, Inc. in May 2013) and VSS Monitoring (acquired by Danaher Corporation in June 2012);
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• Security Information & Event Management vendors, including RSA, a subsidiary of EMC, ArcSight, a subsidiary of HP, and Q1 Labs, a subsidiary of IBM, and Splunk;
• Network Equipment vendors, including Blue Coat and Juniper Networks;
• Forensic software vendors, including Guidance Software; and
• Web Application Firewall vendors, including Imperva.

Government Affairs

We maintain relationships with several governments around the globe. Our thought leadership in protection against next-generation threats has helped to shape the legislative, regulatory and policy environment to better enhance these governments’ individual and collective cyber posture. As part of this effort, we contribute to the evolving standard-making processes and help define best practices in various jurisdictions. We also identify future needs and requirements and develop technologies in concert with government entities. In the United States, David G. DeWalt, our Chief Executive Officer, is a member of President Obama’s National Security Telecommunications Advisory Committee, which provides recommendations to the President on how to assure vital telecommunications links through any event or crisis, and help the nation maintain a reliable, secure and resilient national communications posture. In addition, we are a member of the Information Technology Sector Coordination Council, which is the primary vehicle for providing sector input to the United States Government on information technology related critical infrastructure protection public policy issues. Through these and related activities, we engage on the front lines of the threat landscape and use that knowledge and insight to improve the efficacy of our solutions.

Manufacturing

The manufacturing of our security products is outsourced to a single third-party contract manufacturer. This approach allows us to reduce our costs as it reduces our manufacturing overhead and inventory and also allows us to adjust more quickly to changing customer demand. Our manufacturing partner assembles our products using design specifications, quality assurance programs, and standards that we establish, and it procures components and assembles our products based on our demand forecasts. These forecasts represent our estimates of future demand for our products based upon historical trends and analysis from our sales and product management functions as adjusted for overall market conditions.

Our current manufacturer is AMAX Information Technologies, or AMAX. We have entered into a written agreement with AMAX pursuant to which AMAX manufactures our security products. This agreement has an initial term of one year, which is automatically renewed for subsequent one-year terms, unless either party gives written notice to terminate to the other party not less than 60 days prior to the last day of the applicable term. Additionally, this agreement may be terminated if either party is in material breach and the breaching party fails to cure within 20 days of written notice of the breach (or within five days of written notice of failure to pay any invoice or satisfy any other payment obligation).

We are in the process of transitioning all of our manufacturing from AMAX to Flextronics Telecom Systems, Ltd., or Flextronics. We have entered into a written agreement with Flextronics pursuant to which Flextronics will manufacture, assemble, and test our security products and provide design services. This agreement does not have any minimum purchase commitments and has an initial term of one year, which is automatically renewed for one-year terms, unless either party gives written notice to the other party not less than 90 days prior to the last day of the applicable term. Additionally, this agreement may be terminated by either party (i) with advance written notice provided to the other party, subject to certain notice period limitations, or (ii) with written notice, subject to applicable cure periods, if the other party has materially breached its obligations under the agreement.
Research and Development

We invest substantial resources in research and development to enhance our virtual execution engine, build add-on functionality and improve our core technology. We believe that both hardware and software are critical to expanding our leadership in the security industry. Our engineering team has deep networking and security expertise and works closely with customers to identify their current and future needs. In addition to our focus on hardware and software, our research and development team is focused on research into next-generation threats, which is required to respond to the rapidly changing threat landscape.

Research and development expense totaled $5.3 million, $7.3 million and $16.5 million for 2010, 2011 and 2012, respectively, and $5.6 million and $24.1 million for the six months ended June 30, 2012 and 2013, respectively. We plan to continue to significantly invest in resources to conduct our research and development effort.

Competition

We operate in the intensely competitive IT security market that is characterized by constant change and innovation. Changes in the threat landscape and broader IT infrastructures result in evolving customer requirements for the protection from next-generation threats. Several vendors have both recently introduced new products to compete with our solutions and are incorporating features to compete with our products. Our current and potential future competitors fall into five general categories:

• large networking vendors such as Cisco and Juniper that may emulate or integrate features similar to ours into their own products;
• large companies such as Intel, IBM and HP that have acquired large IT security specialist vendors in recent years and have the technical and financial resources to bring competitive solutions to the market;
• independent security vendors such as Sourcefire (which recently announced its pending acquisition by Cisco), Palo Alto Networks and Trend Micro that offer products that claim to perform similar functions to our platform;
• small and large companies that offer point solutions that compete with some of the features present in our platform; and
• providers of traditional IT security solutions, such as Symantec, that we may compete with in the future.

As our market grows and new IT budgets are created to support next-generation threat protection, it will attract more highly specialized vendors as well as larger vendors that may continue to acquire or bundle their products more effectively.

The principal competitive factors in our market include:

• ability to detect next-generation threats by overcoming the limitations of signature-based approaches;
• efficacy of the virtual machine technology in terms of detecting the maximum number of threats;
• scalability, throughput and overall performance of the virtual machine technology;
• visibility into all stages of an attack, especially the exploit phase;
• ability to achieve low false-positive rates;
• breadth and richness of the shared threat data the appliances have access to;
• ability to process all data entering a network on premise;
• brand awareness and reputation;
• strength of sales and marketing efforts;
• product extensibility and ability to integrate with other technology infrastructures; and
• price and total cost of ownership.

We believe we compete favorably with our competitors on the basis of these factors as a result of the features and performance of our platform, the ease of integration of our products with technological infrastructures, and the relatively low total cost of ownership of our products. However, many of our competitors have substantially greater financial, technical and other resources, greater name recognition, larger sales and marketing budgets, deeper customer relationships, broader distribution, and larger and more mature intellectual property portfolios.

Intellectual Property

Our success depends in part upon our ability to protect our core technology and intellectual property. We rely on, among other things, patents, trademarks, copyrights and trade secret laws, confidentiality safeguards and procedures, and employee non-disclosure and invention assignment agreements to protect our intellectual property rights. We have five U.S. issued patents and 43 patent applications pending in the United States. We also have a number of foreign counterparts of these patent applications, consisting of two pending applications under the Patent Cooperation Treaty, a pending application in the European Patent Office and another in Japan. Our issued patents expire between 2025 and 2030. We cannot assure you whether any of our patent applications will result in the issuance of a patent or whether the examination process will result in patents of valuable breadth or applicability. In addition, any patents that may issue may be contested, circumvented, found unenforceable or invalidated, and we may not be able to prevent third parties from infringing them. We also license software from third parties for integration into our products, including open source software and other software available on commercially reasonable terms.

We control access to and use of our proprietary software, technology and other proprietary information through the use of internal and external controls, including contractual protections with employees, contractors, end-customers and partners, and our software is protected by U.S. and international copyright, patent and trade secret laws. Despite our efforts to protect our software, technology and other proprietary information, unauthorized parties may still copy or otherwise obtain and use our software, technology and other proprietary information. In addition, we intend to expand our international operations, and effective patent, copyright, trademark, and trade secret protection may not be available or may be limited in foreign countries.

Our industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patent and other intellectual property rights. If we become more successful, we believe that competitors will be more likely to try to develop products that are similar to ours and that may infringe our proprietary rights. It may also be more likely that competitors or other third parties will claim that our products infringe their proprietary rights. In particular, large and established companies in the IT security industry have extensive patent portfolios and are regularly involved in both offensive and defensive litigation. From time-to-time, third parties, including certain of these large companies and non-practicing entities, may assert patent, copyright, trademark, and other intellectual property rights against us, our channel partners, or our end-customers, whom our standard license and other agreements obligate us to indemnify against such claims. Successful claims of infringement by a third party, if any, could prevent us from distributing certain products or performing certain services, require us to expend time and money to develop non-infringing solutions, or force us to pay substantial damages (including, in the United States, treble damages if we are found to have willfully infringed patents), royalties or other fees. We cannot assure you that we do not currently infringe, or that we will not in the future infringe, upon any third-party patents or other proprietary rights. For example, we are currently a party to claims alleging, among other things, patent infringement, which are in the early stages of litigation. See “Risk Factors—Risks Related to Our Business and Our Industry—Claims by others that we infringe their proprietary technology or other rights could harm our business” for additional information.
Employees

As of June 30, 2013, we had 932 full-time employees. None of our employees is represented by a labor organization or is a party to any collective bargaining arrangement. We have never had a work stoppage, and we consider our relationship with our employees to be good.

Facilities

We currently lease approximately 170,000 square feet of space for our corporate headquarters in Milpitas, California under lease agreements that expire through 2018. We maintain additional offices throughout the United States and various international locations, including Australia, Dubai, India, Ireland, Japan, Korea, Singapore, Taiwan, Turkey and the United Kingdom. We believe that our current facilities are adequate to meet our ongoing needs, and that, if we require additional space, we will be able to obtain additional facilities on commercially reasonable terms.

Legal Proceedings

We are a party to litigation and subject to claims incident to the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, we currently believe that the final outcome of these matters will not have a material adverse effect on our business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.
MANAGEMENT

Executive Officers and Directors

The following table provides information regarding our executive officers and directors:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position(s)</th>
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<tbody>
<tr>
<td>David G. DeWalt</td>
<td>49</td>
<td>Chief Executive Officer and Chairman of the Board</td>
</tr>
<tr>
<td>Ashar Aziz</td>
<td>54</td>
<td>Founder, Chief Technology Officer, Chief Strategy Officer and Vice Chairman of the Board</td>
</tr>
<tr>
<td>Michael J. Sheridan</td>
<td>48</td>
<td>Senior Vice President and Chief Financial Officer</td>
</tr>
<tr>
<td>Alexa King</td>
<td>45</td>
<td>Senior Vice President, General Counsel and Secretary</td>
</tr>
<tr>
<td>Jeffrey C. Williams</td>
<td>47</td>
<td>Senior Vice President, Sales</td>
</tr>
<tr>
<td>Bahman Mahbod</td>
<td>54</td>
<td>Senior Vice President, Engineering</td>
</tr>
<tr>
<td>Ronald E. F. Codd</td>
<td>57</td>
<td>Director</td>
</tr>
<tr>
<td>William M. Coughran Jr.</td>
<td>60</td>
<td>Director</td>
</tr>
<tr>
<td>Gaurav Garg(1)</td>
<td>47</td>
<td>Director</td>
</tr>
<tr>
<td>Promod Haque(2)(3)</td>
<td>65</td>
<td>Director</td>
</tr>
<tr>
<td>Robert F. Lentz(1)</td>
<td>60</td>
<td>Director</td>
</tr>
<tr>
<td>Enrique Salem(3)</td>
<td>47</td>
<td>Director</td>
</tr>
</tbody>
</table>

(1) Member of our audit committee.
(2) Member of our nominating and corporate governance committee.
(3) Member of our compensation committee.

Executive Officers

David G. DeWalt has served as our Chief Executive Officer since November 2012 and has served as our Chairman of the Board since May 2012. Prior to joining FireEye, Mr. DeWalt served as President, Chief Executive Officer and director of McAfee, Inc., a provider of antivirus software and intrusion prevention solutions, from April 2007 until February 2011 when McAfee was acquired by Intel Corporation. Mr. DeWalt served as President of McAfee, a wholly-owned subsidiary of Intel, from February 2011 to August 2011. From December 2003 to March 2007, Mr. DeWalt held various positions at EMC Corporation, a developer and provider of information infrastructure technology and solutions, including Executive Vice President, EMC Software Group and President of EMC’s Documentum and Legato Software divisions. Prior to joining EMC, Mr. DeWalt served as President and Chief Executive Officer of Documentum, Inc. from July 2001 to December 2003, Executive Vice President and Chief Operating Officer of Documentum from October 2000 to July 2001 and Executive Vice President and General Manager, eBusiness Unit, of Documentum from August 1999 to October 2000. Mr. DeWalt has served on the board of directors of Delta Air Lines, Inc. since November 2011. Mr. DeWalt also serves on the board of directors of Five9, Inc. and as the Chairman of the Board of Mandiant Corporation. Mr. DeWalt served on the board of directors of Polycom, Inc. from November 2005 to May 2013 and as its Chairman of the Board from May 2010 to May 2013 and served on the board of directors of Jive Software, Inc. from February 2011 to April 2013. Mr. DeWalt holds a B.S. in Computer Science from the University of Delaware. Our board of directors believes that Mr. DeWalt possesses specific attributes that qualify him to serve as a director, including the perspective and experience he brings as our Chief Executive Officer and his extensive senior management expertise in the network security industry.

Ashar Aziz founded FireEye in 2004 and served as our Chief Executive Officer until November 2012. He has served as our Vice Chairman of the Board, Chief Technology Officer and Chief Strategy Officer since
November 2012 and as a member of our board of directors since February 2004. Prior to FireEye, Mr. Aziz founded Terraspring, Inc., a data center automation and virtualization company acquired by Sun Microsystems, Inc., in November 2002 and served as Chief Technology Officer of its N1 program until October 2003. Prior to Terraspring, Inc., Mr. Aziz spent 12 years at Sun Microsystems as a distinguished engineer focused on networking and network security. Mr. Aziz holds an S.B. in Electrical Engineering and Computer Science from Massachusetts Institute of Technology and an M.S. in Electrical Engineering and Computer Science from the University of California, Berkeley, where he received the U.C. Regents Fellowship. Our board of directors believes that Mr. Aziz possesses specific attributes that qualify him to serve as a director, including the perspective and experience he brings as our founder and former Chief Executive Officer and as one of our largest stockholders, as well as his extensive experience with technology companies.

Michael J. Sheridan has served as our Senior Vice President and Chief Financial Officer since June 2011. Prior to joining FireEye, Mr. Sheridan was Chief Financial Officer at Mimosa Systems, Inc., a provider of enterprise content archiving systems, from 2009 until its acquisition by Iron Mountain, Inc. in 2010. Prior to Mimosa Systems, Inc., Mr. Sheridan was Chief Financial Officer of Playlist, Inc., a social media and Internet company, from 2008 to 2009, Facebook Inc., a social media and Internet company, from 2006 to 2007, IGN Entertainment, Inc., a media and entertainment company (acquired by News Corporation in 2005), from 2004 to 2006, and SonicWALL, Inc., a network security and data protection company, from 1999 to 2003. Mr. Sheridan received a B.S. in Commerce from Santa Clara University.

Alexa King has served as our Senior Vice President, General Counsel and Secretary since April 2012. Prior to joining FireEye, Ms. King was Vice President, General Counsel and Secretary of Aruba Networks, Inc., a provider of enterprise wireless network software and hardware from December 2005 to April 2012. From 2000 to 2005, Ms. King served as Senior Director of Legal at Siebel Systems, Inc. a software company, and her early career included working at Pillsbury Madison & Sutro (now Pillsbury Winthrop) and Fenwick & West. Additionally, Ms. King served as founding director of Pathbrite, Inc. (f/k/a RippleSend, Inc.) from 2008 to 2009 and as advisor from 2009 to 2011. Ms. King graduated magna cum laude from Harvard College with a degree in Eastern European Studies and received her J.D. from the University of California, Berkeley, Boalt Hall School of Law, where she was named to the Order of the Coif.

Jeffrey C. Williams has served as our Senior Vice President, Sales since March 2010. He also served as a member of our advisory board from April 2006 to February 2010. Prior to joining FireEye, Mr. Williams was vice president of sales at Cisco Systems, Inc., a technology manufacturing and sales company, from April 2003 to January 2010. Prior to Cisco Systems, Mr. Williams managed sales for IronPort Systems, Inc. prior to its acquisition by Cisco Systems in June 2007. Prior to IronPort, Mr. Williams was Vice President of Sales at IntruVert Networks, Inc., a next-generation IPS company which was acquired by McAfee, from February 2002 to April 2003. Prior to IntruVert Networks, Mr. Williams was Vice President of Sales of Abeona Networks, Inc. from January 2001 to January 2002 and at GlobalCenter Inc., which was acquired by Exodus Communications, from February 1990 to January 2001. Additionally, Mr. Williams served on the board of directors of Meraki, Inc. from 2010 until its acquisition by Cisco Systems in 2012. He holds a B.S. in Marketing from California State University, Chico.

Bahman Mahbod has served as our Senior Vice President, Engineering since February 2012, and as our Vice President of Engineering and Security Research from October 2007 to February 2012. Prior to joining FireEye, Mr. Mahbod served as Head of Server Engineering, Quality Assurance and Technical Publications at Gemini Mobile Technologies, Inc., a provider of infrastructure and mobile messaging software, from 2005 to 2007 and Vice President of Engineering, Network Operations and Client Services at FaceTime Communications (now Aciance), a provider of extensible real-time security and management solutions, from 1999 to 2005. Prior to that, Mr. Mahbod held various leadership positions at IBM Corporation, Sybase, Inc., Vantive Inc. and Bell-Northern Research Co. Mr. Mahbod holds a B.S. in Computer Science from the University of California, Santa Barbara.
Non-Employee Directors

Ronald E. F. Codd has served as a member of our board of directors since July 2012. Mr. Codd has been an independent business consultant since April 2002. From January 1999 to April 2002, Mr. Codd served as President, Chief Executive Officer and a director of Momentum Business Applications, Inc., an enterprise software company. From September 1991 to December 1998, Mr. Codd served as Senior Vice President of Finance and Administration and Chief Financial Officer of PeopleSoft, Inc., a provider of human resource management systems. Mr. Codd has served on the board of directors of ServiceNow, Inc. since February 2012 and presently serves on the board of directors of three other private companies: DROBO, Inc., Rocket Fuel Inc., and Veeva Systems, Inc. Additionally, Mr. Codd previously served on the boards of directors of numerous information technology companies, including most recently DemandTec, Inc., Interwoven, Inc. and Data Domain, Inc. Mr. Codd holds a B.S. in Accounting from the University of California, Berkeley and an M.M. in Finance and M.I.S. from the Kellogg Graduate School of Management at Northwestern University. Our board of directors believes that Mr. Codd possesses specific attributes that qualify him to serve as a director, including his extensive management and software industry experience, and his experience in finance.

William M. Coughran Jr. has served as a member of our board of directors since July 2012. Mr. Coughran has been a member of Sequoia Capital, a venture capital firm, since 2011. He currently serves on the board of directors of multiple private companies, and he served on the board of directors of Clearwell Systems, Inc. from March 2005 to June 2011, when it was acquired by Symantec, Inc. Prior to joining Sequoia Capital, Mr. Coughran held a number of roles at Google Inc. from April 2003 to September 2011, including Senior Vice President of Engineering. At Google, he was responsible for security efforts as well as serving on the executive committee and as an advisor to the founders and Eric Schmidt. Prior to Google, Mr. Coughran co-founded Entrisphere, Inc., a telecom equipment vendor, and served as its initial Chief Executive Officer and in other roles from November 1999 to December 2002. From 1980 to 1999, Mr. Coughran held a number of roles at Bell Labs, Inc. (originally part of AT&T, Inc. and then Lucent Technologies, Inc.), including vice president of the Computing Sciences Research Center, known for key developments in operating and distributed systems as well as early work in networked computer security. Mr. Coughran has held adjunct and visiting faculty roles at Stanford University, Duke University, and ETH Zürich. Mr. Coughran has a B.S. and M.S. in Mathematics from California Institute of Technology and an M.S. and Ph.D. in Computer Science from Stanford University. Our board of directors believes that Mr. Coughran possesses specific attributes that qualify him to serve as a director, including his extensive experience with technology companies and his experience as an investment professional.

Gaurav Garg has served as a member of our board of directors since September 2004. Mr. Garg co-founded and has been a managing member of Wing Venture Partners, a venture capital firm, since June 2013. He has served on the board of directors of Ruckus Wireless, Inc. since August 2002. Mr. Garg also currently serves on the board of directors of a number of privately held technology companies, including MobileIron and Jasper Wireless. From May 2001 to June 2010, Mr. Garg was a non-managing member at Sequoia Capital, a venture capital firm. Prior to joining Sequoia Capital, Mr. Garg was a founder, board member and Senior Vice President of Product Management at Redback Networks, Inc., a telecommunications equipment company acquired by Ericsson, Inc. in 2007. Prior to Redback Networks, Mr. Garg held various engineering positions at SynOptics Communications, Inc. and Bay Networks, Inc., both computer network equipment vendors. Mr. Garg holds a B.S. and M.S. in Electrical Engineering and a B.S. in Computer Science, all from Washington University in St. Louis. Our board of directors believes that Mr. Garg possesses specific attributes that qualify him to serve as a director, including his extensive experience with technology and networking companies as an investment professional, board member, company founder, and senior executive.

Promod Haque has served as a member of our board of directors since March 2005. Mr. Haque has been a managing partner of Norwest Venture Partners, a venture capital firm, since 1990 and currently serves as senior managing partner. He has served on the board of directors of Cyan, Inc. since April 2007. Mr. Haque also currently serves on the boards of directors of several privately held companies, including Apigee, Inc., PCH International, Inc. and Virtela Technology Services Inc., and previously served on the board of directors of Persistent Systems Limited from November 2005 to November 2010, and as Chairman of the Board of Veraz.
Networks, Inc., a provider of application, control and bandwidth optimization solutions, from July 2001 until October 2010, when it merged with Dialogic Corporation. Mr. Haque holds a B.S. in Electrical Engineering from the University of Delhi, India, an M.B.A. from the Kellogg Graduate School of Management at Northwestern University, and a Ph.D. in Electrical Engineering from Northwestern University. Our board of directors believes that Mr. Haque possesses specific attributes that qualify him to serve as a director, including his substantial experience as an investment professional and his extensive experience with technology and networking companies.

Robert F. Lentz has served as a member of our board of directors since March 2010. Mr. Lentz has served as the President of Cyber Security Strategies since October 2009. He served as the Deputy Assistant Secretary of Defense for Cyber, Identity and Information Assurance in the Office of the Assistant Secretary of Defense, Networks and Information Integration/Chief Information Officer from November 2007 to October 2009. Since November 2000, he has also served as the Chief Information Security Officer for the U.S. Department of Defense. He previously worked at the National Security Agency from 1975 to 2000, where he served in the first National Computer Security Center as Chief of Network Security. Mr. Lentz has served as a member of the board of directors of Sypris Solutions, Inc. since July 2012, as well as on the board of directors of two private companies and as an advisor to several other technology companies. Mr. Lentz holds a B.A. in History and Social Science from St. Mary’s College and an M.S. in National Strategy from National Defense University. Our board of directors believes that Mr. Lentz possesses specific attributes that qualify him to serve as a director, including his substantial experience in the security industry, his extensive experience with the U.S. federal government and breadth of knowledge in international cyber security.

Enrique Salem has served as a member of our board of directors since February 2013. Mr. Salem was president, Chief Executive Officer and a director of Symantec Corporation, a provider of information security, storage and systems management solutions, from April 2009 until July 2012. Mr. Salem was Chief Operating Officer of Symantec Corporation from January 2008 to April 2009, group President, Worldwide Sales and Marketing from April 2007 to January 2008, group President, Consumer Products from May 2006 to April 2007, Senior Vice President, Consumer Products and Solutions from February 2006 to May 2006, Senior Vice President, Security Products and Solutions from January 2006 to February 2006, and Senior Vice President, Network and Gateway Security Solutions from June 2004 to February 2006. Prior to Symantec, from April 2002 to June 2004, Mr. Salem served as President and Chief Executive Officer of Brightmail, Inc., an email filtering company, prior to its acquisition by Symantec in 2004. Mr. Salem also held senior leadership roles at Oblix Inc., Ask Jeeves Inc., Peter Norton Computing, Inc. and Security Pacific Merchant Bank. In March 2011, he was appointed to President Barack Obama’s Management Advisory Board. Mr. Salem has been a director of Automatic Data Processing, Inc. since January 2010 and previously served on the board of directors of Symantec Corporation from April 2009 to July 2012. He received the Estrella Award from the Hispanic IT Executive Council in 2010 and was named Entrepreneur of the Year in 2004 by Ernst & Young. Mr. Salem holds an A.B. in Computer Science from Dartmouth College. Our board of directors believes that Mr. Salem possesses specific attributes that qualify him to serve as a director, including his extensive leadership experience, including oversight of global operations, as well as a strong background in information technology, data security, compliance and systems management.

Our executive officers are appointed by our board of directors and serve until their successors have been duly elected and qualified. There are no family relationships among any of our directors or executive officers.

Code of Business Conduct and Ethics

Our board of directors has adopted a code of business conduct and ethics that applies to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer, and other executive and senior financial officers. Upon the completion of this offering, the full text of our code of business conduct and ethics will be available on our Website at www.fireeye.com. We intend to post any amendment to our code of business conduct and ethics, and any waivers of such code for directors and executive officers, on the same Website. The information on our Website is not incorporated by reference into this prospectus.
Board Composition

Our business affairs are managed under the direction of our board of directors, which is currently composed of eight members. Six of our directors are independent within the meaning of the independent director guidelines of [Company Name]. Immediately prior to the completion of this offering, our board of directors will be divided into three classes with staggered three-year terms. At each annual meeting of stockholders, the successors to the directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following their election. Our directors will be divided among the three classes as follows:

- the Class I directors will be Messrs. Coughran, Garg and Haque, and their terms will expire at the first annual meeting of stockholders to be held after the completion of this offering;
- the Class II directors will be Messrs. Aziz, DeWalt and Lentz, and their terms will expire at the second annual meeting of stockholders to be held after the completion of this offering; and
- the Class III directors will be Messrs. Codd and Salem, and their terms will expire at the third annual meeting of stockholders to be held after the completion of this offering.

Each director’s term will continue until the election and qualification of his successor, or his earlier death, resignation, or removal. We expect that any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The classification of our board of directors may have the effect of delaying or preventing changes in our management or a change in control of our company. See “Description of Capital Stock—Anti-Takeover Effects of Delaware Law and Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws” for a discussion of other anti-takeover provisions found in our amended and restated certificate of incorporation and amended and restated bylaws.

Director Independence

In connection with this offering, we intend to list our common stock on the [Exchange Name]. Under the rules of the [Exchange Name], independent directors must comprise a majority of a listed company’s board of directors within a specified period of time after the completion of such company’s initial public offering. In addition, the rules of the [Exchange Name] require that, subject to specified exceptions, each member of a listed company’s audit, compensation, and nominating and corporate governance committees be independent. Under the rules of the [Exchange Name], a director will only qualify as an “independent director” if, in the opinion of that company’s board of directors, that director does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act. In order to be considered independent for purposes of Rule 10A-3, each member of the audit committee of a listed company may not, other than in his or her capacity as a member of such committee, the board of directors, or any other board committee: (i) accept, directly or indirectly, any consulting, advisory, or other compensatory fees from the listed company or any of its subsidiaries; or (ii) be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors has undertaken a review of the independence of each director and considered whether such director has a material relationship with us that could compromise his ability to exercise independent judgment in carrying out his responsibilities. As a result of this review, our board of directors has determined that Messrs. Codd, Coughran, Garg, Haque, Lentz and Salem are “independent directors” as defined under the applicable rules and regulations of the Securities and Exchange Commission, or SEC, and the listing requirements and rules of the [Exchange Name].
Our board of directors has established an audit committee, a compensation committee, and a nominating and corporate governance committee, each of which will have the composition and responsibilities described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors.

**Audit Committee**

Our audit committee is comprised of Ronald E. F. Codd, Gaurav Garg and Robert F. Lentz, each of whom is a non-employee member of our board of directors. Mr. Codd is the chair of our audit committee. Our board of directors has determined that each of the members of our audit committee satisfies the requirements for independence and financial literacy under the rules and regulations of the and the SEC, including Rule 10A-3. Our board of directors has also determined that Mr. Codd qualifies as an “audit committee financial expert” as defined in the SEC rules and satisfies the financial sophistication requirements of the . This designation does not impose on Mr. Codd any duties, obligations or liabilities that are greater than those generally imposed on members of our audit committee and our board of directors. Our audit committee is responsible for, among other things:

- selecting and hiring our registered public accounting firm;
- evaluating the performance and independence of our registered public accounting firm;
- approving the audit and pre-approving any non-audit services to be performed by our independent registered public accounting firm;
- reviewing the adequacy and effectiveness of our internal control policies and procedures and our disclosure controls and procedures;
- overseeing procedures for the treatment of complaints on accounting, internal accounting controls or audit matters;
- reviewing and discussing with management and the independent registered public accounting firm the results of our annual audit, our quarterly financial statements and our publicly filed reports;
- reviewing and approving related person transactions; and
- preparing the audit committee report that the SEC requires in our annual proxy statement.

**Compensation Committee**

Our compensation committee is comprised of William M. Coughran Jr., Promod Haque and Enrique Salem, each of whom is a non-employee member of our board of directors. Mr. Salem is the chair of our compensation committee. Our board of directors has determined that each member of our compensation committee meets the requirements for independence under the rules of the and the SEC, is a “non-employee director” within the meaning of Rule 16b-3 under the Exchange Act and is an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code of 1986, or the Code. Our compensation committee is responsible for, among other things:

- reviewing and approving our Chief Executive Officer’s and other executive officers’ annual base salaries; incentive compensation plans, including the specific goals and amounts; equity compensation, employment agreements, severance arrangements and change in control agreements; and any other benefits, compensation or arrangements; provided that any approvals relating to the Chief Executive Officer’s compensation will be subject to the ratification of our entire board of directors, with any non-independent directors abstaining;
- administering our equity compensation plans;
- overseeing our overall compensation philosophy, compensation plans and benefits programs; and
- preparing the compensation committee report that the SEC requires in our annual proxy statement.
Nominating and Corporate Governance Committee

Our nominating and corporate governance committee is comprised of Ronald E. F. Codd, William M. Coughran Jr. and Promod Haque, each of whom is a non-employee member of our board of directors. Mr. Coughran is the chair of our nominating and corporate governance committee. Our board of directors has determined that each member of our nominating and corporate governance committee meets the requirements for independence under the rules of the . Our nominating and corporate governance committee is responsible for, among other things:

• evaluating and making recommendations regarding the composition, organization, and governance of our board of directors and its committees;
• evaluating and making recommendations regarding the creation of additional committees or the change in mandate or dissolution of committees;
• reviewing and making recommendations with regard to our corporate governance guidelines and compliance with laws and regulations; and
• reviewing and approving conflicts of interest of our directors and corporate officers, other than related person transactions reviewed by the audit committee.

We intend to post the charters of our audit, compensation and nominating and corporate governance committees, and any amendments thereto that may be adopted from time to time, on our Website at www.fireeye.com. Our board of directors may from time to time establish other committees.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is or has been 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, or other board committee performing equivalent functions, of any entity that has one or more executive officers serving on our compensation committee or our board of directors. We have had a compensation committee since November 2012. Prior to establishing the compensation committee, our full board of directors made decisions relating to the compensation of our executive officers.

Director Compensation

We do not currently have a formal policy with respect to compensation payable to our non-employee directors for service as directors. Our non-employee directors do not currently receive, and did not receive during 2012, any cash compensation for their services as directors or as board committee members. Our board of directors has, however, granted equity awards from time to time to non-employee directors who are not affiliated with our venture fund investors as compensation for their service as directors.
The table below shows equity compensation earned by our Chairman of the Board and our non-employee directors during 2012. Mr. Salem was not a director during 2012.

**Director Compensation Table**

<table>
<thead>
<tr>
<th>Name</th>
<th>Stock Awards ($)(1)</th>
<th>Option Awards ($)(2)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>David G. DeWalt, Chairman of the Board(3)</td>
<td>1,430,414(4)</td>
<td>—</td>
<td>1,430,414</td>
</tr>
<tr>
<td>Ronald E. F. Codd(5)</td>
<td>—</td>
<td>537,851</td>
<td>537,851</td>
</tr>
<tr>
<td>William M. Coughran Jr.</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Enrique Salem(6)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gaurav Garg(7)</td>
<td>—</td>
<td>293,624</td>
<td>293,624</td>
</tr>
<tr>
<td>Promod Haque</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Robert F. Lentz(8)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

(1) Except as described in the footnotes below, no non-employee director held options to purchase shares of our common stock or unvested stock awards as of December 31, 2012.

(2) The amount reported in this column represents the aggregate grant date fair value of the awards as computed in accordance with Financial Accounting Standard Board Accounting Standards Codification Topic 718. The assumptions used in calculating the grant date fair value of the awards reported in this column are set forth in the notes to our audited consolidated financial statements included elsewhere in this prospectus.

(3) For options and stock awards held by Mr. DeWalt as of December 31, 2012, including awards received by him in his capacity as Chief Executive Officer, see the disclosure under “Executive Compensation—Outstanding Equity Awards at Fiscal Year-End.”

(4) Represents the grant date fair value of stock awards granted to Mr. DeWalt in his capacity as a member of our board of directors and as Chairman of the Board. For information regarding additional equity awards received by Mr. DeWalt in his capacity as our Chief Executive Officer, see the disclosure below under “Executive Compensation—Summary Compensation Table.”

(5) As of December 31, 2012, Mr. Codd held an option to purchase 125,000 shares of common stock at an exercise price of $2.48 per share, and the Codd Revocable Trust dtd March 6, 1998 held 125,000 shares of restricted common stock that remained subject to a right of repurchase by us as of such date.

(6) Mr. Salem was appointed as a member of our board of directors subsequent to December 31, 2012. On February 6, 2013, our board of directors granted Mr. Salem options to purchase an aggregate of 200,000 shares of common stock at an exercise price of $5.44 per share.

(7) As of December 31, 2012, Mr. Garg’s affiliated entities held 259,915 shares of restricted common stock that remained subject to a right of repurchase by us as of such date.

(8) As of December 31, 2012, Mr. Lentz held an option to purchase 430,382 shares of common stock at an exercise price of $0.07 per share.
### EXECUTIVE COMPENSATION

#### Summary Compensation Table

The following table provides information regarding the compensation awarded to, or earned by, our executive officers, including each of our named executive officers, during 2012.

<table>
<thead>
<tr>
<th>Name and Principal Position</th>
<th>Year</th>
<th>Salary ($)</th>
<th>Bonus ($)</th>
<th>Stock Awards ($)</th>
<th>Option Awards ($)</th>
<th>Non-Equity Incentive Plan Compensation ($)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>David G. DeWalt, Chief Executive Officer</td>
<td>2012</td>
<td>42,424</td>
<td>23,562</td>
<td>3,576,032</td>
<td>2,390,756</td>
<td>—</td>
<td>6,032,774</td>
</tr>
<tr>
<td>Ashar Aziz, Chief Technology Officer, Chief Strategy Officer, and Former Chief Executive Officer</td>
<td>2012</td>
<td>300,000</td>
<td>171,000</td>
<td>—</td>
<td>1,916,037</td>
<td>—</td>
<td>2,387,037</td>
</tr>
<tr>
<td>Jeffrey C. Williams, Senior Vice President, Sales</td>
<td>2012</td>
<td>200,000</td>
<td>150,000</td>
<td>—</td>
<td>—</td>
<td>336,202(4)</td>
<td>686,202</td>
</tr>
<tr>
<td>Alexa King, Senior Vice President, General Counsel and Secretary</td>
<td>2012</td>
<td>177,083</td>
<td>40,403</td>
<td>—</td>
<td>436,885</td>
<td>—</td>
<td>654,371</td>
</tr>
<tr>
<td>Bahman Mahbod, Senior Vice President, Engineering</td>
<td>2012</td>
<td>246,932</td>
<td>57,000</td>
<td>—</td>
<td>124,813</td>
<td>—</td>
<td>428,745</td>
</tr>
<tr>
<td>Michael J. Sheridan, Senior Vice President and Chief Financial Officer</td>
<td>2012</td>
<td>265,000</td>
<td>94,536</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>359,536</td>
</tr>
</tbody>
</table>

(1) Represents amounts paid as a discretionary bonus to our executive officers, including our named executive officers, for exemplary performance in 2012 as compared with our 2012 operating plan.

(2) The amounts in this column represent the aggregate grant date fair value of the award as computed in accordance with Financial Accounting Standard Board Accounting Standards Codification Topic 718. The assumptions used in calculating the grant date fair value of the awards reported in this column are set forth in the notes to our audited consolidated financial statements included elsewhere in this prospectus.

(3) Represents the grant date fair value of stock awards granted to Mr. DeWalt in his capacity as our Chief Executive Officer. For information regarding additional equity awards received by Mr. DeWalt in his capacity as a member of our board of directors and as Chairman of the Board, see the disclosure above under “Management—Director Compensation—Director Compensation Table.”

(4) Represents amounts earned in 2012 pursuant to an individual sales commission plan under our 2012 Master Commission Plan.

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Bonus and Non-Equity Incentive Plan Compensation

Discretionary Bonus

Our executive officers, including our named executive officers, received discretionary bonuses for exemplary company performance in 2012 as compared to our 2012 operating plan. These discretionary bonuses were not paid pursuant to any formal plan document. The compensation committee primarily considered our level of bookings, amount of revenue growth and number of new customers when determining these discretionary bonuses.

Commission Plan

In 2012, Mr. Williams participated in an individual sales commission plan under our 2012 Master Commission Plan. Under his plan, Mr. Williams’ commissions were calculated by multiplying his effective commission rate by the value of our bookings. In addition, the plan provided that Mr. Williams’ effective commission rate would be accelerated if he exceeded his annual bookings target. Under the terms of this plan, commissions were not subject to a cap and were paid prior to the end of the month following the close of the month in which the commissions were earned.

Employment Agreements for Executive Officers

David G. DeWalt

Effective November 19, 2012, we entered into an amended and restated offer letter with David G. DeWalt, our Chief Executive Officer and Chairman of the Board. The offer letter has no specific term and provides that Mr. DeWalt is an at-will employee. Mr. DeWalt’s current annual base salary is $350,000, and he is eligible for annual target incentive payments of up to $200,000 each year. Mr. DeWalt’s offer letter was subsequently amended in August 2013.

In connection with Mr. DeWalt’s commencement of employment as our Chief Executive Officer, the vesting schedule of each of Mr. DeWalt’s equity awards was amended and restated to vest from and after the date Mr. DeWalt became our Chief Executive Officer, as follows:

• Mr. DeWalt’s restricted stock award covering 269,686 shares of common stock granted on May 1, 2012 vests as to 1/48th of the shares subject to the award each month beginning in May 2012, subject to his continuous service as a member of our board of directors on each such vesting date.
• Mr. DeWalt’s restricted stock award covering 377,560 shares of common stock granted on May 1, 2012 vests as to 1/7th of the shares subject to the award each month beginning in May 2012, subject to his continuous service as our Chairman of the Board on each such vesting date.
• Mr. DeWalt’s restricted stock award covering 431,497 shares of common stock granted on May 1, 2012 vests as to 100% of the shares subject to the award on the date that is six months following the date Mr. DeWalt became our Chief Executive Officer, subject to his continuous service as our Chief Executive Officer on such vesting date.
• Mr. DeWalt’s restricted stock award covering 836,026 shares of common stock granted on May 1, 2012 vests as to 100% of the shares subject to the award on the first anniversary of the date Mr. DeWalt became our Chief Executive Officer, subject to his continuous service as our Chief Executive Officer on such date.
• Mr. DeWalt’s restricted stock award covering 350,591 shares of common stock granted on May 1, 2012 vests as to 1/5th of the shares subject to the award each month beginning on the last day of the month following the first anniversary of the date Mr. DeWalt became our Chief Executive Officer, subject to his continuous service as our Chief Executive Officer on each such vesting date.
• Mr. DeWalt’s stock option to purchase 2,157,486 shares of our common stock granted on May 1, 2012 vests in 31 equal monthly installments beginning on the last day of the 18th month following the date Mr. DeWalt became our Chief Executive Officer, subject to his continuous service as our Chief Executive Officer on each such vesting date.

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Mr. DeWalt’s stock option to purchase 41,000 shares of our common stock granted on June 15, 2012 vests as to 1/48th of the shares subject to the award each month beginning on the date Mr. DeWalt became our Chief Executive Officer, subject to his continuous service as our Chief Executive Officer on each such vesting date.

In August 2013, Mr. DeWalt’s offer letter was amended to provide that any of Mr. DeWalt’s rights to severance, equity acceleration and/or change of control benefits under his offer letter would be superseded by eligibility for severance benefits under our Change of Control Severance Policy for Officers. See the disclosure under “Change of Control Severance Policy for Officers” for additional information.

The description above does not purport to be complete and is qualified in its entirety by the provisions of Mr. DeWalt’s offer letter, as amended, a copy of which has been filed as an exhibit to the registration statement of which this prospectus is a part.

Ashar Aziz

Effective November 19, 2012, we entered into an offer letter with Ashar Aziz, our founder, Vice Chairman of the Board, Chief Technology Officer and Chief Strategy Officer. The offer letter has no specific term and provides that Mr. Aziz is an at-will employee. Mr. Aziz’s current annual base salary is $300,000, and he is eligible for annual target incentive payments of up to $150,000 each year.

In connection with Mr. Aziz’s transition from our Chief Executive Officer to our Chief Technology Officer and Chief Strategy Officer, the offer letter clarified and confirmed the vesting schedule of each of Mr. Aziz’s equity awards as follows:

- Mr. Aziz’s stock option to purchase 2,170,794 shares of common stock granted on December 28, 2009 vests as to 38,441 shares subject to the award each month beginning on June 25, 2009 until fully vested.
- Mr. Aziz’s stock option to purchase 856,218 shares of common stock granted on June 25, 2010 vests as to 15,162 shares subject to the award each month beginning on June 25, 2009 until fully vested.
- Mr. Aziz’s stock option to purchase 926,640 shares of common stock granted on May 27, 2011 vests as to 19,305 shares subject to the award each month beginning on June 1, 2011 until fully vested.
- Mr. Aziz’s stock option to purchase 555,984 shares of common stock granted on May 27, 2011 vests as to 11,583 shares subject to the award each month beginning on December 29, 2012 until fully vested.
- Mr. Aziz’s stock option to purchase 1,618,439 shares of common stock granted on March 30, 2012 vested as to 36,782 shares subject to the award on November 26, 2012 and December 26, 2012, will vest as to 12,260 shares on the 26th of each month from January 2013 through June 2013, and then will vest as to 36,782 shares on the 26th of each month until fully vested.
- Mr. Aziz’s stock option to purchase 484,425 shares of common stock granted on May 25, 2012 vested on November 19, 2012, the date Mr. DeWalt became our Chief Executive Officer.

The vesting terms described above as to Mr. Aziz are all subject to Mr. Aziz’s continuous service with us on each vesting date. Pursuant to the terms of the offer letter, effective as of the date Mr. DeWalt joined us as our Chief Executive Officer, 500,000 of the unvested shares subject to the equity awards described above vested on a pro rata basis across all such awards. See “—Outstanding Equity Awards at Fiscal Year-End” for a description of the vesting of Mr. Aziz’s equity awards as of December 31, 2012 after giving effect to the acceleration described in the preceding sentence.

In addition to the vesting acceleration described above, Mr. Aziz’s offer letter also provides for the vesting acceleration of his equity awards as follows:

- Upon the effectiveness of this offering and the public trading of our common stock while Mr. Aziz is an employee or director, 500,000 of the unvested shares subject to his equity awards will vest.
If Mr. Aziz remains an employee or director on the six-month anniversary of the effectiveness of this offering, 500,000 of the unvested shares subject to his equity awards will vest.

If, prior to the expiration of the underwriter-imposed lock-up agreement in connection with this offering, Mr. Aziz is subject to a termination of employment without cause, then subject to his execution of a release of claims, the unvested shares subject to his equity awards will vest as if Mr. Aziz had completed an additional 12 months of employment following the date of his termination of employment. Also, if Mr. Aziz is entitled to such vesting acceleration and is not maintained as a director through the later of the expiration of the underwriter-imposed lock-up agreement in connection with this offering and our first annual meeting as a public company, then the unvested shares subject to his equity awards will vest as if Mr. Aziz had completed an additional 12 months of service following his termination date.

If we are subject to a change in control when Mr. Aziz is not an employee but is a director, then 100% of his unvested equity awards will vest.

If we are subject to a change in control when Mr. Aziz is an employee and Mr. Aziz subsequently terminates his employment, then, subject to his execution of a release of claims, Mr. Aziz’s equity awards will vest as if Mr. Aziz had completed an additional 24 months of employment following his termination of employment date.

Mr. Aziz’s offer letter provides that, if prior to the expiration of the underwriter-imposed lock-up agreement in connection with our initial public offering, Mr. Aziz is terminated without cause either prior to, or more than 24 months following, a change in control, then, subject to the execution of a release of claims, Mr. Aziz will receive continuing payment of his base salary for a period of 12 months. If, prior to the expiration of the underwriter imposed lock-up agreement in connection with this offering, Mr. Aziz’s employment is terminated without cause or for good reason, in each case within 24 months following a change in control, then, subject to the execution of a release of claims, Mr. Aziz will receive continuing payment of his base salary for a period of 12 months and a payment equal to Mr. Aziz’s annual target bonus.

Mr. Aziz had entered into certain promissory notes with us in connection with the purchase of our common stock. In connection with his transition, the term of these notes were modified so that their term extends until the first to occur of (i) December 31, 2017 or (ii) (a) the day prior to the date we file our registration statement in connection with this offering, (b) the date we are acquired by a company whose stock is publicly traded and the notes would violate applicable law, or (c) the date we determine that the notes would be a violation of Section 402 of the Sarbanes-Oxley Act. All promissory notes have been repaid in full as described in greater detail under the heading “Certain Relationships and Related Party Transactions—Loans to Executive Officers.”

Mr. Aziz’s offer letter provides that, if there is a public offering following the completion of this offering, and Mr. Aziz wishes to register and sell some of his vested shares in such follow-on offering, then we will use reasonable efforts to facilitate the sale by Mr. Aziz of a number of shares equal to the lesser of (i) 1,000,000 vested shares or (ii) 40% of the aggregate number of shares that investors are willing to purchase. Also, if our executive officers are offered the opportunity to sell shares of our common stock in connection with this offering, then Mr. Aziz will be offered the same opportunity on the same terms and conditions as apply to our other executive officers.

The description above does not purport to be complete and is qualified in its entirety by the provisions of Mr. Aziz’s offer letter, a copy of which has been filed as an exhibit to the registration statement of which this prospectus is a part.

Jeffrey C. Williams

Effective August 1, 2013, we entered into a confirmatory offer letter with Jeffrey C. Williams, our Senior Vice President, Sales. The offer letter is for no specific term and provides that Mr. Williams is an at-will employee. Mr. Williams’ current annual base salary is $225,000, and he is eligible for annual target incentive
payments equal to $200,000. Mr. Williams is also eligible for severance benefits under our Change of Control Severance Policy for Officers.

Alexa King

Effective August 1, 2013, we entered into a confirmatory offer letter with Alexa King, our Senior Vice President, General Counsel and Secretary. The offer letter is for no specific term and provides that Ms. King is an at-will employee. Ms. King’s current annual base salary is $250,000, and she is eligible for annual target incentive payments equal to $100,000. Ms. King is also eligible for severance benefits under our Change of Control Severance Policy for Officers.

Michael J. Sheridan

Effective August 1, 2013, we entered into a confirmatory offer letter with Michael J. Sheridan, our Senior Vice President and Chief Financial Officer. The offer letter is for no specific term and provides that Mr. Sheridan is an at-will employee. Mr. Sheridan’s current annual base salary is $265,000, and he is eligible for annual target incentive payments equal to $135,000. Mr. Sheridan is also eligible for severance benefits under our Change of Control Severance Policy for Officers.

Bahman Mahbod

Effective August 1, 2013, we entered into a confirmatory offer letter with Bahman Mahbod, our Senior Vice President, Engineering. The offer letter is for no specific term and provides that Mr. Mahbod is an at-will employee. Mr. Mahbod’s current annual base salary is $250,000, and he is eligible for annual target incentive payments equal to $100,000. Mr. Mahbod is also eligible for severance benefits under our Change of Control Severance Policy for Officers.

Definitions for Offer Letter with Mr. Aziz

For purposes of the offer letter with Mr. Aziz, “cause” means generally:

- the unauthorized use or disclosure of our confidential information or trade secrets, which use or disclosure causes material harm to us;
- the material breach of any agreement between us and the named executive officer;
- the material failure to comply with our written policies or rules;
- the conviction of, or plea of “guilty” or “no contest” to, a felony under the laws of the United States or any State;
- gross negligence or willful misconduct;
- the continuing failure to perform assigned duties after receiving written notification of the failure from the board of directors; or
- the failure to cooperate in good faith with a governmental or internal investigation of the company or our directors, officers or employees, if we have requested such cooperation;

provided, however, that “cause” will not be deemed to exist in the certain events above unless the named executive officer has been provided with (i) 30 days’ written notice by the board of directors of the act or omission constituting “cause” and (ii) 30 days’ opportunity to cure such act or omission, if capable of cure (as determined by the board of directors in its sole discretion).

For purposes of the offer letter with Mr. Aziz, “good reason” means generally any of the following without the named executive officer’s consent:

- a material reduction of base salary as set forth in the agreement or as such base salary may be increased during the course of employment;
- a material reduction of target bonus as set forth in the agreement or as such target bonus may be increased during the course of employment;
A resignation for "good reason" will not be deemed to have occurred unless the named executive officer gives us written notice of the condition within 90 days after the condition comes into existence and we fail to remedy the condition within 30 days after receiving the written notice.

For purposes of the offer letter with Mr. Aziz, "change in control" means (i) the consummation of a merger or consolidation of us with or into another entity or (ii) the dissolution, liquidation or winding up of our company. The foregoing notwithstanding, a merger or consolidation of our company does not constitute a "change in control" if immediately after the merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of the continuing or surviving entity, will be owned by the persons who were our company’s stockholders immediately prior to the merger or consolidation in substantially the same proportions as their ownership of the voting power of our company’s capital stock immediately prior to the merger or consolidation. The foregoing notwithstanding, a transaction will not constitute a "change in control" unless such transaction also constitutes a “change in control event” as defined in Treasury Regulation §1.409A-3(i)(5), without regard to any alternative percentages thereunder.

Change of Control Severance Policy for Officers

In July 2013, our compensation committee adopted and approved a Change of Control Severance Policy for Officers, or the Severance Policy. All of our executive officers and certain non-executive vice presidents (including senior vice presidents) (collectively referred to as "eligible employees") are generally eligible for severance benefits under the Severance Policy, subject to the conditions described below. Each eligible employee may receive benefits upon a qualified termination of employment three months prior to, or 12 months following a change of control, or the change of control period. In addition, eligible employees may receive severance benefits for qualified terminations of employment unrelated to a change of control. The benefits in the Severance Policy vary based on whether an eligible employee is an executive officer, or Tier 1 Executive, or a non-executive officer, or Tier II Executive.

In the event of a termination of employment without "cause" (as generally defined below) outside of the change of control period, an eligible employee will receive the following:

- Tier I Executive:
  - lump-sum 12 months base salary payment; and
  - paid COBRA continuation for 12 months.

- Tier II Executive:
  - lump-sum 6 months base salary payment; and
  - paid COBRA continuation for 6 months.
In the event of a termination of employment without cause or a resignation for “good reason” (as generally defined below), in each case, during the change of control period, an eligible employee will receive the following:

- **Tier I Executive:**
  - lump-sum 12 months base salary payment;
  - pro-rata bonus for the year of termination;
  - 100% acceleration of unvested equity awards with performance awards vesting at maximum level; and
  - paid COBRA continuation for 12 months.

- **Tier II Executive:**
  - lump-sum 12 months base salary payment;
  - pro-rata bonus for the year of termination;
  - 100% acceleration of unvested equity awards with performance awards vesting at maximum level; and
  - paid COBRA continuation for 12 months.

To be an eligible employee, the participant must enter into a participation agreement with us. Also, all severance benefits under the Severance Policy are subject to the eligible employee executing a release of claims. Mr. Aziz is not an eligible employee for purposes of the Severance Policy because he elected not to enter into a participation agreement with us.

Benefits under the Severance Policy replace any then-existing severance and/or change of control benefit that an eligible employee had previously.

For purposes of the Severance Policy, “cause” has the same general meaning as in the offer letter with Mr. Aziz.

For purposes of the Severance Policy, “good reason” means generally any of the following without an eligible employee’s consent:

- a material reduction in duties, authority, reporting relationship, or responsibilities;
- a material reduction in annual cash compensation;
- a requirement to relocate to a location more than twenty miles from the eligible employee’s then-current office location;
- a material breach by us of the eligible employee’s employment agreement or any other agreement between the eligible employee and us; or
- a failure by any successor entity to assume the Severance Policy.

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### Outstanding Equity Awards at Fiscal Year-End

The following table presents certain information concerning equity awards held by our executive officers, including each of our named executive officers, as of December 31, 2012.

<table>
<thead>
<tr>
<th>Name</th>
<th>Grant Date</th>
<th>Number of Securities Underlying Unexercised Options (#)</th>
<th>Option Exercise Price ($)</th>
<th>Option Expiration Date</th>
<th>Number of Shares or Units of Stock that have not vested (##)</th>
<th>Market Value of Shares of Units of Stock that have not vested ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>David G. DeWalt</td>
<td>5/1/12(2)</td>
<td>—</td>
<td>1.65</td>
<td>4/30/22</td>
<td>2,157,486</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>5/1/12(2)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>431,497</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>5/1/12(2)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>836,026</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>5/1/12(2)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>350,591</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>5/1/12(2)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>230,357</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>6/15/12(2)</td>
<td>41,000</td>
<td>1.65</td>
<td>6/14/22</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Ashar Aziz</td>
<td>12/28/09(6)</td>
<td>—</td>
<td>0.07</td>
<td>12/27/19</td>
<td>192,893</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>6/25/10(6)</td>
<td>—</td>
<td>0.07</td>
<td>6/24/20</td>
<td>76,082</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>5/27/11(6)</td>
<td>926,640</td>
<td>0.57</td>
<td>5/26/21</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>5/27/11(6)</td>
<td>555,984</td>
<td>0.57</td>
<td>5/26/21</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>3/30/12(2)</td>
<td>—</td>
<td>1.65</td>
<td>3/29/22</td>
<td>1,167,854</td>
<td>—</td>
</tr>
<tr>
<td>Jeffrey C. Williams</td>
<td>4/1/08(11)</td>
<td>25,000</td>
<td>—</td>
<td>3/31/18</td>
<td>—</td>
<td>—</td>
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<tr>
<td></td>
<td>3/16/10(14)</td>
<td>1,936,719</td>
<td>0.07</td>
<td>3/15/20</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>2/10/11(15)</td>
<td>25,000</td>
<td>0.57</td>
<td>2/9/21</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Alexa King</td>
<td>5/25/12(20)</td>
<td>—</td>
<td>1.65</td>
<td>5/24/22</td>
<td>350,000</td>
<td>—</td>
</tr>
<tr>
<td>Bahman Mahbod</td>
<td>4/1/08(17)</td>
<td>300,000</td>
<td>—</td>
<td>3/31/18</td>
<td>—</td>
<td>—</td>
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<td>12/28/09(18)</td>
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<td>0.07</td>
<td>12/27/19</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>6/25/10(18)</td>
<td>200,000</td>
<td>0.07</td>
<td>6/24/20</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>2/10/11(19)</td>
<td>291,000</td>
<td>0.57</td>
<td>2/9/21</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>5/25/12(20)</td>
<td>100,000</td>
<td>1.65</td>
<td>5/24/22</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Michael J. Sheridan</td>
<td>7/20/11(21)</td>
<td>—</td>
<td>0.57(22)</td>
<td>—</td>
<td>752,895</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>8/23/11(21)</td>
<td>—</td>
<td>0.57(22)</td>
<td>—</td>
<td>9,917</td>
<td>—</td>
</tr>
</tbody>
</table>

(1) Represents (i) restricted stock awards and (ii) shares of restricted stock issued upon the early exercise of stock options, in each case that remained unvested as of December 31, 2012. We have a right to repurchase any unvested shares subject to each such award if the holder of the award ceases to provide services to us prior to the date on which all shares subject to the award have vested in accordance with the applicable vesting schedule described in the footnotes below.

(2) As modified by the amended and restated offer letter entered into with Mr. DeWalt in November 2012, the shares subject to the award vest in 31 equal monthly installments commencing on May 31, 2014, subject to Mr. DeWalt’s continuous service as our Chief Executive Officer on each such vesting date.

(3) As modified by the amended and restated offer letter entered into with Mr. DeWalt in November 2012, the shares subject to the award vest on May 19, 2013, subject to Mr. DeWalt’s continuous service as our Chief Executive Officer on such date.

(4) As modified by the amended and restated offer letter entered into with Mr. DeWalt in November 2012, the shares subject to the award vest on November 19, 2013, subject to Mr. DeWalt’s continuous service as our Chief Executive Officer on such date.
As modified by the amended and restated offer letter entered into with Mr. DeWalt in November 2012, the shares subject to the award vest in five equal monthly installments with the first such installment on December 31, 2013, subject to Mr. DeWalt’s continuous service as our Chief Executive Officer on each such vesting date.

As modified by the amended and restated offer letter entered into with Mr. DeWalt in November 2012, the shares subject to the award vest in 48 equal monthly installments with the first such installment on May 1, 2012, subject to Mr. DeWalt’s continuous status as a member of our board of directors on each such vesting date.

As modified by the amended and restated offer letter entered into with Mr. DeWalt in November 2012, the shares subject to the option are early exercisable and vest in 48 equal monthly installments beginning on November 19, 2012, subject to Mr. DeWalt’s continuous status as our Chief Executive Officer as of each such vesting date.

As modified by the offer letter entered into with Mr. Aziz in November 2012, as of December 31, 2012, the shares subject to the award vest in six equal monthly installments, subject to Mr. Aziz’s continuous status as a service provider on each such vesting date. For a description of Mr. Aziz’s offer letter, see “Executive Compensation—Employment Agreements for Executive Officers.”

As modified by the offer letter entered into with Mr. Aziz in November 2012, as of December 31, 2012, 442,290 of the shares subject to the option had vested, and 484,350 of the shares subject to the option continue to vest in 30 equal monthly installments, subject to Mr. Aziz’s continuous status as a service provider on each such vesting date. For a description of Mr. Aziz’s offer letter, see “Executive Compensation—Employment Agreements for Executive Officers.”

As modified by the offer letter entered into with Mr. Aziz in November 2012, as of December 31, 2012, 91,008 of the shares subject to the option had vested, and 464,976 of the shares subject to the option continue to vest in 48 equal monthly installments, subject to Mr. Aziz’s continuous status as a service provider on each such vesting date. For a description of Mr. Aziz’s offer letter, see “Executive Compensation—Employment Agreements for Executive Officers.”

As modified by the offer letter entered into with Mr. Aziz in November 2012, 40,719 of the shares subject to the award vest in six equal monthly installments through June 26, 2013, subject to Mr. Aziz’s continuous status as a service provider on each such vesting date. Thereafter, 1,127,135 of the shares subject to the award vest in 36 equal monthly installments through June 26, 2016, subject to Mr. Aziz’s continuous status as a service provider on each such vesting date.

The stock option is fully vested and immediately exercisable.

25% of the shares subject to the option vested on February 1, 2011, and the remaining shares subject to the option vest in 36 equal monthly installments thereafter, subject to Mr. Williams’ continuous status as a service provider on each such vesting date. All shares subject to the option are early exercisable.

The shares subject to the option are early exercisable and vest in 48 equal monthly installments with a vesting commencement date of February 10, 2011, subject to Mr. Williams continuous status as a service provider on each such vesting date.

25% of the shares subject to the award will vest on April 16, 2013, and the remaining shares subject to the award will vest in 36 equal monthly installments thereafter, subject to Ms. King’s continuous status as a service provider on each such vesting date. All shares subject to the option are early exercisable.

The stock option is fully vested and immediately exercisable.

15% of the shares subject to the option vested as of the date of grant, and the remaining shares subject to the option vest in 48 equal monthly installments, subject in each case to Mr. Mahbod’s continuous status as a service provider on each such vesting date. All shares subject to the option are early exercisable.
The shares subject to the option are early exercisable and vest in 48 equal monthly installments with a vesting commencement date of February 10, 2011, subject to Mr. Mahbod’s continuous status as a service provider on each such vesting date.

The shares subject to the option are early exercisable and vest in 48 equal monthly installments with a vesting commencement date of May 25, 2012, subject to Mr. Mahbod’s continuous status as a service provider on each such vesting date.

25% of the shares subject to the award vested on June 8, 2012, and the remaining shares subject to the award vest in 36 equal monthly installments thereafter, subject to Mr. Sheridan’s continuous status as a service provider on each such vesting date.

Receives purchase price per share of restricted stock.

Employee Benefit and Stock Plans

2013 Equity Incentive Plan

Prior to the effectiveness of this offering, our board of directors intends to adopt, and we expect our stockholders to approve, our 2013 Equity Incentive Plan, or the 2013 Plan. Subject to stockholder approval, the 2013 Plan will be effective one business day prior to the effective date of the registration statement of which this prospectus forms a part but is not expected to be utilized until after the completion of this offering. Our 2013 Plan will provide for the grant of incentive stock options, within the meaning of Section 422 of the Code, to our employees and any parent and subsidiary corporations’ employees, and for the grant of nonstatutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units and performance shares to our employees, directors and consultants and our parent and subsidiary corporations’ employees and consultants.

Authorized Shares. A total of shares of our common stock are expected to be reserved for issuance pursuant to the 2013 Plan, of which no awards are issued and outstanding. In addition, the shares to be reserved for issuance under our 2013 Plan will also include (i) the shares reserved but unissued under our 2008 Stock Plan, or the 2008 Plan, and (ii) shares returned to our 2008 Plan as the result of expiration or termination of awards (provided that the maximum number of shares that may be added to the 2013 Plan pursuant to (i) and (ii) is shares). The number of shares available for issuance under the 2013 Plan will also include an annual increase on the first day of each fiscal year beginning in 2014, equal to the least of:

- % of the outstanding shares of common stock as of the last day of our immediately preceding fiscal year; or
- such other amount as our board of directors may determine.

Plan Administration. Our board of directors or one or more committees appointed by our board of directors, will administer the 2013 Plan. We anticipate that the compensation committee of our board of directors will administer our 2013 Plan. In the event of awards intended to qualify as “performance-based compensation” within the meaning of Section 162(m) of the Code, the committee will consist of two or more “outside directors” within the meaning of Section 162(m) of the Code. In addition, if we determine it is desirable to qualify transactions under the 2013 Plan as exempt under Rule 16b-3 of the Securities Exchange Act of 1934, as amended, or Rule 16b-3, such transactions will be structured to satisfy the requirements for exemption under Rule 16b-3. Subject to the provisions of our 2013 Plan, the administrator will have the power to administer the plan, including but not limited to, the power to interpret the terms of the 2013 Plan and awards granted thereunder, to create, amend and revoke rules relating to the 2013 Plan, including creating sub-plans, and to determine the terms of the awards, including the exercise price, the number of shares subject to each such award, the exercisability of the awards, and the form of consideration, if any, payable upon exercise. The administrator will also have the authority to amend existing awards to reduce or increase their exercise price, to allow participants the opportunity to transfer outstanding awards to a financial institution or other person or entity selected by the administrator, and to institute an exchange program by which outstanding awards may be surrendered in exchange for awards of the same type, which may have a higher or lower exercise price or different terms, awards of a different type and/or cash.
**Stock Options.** Stock options may be granted under the 2013 Plan. The exercise price of options granted under our 2013 Plan must at least be equal to the fair market value of our common stock on the date of grant. The term of an incentive stock option may not exceed 10 years, except that with respect to any participant who owns more than 10% of the voting power of all classes of our outstanding stock, the term must not exceed five years and the exercise price must equal at least 110% of the fair market value on the grant date. The administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares or other property acceptable to the administrator, as well as other types of consideration permitted by applicable law. After the termination of service of an employee, director or consultant, he or she may exercise his or her option for the period of time stated in his or her option agreement. Generally, if termination is due to death or disability, the option will remain exercisable for 12 months. In all other cases, the option will generally remain exercisable for three months following the termination of service. However, in no event may an option be exercised after the expiration of its term. Subject to the provisions of our 2013 Plan, the administrator determines the other terms of options.

**Stock Appreciation Rights.** Stock appreciation rights may be granted under our 2013 Plan. Stock appreciation rights allow the recipient to receive the appreciation in the fair market value of our common stock between the exercise date and the date of grant. Stock appreciation rights may not have a term exceeding 10 years. After the termination of service of an employee, director or consultant, he or she may exercise his or her stock appreciation right for the period of time stated in his or her stock appreciation right agreement. However, in no event may a stock appreciation right be exercised after the expiration of its term. Subject to the provisions of our 2013 Plan, the administrator determines the other terms of stock appreciation rights, including when such rights become exercisable and whether to pay any increased appreciation in cash or with shares of our common stock, or a combination thereof, except that the per share exercise price for the shares to be issued pursuant to the exercise of a stock appreciation right will be no less than 100% of the fair market value per share on the date of grant.

**Restricted Stock.** Restricted stock may be granted under our 2013 Plan. Restricted stock awards are grants of shares of our common stock that vest in accordance with terms and conditions established by the administrator. The administrator will determine the number of shares of restricted stock granted to any employee, director or consultant and, subject to the provisions of our 2013 Plan, will determine the terms and conditions of such awards. The administrator may impose whatever conditions to vesting it determines to be appropriate. For example, the administrator may set restrictions based on the achievement of specific performance goals or continued service to us; provided, however, that the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed. Recipients of restricted stock awards generally will have voting and dividend rights with respect to such shares upon grant without regard to vesting, unless the administrator provides otherwise. Shares of restricted stock that do not vest are subject to our right of repurchase or forfeiture.

**Restricted Stock Units.** Restricted stock units may be granted under our 2013 Plan. Restricted stock units are bookkeeping entries representing an amount equal to the fair market value of one share of our common stock. Subject to the provisions of our 2013 Plan, the administrator will determine the terms and conditions of restricted stock units, including the vesting criteria, which may include accomplishing specified performance criteria or continued service to us, and the form and timing of payment. Notwithstanding the foregoing, the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed.

**Performance Units and Performance Shares.** Performance units and performance shares may be granted under our 2013 Plan. Performance units and performance shares are awards that will result in a payment to a participant only if performance goals established by the administrator are achieved or the awards otherwise vest. The administrator will establish organizational or individual performance goals or other vesting criteria in its discretion, which, depending on the extent to which they are met, will determine the number and the value of performance units and performance shares to be paid out to participants. After the grant of a performance unit or performance share, the administrator, in its sole discretion, may reduce or waive any performance criteria or other vesting provisions for such performance unit or performance share. Performance units shall have an initial dollar value established by the administrator prior to the grant date. Performance shares shall have an initial value equal to the fair market value of our common stock on the grant date. The administrator, in its sole discretion, may pay earned performance units or performance shares in the form of cash, in shares or in some combination thereof.
Outside Directors. Our 2013 Plan will provide that all non-employee directors will be eligible to receive all types of awards, except for incentive stock options, under the 2013 Plan.

Non-Transferability of Awards. Unless the administrator provides otherwise, our 2013 Plan generally will not allow for the transfer of awards and only the recipient of an award may exercise an award during his or her lifetime.

Certain Adjustments. In the event of certain changes in our capitalization, to prevent diminution or enlargement of the benefits or potential benefits available under the 2013 Plan, the administrator will adjust the number and class of shares that may be delivered under the 2013 Plan and the number, class, and price of shares covered by each outstanding award, and the numerical share limits set forth in the 2013 Plan. In the event of our proposed liquidation or dissolution, the administrator will notify participants as soon as practicable, and all awards will terminate immediately prior to the consummation of such proposed transaction.

Merger or Change in Control. Our 2013 Plan will provide that in the event of a “merger” or “change in control,” as defined under the 2013 Plan, each outstanding award will be treated as the administrator determines, except that if a successor corporation or its parent or subsidiary does not assume or substitute an equivalent award for any outstanding award, then such award will fully vest, all restrictions on such award will lapse, all performance goals or other vesting criteria applicable to such award will be deemed achieved at 100% of target levels, and such award will become fully exercisable, if applicable, for a specified period prior to the transaction. The award will then terminate upon the expiration of the specified period of time. If the service of an outside director is terminated on or following a change in control, other than pursuant to a voluntary resignation, his or her options, restricted stock units and stock appreciation rights, if any, will vest fully and become immediately exercisable, all restrictions on his or her restricted stock will lapse, and all performance goals or other vesting requirements for his or her performance shares and units will be deemed achieved at 100% of target levels, and all other terms and conditions met.

Amendment, Termination. The administrator will have the authority to amend, suspend or terminate the 2013 Plan, provided such action does not impair the existing rights of any participant. Our 2013 Plan will automatically terminate in 2023, unless we terminate it sooner.

2008 Stock Plan, as amended

Our board of directors and our stockholders adopted our 2008 Plan, in February 2008. Our 2008 Plan was most recently amended in May 2013.

Authorized Shares. Our 2008 Plan will be terminated in connection with this offering, and accordingly, no shares will be available for issuance under this plan. Our 2008 Plan will continue to govern outstanding awards granted thereunder. Our 2008 Plan provides for the grant of incentive stock options, nonqualified stock options, restricted stock, and restricted stock units. As of June 30, 2013, options to purchase 20,433,497 shares of our common stock and 483,000 shares subject to restricted common stock units remained outstanding under our 2008 Plan. Additionally, 1,447,093 shares of restricted common stock remained subject to forfeiture as of such date.

Plan Administration. Our board of directors, or a committee thereof appointed by our board of directors, has the authority to administer the 2008 Plan. Following this offering, the compensation committee will administer the 2008 Plan. Subject to the provisions of our 2008 Plan, the administrator has the full authority and discretion to take any actions it deems necessary or advisable for the administration of the 2008 Plan. The administrator also has the authority to amend existing awards to reduce or increase their exercise price, to allow participants the opportunity to transfer outstanding awards to a financial institution or other person or entity selected by the administrator, and to institute an exchange program by which outstanding awards may be surrendered in exchange for awards of the same type, which may have a higher or lower exercise price or different terms, awards of a different type and/or cash. All decisions, interpretations and other actions of the administrator will be final and binding on all participants.
Stock Options. Stock options may be granted under our 2008 Plan. The exercise price per share of all options must equal at least 100% of the fair market value per share of our common stock on the date of grant. The term of an option may not exceed 10 years. An incentive stock option held by a participant who owns more than 10% of the total combined voting power of all classes of our stock, or any parent or subsidiary corporations, may not have a term in excess of five years and must have an exercise price of at least 110% of the fair market value per share of our common stock on the date of grant. The administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares, or certain other property, or other consideration acceptable to the administrator. After the termination of service of an employee, director, or consultant, the participant may generally exercise his or her options, to the extent vested as of such date of termination, for at least three months after termination. If termination is due to disability, the option will generally remain exercisable, to the extent vested as of such date of termination, for at least six months. If termination is due to death, the option will generally remain exercisable, to the extent vested as of such date of termination, for at least 12 months. However, in no event may an option be exercised after the expiration of its term.

Restricted Stock. Restricted stock may be granted under our 2008 Plan. Restricted stock awards are grants of shares of our common stock that are subject to various restrictions, including restrictions on transferability and forfeiture provisions. Shares of restricted stock will vest, and the restrictions on such shares will lapse, in accordance with terms and conditions established by the administrator.

Restricted Stock Units. Restricted stock units may be granted under our 2008 Plan. Restricted stock units are bookkeeping entries representing an amount equal to the fair market value of one share of our common stock. Subject to the provisions of our 2008 Plan, the administrator determines the terms and conditions of restricted stock units, including the vesting criteria (which may include accomplishing specified performance criteria or continued service to us) and the form and timing of payment. Notwithstanding the foregoing, the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed.

Transferability of Options. Our 2008 Plan generally does not allow for the transfer of options, and only the recipient of an option may exercise such an award during his or her lifetime.

Adjustments. In the event of certain changes in our capitalization, the number of shares reserved under our 2008 Plan, the exercise prices of, and the number of shares subject to, outstanding options, and the purchase price of, and the numbers of shares subject to, outstanding awards will be proportionately adjusted, subject to any required action by our board of directors.

Merger or Change in Control. Our 2008 Plan provides that, in the event of our dissolution or liquidation, a merger or the sale of all or substantially all of our assets, each outstanding award may be assumed or substituted for an equivalent award. In the event that awards are not assumed or substituted for, then the vesting of outstanding awards will be accelerated, and stock options will become exercisable in full prior to such corporate transaction. Stock options will then generally terminate immediately prior to the corporate transaction.

Amendment; Termination. Our board of directors may amend our 2008 Plan at any time, provided that such amendment does not impair the rights under outstanding awards without the award holder’s written consent. Upon the completion of the offering, our 2008 Plan will be terminated and no further awards will be granted thereunder. All outstanding awards will continue to be governed by their existing terms.

2004 Stock Option Plan, as amended

Our board of directors and our stockholders adopted our 2004 Stock Option Plan, or our 2004 Plan, in August 2004. Our 2004 Plan was most recently amended in February 2008. Our 2004 Plan was terminated in 2008, and accordingly, no shares are available for issuance under this plan. Our 2004 Plan will continue to govern outstanding awards granted thereunder. Our 2004 Plan provided for the grant of incentive stock options and nonqualified stock options. As of June 30, 2013, options to purchase 20,000 shares of our common stock remained outstanding under our 2004 Plan.
Prior to the effectiveness of this offering, our board of directors intends to adopt, and we expect our stockholders to approve, our 2013 Employee Stock Purchase Plan, or the ESPP. The ESPP will become effective after the completion of this offering.

**Authorized Shares.** A total of shares of our common stock will be made available for sale. In addition, our ESPP will provide for annual increases in the number of shares available for issuance under the ESPP on the first day of each fiscal year beginning in 2014, equal to the least of:
- % of the outstanding shares of our common stock on the first day of such fiscal year;
- shares; or
- such other amount as may be determined by our board of directors.

**Plan Administration.** Our board of directors, or a committee appointed by our board of directors, will administer the ESPP. We anticipate that our compensation committee will administer the ESPP. The administrator will have authority to administer the plan, including but not limited to, full and exclusive authority to interpret the terms of the ESPP, determine eligibility to participate subject to the conditions of our ESPP as described below, and to establish procedures for plan administration necessary for the administration of the ESPP, including creating sub-plans.

**Eligibility.** Certain of our employees will be eligible to participate if they are employed by us, or any participating subsidiary, for at least 20 hours per week and more than five months in any calendar year. However, an employee may not be granted an option to purchase stock under the ESPP if such employee:
- immediately after the grant would own stock constituting 5% or more of the total combined voting power or value of all classes of our capital stock; or
- hold rights to purchase stock under all of our employee stock purchase plans that accrue at a rate that exceeds $25,000 worth of stock for each calendar year in which the option is outstanding.

**Offering Periods.** Our ESPP will be intended to qualify under Section 423 of the Code, and will provide for offering periods. The offering periods will generally start on the first trading day on or after and of each year. The administrator will be able to, in its discretion, modify the terms of future offering periods.

**Payroll Deductions.** Our ESPP will permit participants to purchase common stock through payroll deductions of up to % of their eligible compensation, which includes a participant’s . A participant will be able to purchase a maximum of shares during a .

**Exercise of Option.** Amounts deducted and accumulated by the participant will be used to purchase shares of our common stock at the end of each six-month purchase period. The purchase price of each share will be 85% of the lower of the fair market value per share of our common stock on the first trading day of each offering period or on the exercise date. Participants will be able to end their participation at any time during an offering period, and will be paid their accrued payroll deductions that have not yet been used to purchase shares of common stock. Participation will end automatically upon termination of employment with us.

**Non-Transferability.** A participant will not be able to transfer rights granted under the ESPP other than by will, the laws of descent and distribution, or as otherwise provided under the ESPP.

**Merger or Change in Control.** In the event of our merger or change in control, as will be defined under the ESPP, a successor corporation may assume or substitute for each outstanding option. If the successor corporation
refuses to assume or substitute for each outstanding option, the offering period then in progress will be shortened, and a new exercise date will be set. The administrator will notify each participant that the exercise date has been changed and that the participant’s option will be exercised automatically on the new exercise date unless prior to such date the participant has withdrawn from the offering period.

Amendment, Termination. Our ESPP will automatically terminate in 2033, unless we terminate it sooner. The administrator will have the authority to amend, suspend or terminate our ESPP, except that, subject to certain exceptions described in the ESPP, no such action may adversely affect any outstanding rights to purchase stock under our ESPP.

Employee Incentive Plan

Our compensation committee has adopted an Employee Incentive Plan, or the Bonus Plan. The Bonus Plan allows our compensation committee to provide cash incentive awards to selected employees, including our named executive officers, based upon performance goals established by our compensation committee.

Under the Bonus Plan, our compensation committee determines the performance goals applicable to any award. Performance goals that include our financial results may be determined in accordance with GAAP, or such financial results may consist of non-GAAP financial measures, and any actual results may be adjusted by the compensation committee for one-time items or unbudgeted or unexpected items when determining whether the performance goals have been met. The goals may be on the basis of any factors the compensation committee determines relevant, and may be adjusted on an individual, divisional, business unit or company-wide basis. The performance goals may differ from participant to participant and from award to award.

Our compensation committee may, in its sole discretion and at any time, increase, reduce or eliminate a participant’s actual award, and/or increase, reduce or eliminate the amount allocated to the bonus pool for a particular performance period. The actual award may be below, at or above a participant’s target award, in the compensation committee’s discretion. Our compensation committee may determine the amount of any reduction on the basis of such factors as it deems relevant, and it is not required to establish any allocation or weighting with respect to the factors it considers.

Actual awards are paid in cash only after they are earned, which usually requires continued employment through the date a bonus is paid.

Our compensation committee has the authority to amend, alter, suspend or terminate the Bonus Plan provided such action does not impair the existing rights of any participant with respect to any earned bonus.

401(k) Plan

We maintain a tax-qualified retirement plan that provides eligible employees with an opportunity to save for retirement on a tax-advantaged basis. All participants’ interests in their deferrals are 100% vested when contributed. In 2012, we made no matching contributions into the 401(k) plan. Pre-tax contributions are allocated to each participant’s individual account and are then invested in selected investment alternatives according to the participants’ directions. The 401(k) plan is intended to qualify under Sections 401(a) and 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan and earnings on those contributions are not taxable to the employees until distributed from the 401(k) plan, and all contributions are deductible by us when made.

Limitation on Liability and Indemnification Matters

Our amended and restated certificate of incorporation and amended and restated bylaws, each to be effective upon the completion of this offering, will provide that we will indemnify our directors and officers, and may indemnify our employees and other agents, to the fullest extent permitted by the Delaware General Corporation.
Law, which prohibits our amended and restated certificate of incorporation from limiting the liability of our directors for the following:

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

If Delaware law is amended to authorize corporate action further eliminating or limiting the personal liability of a director, then the liability of our directors will be eliminated or limited to the fullest extent permitted by Delaware law, as so amended. Our amended and restated certificate of incorporation does not eliminate a director's duty of care and in appropriate circumstances, equitable remedies, such as injunctive or other forms of non-monetary relief, remain available under Delaware law. This provision also does not affect a director's responsibilities under any other laws, such as the U.S. federal securities laws or other state or U.S. federal laws. Under our amended and restated bylaws, we will also be empowered to purchase insurance on behalf of any person whom we are required or permitted to indemnify.

In addition to the indemnification required in our amended and restated certificate of incorporation and amended and restated bylaws, we have entered into indemnification agreements with certain of our current directors and officers. These agreements provide indemnification for certain expenses and liabilities incurred in connection with any action, suit, proceeding, or alternative dispute resolution mechanism, or hearing, inquiry, or investigation that may lead to the foregoing, to which they are a party, or are threatened to be made a party, by reason of the fact that they are or were a director, officer, employee, agent, or fiduciary of our company, or any of our subsidiaries, by reason of any action or inaction by them while serving as an officer, director, agent, or fiduciary, or by reason of the fact that they were serving at our request as a director, officer, employee, agent, or fiduciary of another entity. In the case of an action or proceeding by, or in the right of, our company or any of our subsidiaries, no indemnification will be provided for any claim where a court determines that the indemnified party is prohibited from receiving indemnification. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' liability insurance.

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

We describe below transactions, and series of related transactions, since January 1, 2010, to which we were or will be a party, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers, or beneficial holders of more than 5% of any class of our capital stock, or their immediate family members, had or will have a direct or indirect material interest.

Other than as described below, there has not been, nor is there any currently proposed, transactions or series of related transactions to which we have been or will be a party other than compensation arrangements, which are described where required under the headings “Management—Director Compensation Table” and “Executive Compensation.”

Equity Financings

**Series F Convertible Preferred Stock Transaction**

In December 2012 and January 2013, we sold an aggregate of 4,748,591 shares of our Series F convertible preferred stock at a purchase price per share of approximately $10.53, for an aggregate purchase price of approximately $50 million. The following table summarizes purchases of our Series F convertible preferred stock by persons who hold more than 5% of our outstanding capital stock and entities affiliated with our directors:

<table>
<thead>
<tr>
<th>Name of Stockholder</th>
<th>Shares of Series F Convertible Preferred Stock</th>
<th>Total Purchase Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAG Ventures Entities* (1)</td>
<td>446,378</td>
<td>$4,700,093</td>
</tr>
<tr>
<td>Sequoia Capital Entities (2)</td>
<td>919,590</td>
<td>9,682,731</td>
</tr>
<tr>
<td>Norwest Venture Partners Entities (3)</td>
<td>886,417</td>
<td>9,333,439</td>
</tr>
<tr>
<td>JAFCO Technology Partners Entities (4)</td>
<td>314,357</td>
<td>3,309,991</td>
</tr>
<tr>
<td>SVB Entities (5)</td>
<td>273,192</td>
<td>2,876,548</td>
</tr>
<tr>
<td>Alameda Alpha, LLC (6)</td>
<td>18,994</td>
<td>199,995</td>
</tr>
</tbody>
</table>

(1) Affiliates of DAG Ventures holding our securities whose shares are aggregated for purposes of reporting share ownership information include DAG Ventures III-QP, L.P., DAG Ventures III, L.P., DAG Ventures GP Fund III, LLC and DAG Ventures III-A, LLC.

(2) Affiliates of Sequoia Capital holding our securities whose shares are aggregated for purposes of reporting share ownership information include Sequoia Capital XI, Sequoia Capital XI Principals Fund and Sequoia Technology Partners XI. William M. Coughran Jr., a member of our board of directors, is affiliated with the Sequoia Capital Entities.

(3) Affiliates of Norwest Venture Partners holding our securities whose shares are aggregated for purposes of reporting share ownership information include Norwest Venture Partners IX, LP and Norwest Venture Partners VIII, L.P. Promod Haque, a member of our board of directors, is affiliated with the Norwest Venture Partner Entities.

(4) Affiliates of JAFCO Technology Partners holding our securities whose shares are aggregated for purposes of reporting share ownership information include JAFCO Technology Partners, L.P. and JAFCO Technology Partners II, L.P.

(5) Affiliates of SVB holding our securities whose shares are aggregated for purposes of reporting share ownership information include Silicon Valley BancVentures, L.P., SVB Capital Partners II, L.P. and SVB Financial Group.

(6) Gaurav Garg, a member of our board of directors, is affiliated with Alameda Alpha, LLC.
# Series E Convertible Preferred Stock Transaction

In December 2010, we sold an aggregate of 4,411,761 shares of our Series E convertible preferred stock at a purchase price per share of $1.36, for an aggregate purchase price of approximately $6 million. The following table summarizes purchases of our Series E convertible preferred stock by persons who hold more than 5% of our outstanding capital stock and entities affiliated with our directors:

<table>
<thead>
<tr>
<th>Name of Stockholder</th>
<th>Shares of Series E Convertible Preferred Stock</th>
<th>Total Purchase Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAG Ventures Entities(^{(1)})</td>
<td>542,319</td>
<td>$737,554</td>
</tr>
<tr>
<td>Sequoia Capital Entities(^{(2)})</td>
<td>1,118,084</td>
<td>1,520,594</td>
</tr>
<tr>
<td>Norwest Venture Partners Entities(^{(3)})</td>
<td>1,083,453</td>
<td>1,473,496</td>
</tr>
<tr>
<td>JAFCO Technology Partners Entities(^{(4)})</td>
<td>392,491</td>
<td>533,788</td>
</tr>
<tr>
<td>SVB Entities(^{(5)})</td>
<td>315,346</td>
<td>428,871</td>
</tr>
<tr>
<td>Hilltop Family Partnership(^{(6)})</td>
<td>9,911</td>
<td>13,479</td>
</tr>
<tr>
<td>Gaurav Garg and Komal Shah Trust dated 4/27/00(^{(7)})</td>
<td>28,511</td>
<td>38,775</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Affiliates of DAG Ventures holding our securities whose shares are aggregated for purposes of reporting share ownership information include DAG Ventures III-QP, L.P., DAG Ventures III, L.P., DAG Ventures GP Fund III, LLC and DAG Ventures III-A, LLC.

\(^{(2)}\) Affiliates of Sequoia Capital holding our securities whose shares are aggregated for purposes of reporting share ownership information include Sequoia Capital XI, Sequoia Capital XI Principals Fund and Sequoia Technology Partners XI. William M. Coughran Jr., a member of our board of directors, is affiliated with the Sequoia Capital Entities.

\(^{(3)}\) Affiliates of Norwest Venture Partners holding our securities whose shares are aggregated for purposes of reporting share ownership information include Norwest Venture Partners IX, L.P and Norwest Venture Partners VIII, L.P. Promod Haque, a member of our board of directors, is affiliated with the Norwest Venture Partners Entities.

\(^{(4)}\) Affiliates of JAFCO Technology partners holding our securities whose shares are aggregated for purposes of reporting share ownership information include JAFCO Technology Partners, L.P. and JAFCO Technology Partners II, L.P.

\(^{(5)}\) Affiliates of SVB holding our securities whose shares are aggregated for purposes of reporting share ownership information include Silicon Valley BancVentures, L.P., SVB Capital Partners II, L.P., and SVB Financial Group.

\(^{(6)}\) Gaurav Garg, a member of our board of directors, is affiliated with Hilltop Family Partnership.

\(^{(7)}\) Gaurav Garg, a member of our board of directors, is affiliated with the Gaurav Garg and Komal Shah Trust dated 4/27/00.
### Series D Convertible Preferred Stock Transaction

In February 2010, we sold an aggregate of 13,176,870 shares of our Series D convertible preferred stock at a purchase price per share of approximately $0.39, for an aggregate purchase price of approximately $5.1 million. The following table summarizes purchases of our Series D convertible preferred stock in February 2010 by persons who hold more than 5% of our outstanding capital stock and entities affiliated with our directors:

<table>
<thead>
<tr>
<th>Name of Stockholder</th>
<th>Shares of Series D Convertible Preferred Stock</th>
<th>Total Purchase Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAG Ventures Entities(1)</td>
<td>1,919,602</td>
<td>$745,491</td>
</tr>
<tr>
<td>Sequoia Capital Entities(2)</td>
<td>4,470,198</td>
<td>1,736,034</td>
</tr>
<tr>
<td>Norwest Venture Partners Entities(3)</td>
<td>4,412,528</td>
<td>1,713,637</td>
</tr>
<tr>
<td>JAFCO Technology Partners Entities(4)</td>
<td>814,610</td>
<td>316,360</td>
</tr>
<tr>
<td>SVB Entities(5)</td>
<td>989,522</td>
<td>384,288</td>
</tr>
<tr>
<td>Hilltop Family Partnership(6)</td>
<td>13,576</td>
<td>5,272</td>
</tr>
<tr>
<td>Gaurav Garg and Komal Shah Trust dated 4/27/00(7)</td>
<td>54,306</td>
<td>21,090</td>
</tr>
</tbody>
</table>

- **(1)** Affiliates of DAG Ventures holding our securities whose shares are aggregated for purposes of reporting share ownership information include DAG Ventures III-QP, L.P., DAG Ventures III, L.P., DAG Ventures GP Fund III, LLC and DAG Ventures III-A, LLC.
- **(2)** Affiliates of Sequoia Capital holding our securities whose shares are aggregated for purposes of reporting share ownership information include Sequoia Capital XI, Sequoia Capital XI Principals Fund and Sequoia Technology Partners XI. William M. Coughran, Jr., a member of our board of directors, is affiliated with the Sequoia Capital Entities.
- **(3)** Affiliates of Norwest Venture Partners holding our securities whose shares are aggregated for purposes of reporting share ownership information include Norwest Venture Partners IX, LP and Norwest Venture Partners VIII, L.P. Promod Haque, a member of our board of directors, is affiliated with the Norwest Venture Partners Entities.
- **(4)** Affiliates of JAFCO Technology Partners holding our securities whose shares are aggregated for purposes of reporting share ownership information include JAFCO Technology Partners, L.P and JAFCO Technology Partners II, L.P.
- **(5)** Affiliates of SVB holding our securities whose shares are aggregated for purposes of reporting share ownership information include Silicon Valley BancVentures, L.P., SVB Capital Partners II, L.P., and SVB Financial Group.
- **(6)** Gaurav Garg, a member of our board of directors, is affiliated with Hilltop Family Partnership.
- **(7)** Gaurav Garg, a member of our board of directors, is affiliated with the Gaurav Garg and Komal Shah Trust dated 4/27/00.

### Investors’ Rights Agreement

We are party to an investors’ rights agreement that provides that holders of our convertible preferred stock, including certain holders of 5% of our capital stock and entities affiliated with certain of our directors, have certain registration rights, including the right to demand that we file a registration statement or request that their shares be covered by a registration statement that we are otherwise filing. For a more detailed description of these registration rights, see “Description of Capital Stock—Registration Rights.”

### Voting Agreement

Our amended and restated voting agreement, as amended, or the voting agreement, among us and certain purchasers of our preferred stock, including our principal stockholders with whom certain of our directors are affiliated, requires the stockholders who are parties thereto to vote their shares on certain matters pursuant to the
terms of the voting agreement, including with respect to the election of directors. Pursuant to the voting agreement, each of Sequoia Capital and Norwest Venture Partners was granted the right to designate one member of our board of directors, as long as at least one million shares of our preferred stock remains outstanding. William M. Coughran Jr. and Promod Haque were designated by Sequoia Capital and Norwest Venture Partners, respectively, under the voting agreement. Upon the completion of this offering, the voting agreement will terminate, and there will be no further contractual obligations regarding the election of our directors. Our current directors will continue to serve as directors until their resignations, removal or until their successors are duly elected by the holders of our common stock.

**Loans to Executive Officers**

**Ashar Aziz**

On January 29, 2010, June 30, 2010, May 30, 2012 and June 18, 2012, in connection with the exercise of options held by Ashar Aziz, our Chief Technology Officer, Chief Strategy Officer and Vice Chairman of the Board, we loaned Mr. Aziz approximately $151,956, $59,935, $2,670,424 and $799,301, respectively, for the purchase of 2,170,794, 856,218, 1,618,439 and 484,425 shares of our common stock, respectively, pursuant to full-recourse promissory notes and stock pledge agreements. As amended by the offer letter with Mr. Aziz, the interest on these promissory notes was reset to be equal to the minimum interest rate required to avoid the imputation of interest under the Code. As of December 31, 2012, the outstanding principal amount of these loans was $3,681,616, which was the largest aggregate amount of principal outstanding during the last three years. The balance of $3,733,868, including principal of $3,681,616 and total accrued interest of $52,251, was repaid in full by Mr. Aziz in March 2013.

**David G. DeWalt**

On May 25, 2012, in connection with the exercise of options held by David G. DeWalt, our Chief Executive Officer, we loaned Mr. DeWalt $3,559,852 for the purchase of 2,157,486 shares of our common stock, pursuant to a full-recourse promissory note and stock pledge agreement. This loan bore interest at the rate per annum of 1.30%, compounded annually. As of December 31, 2012, the outstanding principal amount of this loan was $3,559,852, which was the largest aggregate amount of principal outstanding during the last three years. The balance of $3,602,960, including principal of $3,559,852 and total accrued interest of $43,108, was repaid in full by Mr. DeWalt in April 2013.

**Indemnification Agreements**

We have also entered into indemnification agreements with our directors and certain of our executive officers. The indemnification agreements and our amended and restated certificate of incorporation and amended and restated bylaws require us to indemnify our directors and officers to the fullest extent permitted by Delaware law. See “Executive Compensation—Limitation on Liability and Indemnification Matters.”

**Policies and Procedures for Related Party Transactions**

Our audit committee has adopted a formal written policy providing that our audit committee is responsible for reviewing “related party transactions,” which are transactions (i) in which we were, are or will be a participant, (ii) in which the aggregate amount involved exceeds or may be expected to exceed $50,000, and (iii) in which a related person had, has or will have a direct or indirect material interest. For purposes of this policy, a related person is defined as a director, nominee for director, executive officer, or greater than 5% beneficial owner of our common stock and their immediate family members. Under this policy, all related party transactions may be consummated or continued only if approved or ratified by our audit committee. In determining whether to approve or ratify any such proposal, our audit committee will take into account, among other factors it deems appropriate, (i) whether the transaction is on terms no less favorable than terms generally
available to an unaffiliated third party under the same or similar circumstances and (ii) the extent of the related party’s interest in the transaction. The policy grants standing pre-approval of certain transactions, including (i) certain compensation arrangements of executive officers, (ii) certain director compensation arrangements, (iii) transactions with another company at which a related party’s only relationship is as a non-executive employee, director or beneficial owner of less than 10% of that company’s shares and the aggregate amount involved does not exceed the greater of $500,000 or 2% of the company’s total annual revenue, (iv) transactions where a related party’s interest arises solely from the ownership of our common stock and all holders of our common stock received the same benefit on a pro rata basis, and (v) transactions available to all U.S. employees generally.
PRINCIPAL STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of June 30, 2013, as adjusted to reflect the sale of common stock in this offering, for:

- Each of our directors;
- Each of our executive officers, including our named executive officers;
- All of our current directors and executive officers as a group; and
- Each person, or group of affiliated persons, known to us to beneficially own more than 5% of our common stock.

We have determined beneficial ownership in accordance with the rules of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the persons and entities named in the table below have sole voting and sole investment power with respect to all shares of common stock that they beneficially owned, subject to applicable community property laws.

Applicable percentage ownership is based on 102,295,849 shares of common stock outstanding as of June 30, 2013, assuming the automatic conversion of our convertible preferred stock into common stock as of immediately prior to the completion of this offering. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of such person, we deemed to be outstanding all shares of common stock subject to options held by such person that are currently exercisable or exercisable within 60 days of June 30, 2013. However, we did not deem such shares outstanding for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o FireEye, Inc., 1440 McCarthy Blvd., Milpitas, CA 95035.

<table>
<thead>
<tr>
<th>Name of Beneficial Owner+</th>
<th>Beneficial Ownership Prior to this Offering</th>
<th>Beneficial Ownership After this Offering</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
</tr>
<tr>
<td>5% Stockholders:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sequoia Capital Entities(1)</td>
<td>21,622,411</td>
<td>21.1%</td>
</tr>
<tr>
<td>Norwest Venture Partners Entities(2)</td>
<td>20,843,865</td>
<td>20.4%</td>
</tr>
<tr>
<td>Ashar Aziz(3)</td>
<td>10,910,000</td>
<td>10.7%</td>
</tr>
<tr>
<td>DAG Ventures Entities(4)</td>
<td>10,488,156</td>
<td>10.3%</td>
</tr>
<tr>
<td>JAFCO Technology Partners Entities(5)</td>
<td>7,581,860</td>
<td>7.4%</td>
</tr>
<tr>
<td>SVB Entities(6)</td>
<td>6,424,003</td>
<td>6.3%</td>
</tr>
<tr>
<td>Directors and Executive Officers, including our Named Executive Officers:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>David G. DeWalt(7)</td>
<td>4,603,790</td>
<td>4.5%</td>
</tr>
<tr>
<td>Ashar Aziz(3)</td>
<td>10,910,000</td>
<td>10.7%</td>
</tr>
<tr>
<td>Michael J. Sheridan(9)</td>
<td>1,213,498</td>
<td>1.2%</td>
</tr>
<tr>
<td>Jeffrey C. Williams(9)</td>
<td>1,996,719</td>
<td>1.9%</td>
</tr>
<tr>
<td>Alexa King(10)</td>
<td>350,000</td>
<td>*</td>
</tr>
<tr>
<td>Bahman Mahbod(11)</td>
<td>1,257,659</td>
<td>1.2%</td>
</tr>
<tr>
<td>Gaurav Garg(12)</td>
<td>1,708,720</td>
<td>1.7%</td>
</tr>
<tr>
<td>Promod Haque(13)</td>
<td>20,843,865</td>
<td>20.4%</td>
</tr>
<tr>
<td>Ronald E. F. Codd(14)</td>
<td>250,000</td>
<td>*</td>
</tr>
<tr>
<td>William M. Coughran Jr.(15)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Robert F. Lentze(16)</td>
<td>430,382</td>
<td>*</td>
</tr>
<tr>
<td>Enrique Salem(17)</td>
<td>200,000</td>
<td>*</td>
</tr>
<tr>
<td>All current directors and executive officers as a group (12 persons)(18)</td>
<td>43,764,633</td>
<td>41.7%</td>
</tr>
</tbody>
</table>
Represents beneficial ownership of less than one percent (1%).

Options to purchase shares of our capital stock included in this table are generally early exercisable, and to the extent such shares are unvested as of a given date, such shares will remain subject to a right of repurchase held by us.

(1) Consists of (i) 18,961,167 shares held of record by Sequoia Capital XI, LP, (ii) 2,062,304 shares held of record by Sequoia Capital XI Principals Fund, LLC, and (iii) 598,940 shares held of record by Sequoia Technology Partners XI, LP and is the managing member of Sequoia Capital XI Principals Fund, LLC. The managing members of SC XI Management, LLC are Michael Goguen, Douglas Leone and Michael Moritz. As a result, and by virtue of the relationships described in this footnote, each of the managing members of SC XI Management, LLC may be deemed to share voting and investment power over the shares held by the Sequoia Capital Funds. Messrs. Goguen, Leone and Moritz disclaim beneficial ownership of the shares held of record by the Sequoia Capital Entities. The address of each of the entities identified in this footnote is 3000 Sand Hill Road, Suite 4-250, Menlo Park, CA 94025.

(2) Consists of (i) 3,070,548 shares held of record by Norwest Venture Partners VIII, LP and (ii) 17,773,317 shares held of record by Norwest Venture Partners IX, LP (collectively referred to as the “Norwest Venture Partners Entities”). NVP Associates, LLC, or NVP, is the managing member of the general partners of the Norwest Venture Partners Entities, and may be deemed to share voting and investment power over the shares held by Norwest Venture Partners Entities. Promod Haque, Jeffrey Crowe and Matthew Howard, as co-chief executive officers of NVP and members of the general partners, may be deemed to share voting and investment power with respect to the shares held of record by the Norwest Venture Partners Entities. The address for the Norwest Venture Partners entities is 525 University Avenue, #800, Palo Alto, CA 94301. Promod Haque is a member of our board of directors.

(3) Consists of 10,910,000 shares held of record by Mr. Aziz, as Trustee of the Ashar Aziz Family Trust dated March 16, 2012, 1,807,188 of which were issued upon early exercise of stock options and remained subject to further vesting as of 60 days following June 30, 2013. Shares issued upon early exercise of stock options remain subject to the vesting schedule applicable to the exercised stock options, and we have a right to repurchase any unvested shares at the original exercise price if Mr. Aziz ceases to provide services to us prior to the date on which all such shares have vested. Mr. Aziz, as trustee, has sole voting and investment power with respect to the shares held of record by the Ashar Aziz Family Trust dated March 16, 2012. In connection with a personal loan, Mr. Aziz has entered into a Security and Pledge Agreement, pursuant to which Mr. Aziz has granted to the lender a security interest in all of the shares of our common stock held by Mr. Aziz, as Trustee of the Ashar Aziz Family Trust dated March 16, 2012.

(4) Consists of (i) 8,791 shares held of record by DAG Ventures GP Fund III, LLC, (ii) 8,920,335 shares held of record by DAG Ventures III-QP, L.P., (iii) 839,090 shares held of record by DAG Ventures III, L.P., and (iv) 719,940 shares held of record by DAG Ventures III-A, LLC (collectively referred to as the “DAG Ventures Entities”). DAG Ventures Management III, LLC is the Managing Member of each of DAG Ventures GP Fund III, LLC and DAG Ventures III-A, LLC and is the general partner of DAG Ventures III-QP, L.P. and DAG Ventures III, L.P. R. Thomas Goodrich and John J. Cadeddu, the managing members of DAG Ventures Management III, LLC, may be deemed to share voting and investment power with respect to the shares held of record by the DAG Ventures Entities. The address for these entities is 251 Lytton Avenue, Suite 200, Palo Alto, CA 94301.

(5) Consists of (i) 7,267,503 shares held of record by JAFCO Technology Partners, L.P. and (ii) 314,357 shares held of record by JAFCO Technology Partners II, L.P. (collectively referred to as the “JAFCO Technology Partners Entities”). JTP Management Associates, L.L.C. (“JTPMA I”) is the general partner of JAFCO Technology Partners II, L.P., and JTM Management Associates II, L.L.C. (“JTPMA II”) is
the general partner of JAFCO Technology Partners II, L.P. Joseph Honowitz, Thomas Mawhinney and Tsunesaburo Sugaya are the managing members of JTPMA I and JTPMA II and may be deemed to share voting and investment power with respect to the shares held of record by the JAFCO Technology Partners Entities. The address for these entities is 505 Hamilton Avenue, Palo Alto, CA 94301.

(6) Consists of (i) warrants to purchase 311,747 shares held by SVB Financial Group (ii) 3,056,128 shares held of record by Silicon Valley BancVentures, L.P. and (iii) 3,056,128 shares held of record by SVB Capital Partners II, L.P. (collectively referred to as the “SVB Entities”). SVB Financial Group is the controlling stockholder of Silicon Valley BancVentures, Inc., the general partner of Silicon Valley BancVentures, L.P. and is also the managing member of SVB Capital Partners II, LLC, which is the general partner of SVB Capital Partners II, L.P. SVB Financial Group is a reporting company listed on NASDAQ Global market. Through the authority delegated by SVB Financial Group’s Finance Committee of the Board of Directors, Michael D. Kruse, Treasurer of SVB Financial Group, has voting and investment power over the warrants and underlying shares held by SVB Financial Group. The Silicon Valley BancVentures, L.P. and SVB Capital Partners II, L.P. investment committees each (i) have voting and investment power over the shares held by Silicon Valley BancVentures, L.P. and SVB Capital Partners II, L.P. and (ii) are comprised of senior investment professionals employed by an affiliate of SVB Financial Group. SVB Financial Group, Silicon Valley BancVentures, L.P. and SVB Capital Partners II, L.P. are affiliates of a broker-dealer. At the time of issuance, each of SVB Financial Group, Silicon Valley BancVentures, L.P. and SVB Capital Partners II, L.P. represented to us that each entity acquired the securities as an investment, purchased the shares to be sold in the ordinary course of business and, at the time of the purchase, had no agreements or understandings, directly or indirectly with any person to distribute shares. The address of SVB Financial Group’s headquarters is 3003 Tasman Drive, Santa Clara, CA 95054.

(7) Consists of (i) 3,984,846 shares held of record by Mr. DeWalt, 2,157,486 of which were issued upon early exercise of stock options and remained subject to further vesting as of 60 days following June 30, 2013 and 1,372,027 of which were issued pursuant to a stock grant and remained subject to further vesting as of 60 days following June 30, 2013, (ii) 180,944 shares issuable pursuant to outstanding stock options exercisable within 60 days of June 30, 2013, of which 33,926 shares were fully vested as of such date, (iii) 219,000 shares held of record by David G. DeWalt and Mary Kathleen DeWalt, trustees of David G. DeWalt 2009 Irrevocable Trust and (iv) 219,000 shares held of record by David G. DeWalt and Mary Kathleen DeWalt, trustees of Mary Kathleen DeWalt 2009 Irrevocable Trust. Shares issued upon early exercise of stock options remain subject to the vesting schedule applicable to the exercised stock options. We have a right to repurchase any unvested shares issued upon early exercise of stock options at the original exercise price if Mr. DeWalt ceases to provide services to us prior to the date on which all such shares have vested. The unvested shares issued pursuant to the stock grant are subject to forfeiture if Mr. DeWalt ceases to provide services to us prior to the date on which all such shares have vested. Mr. DeWalt shares voting and investment power with respect to the shares held of record by David G. DeWalt and Mary Kathleen DeWalt, trustees of David G. DeWalt 2009 Irrevocable Trust and David G. DeWalt and Mary Kathleen DeWalt, trustees of the Mary Kathleen DeWalt 2009 Irrevocable Trust.

(8) Consists of (i) 1,207,498 shares held of record by Mr. Sheridan, 559,395 of which were issued pursuant to a restricted stock purchase agreement and remained subject to further vesting as of 60 days following June 30, 2013 and (ii) 6,000 shares held of record by Mr. Sheridan, as custodian for the benefit of his minor children. We have a right to repurchase, at the original purchase price, any unvested shares issued pursuant to the restricted stock purchase agreement if Mr. Sheridan ceases to provide services to us prior to the date on which all such shares have vested.

(9) Consists of (i) 510,000 shares held of record by Mr. Williams and (ii) 1,486,719 shares issuable pursuant to outstanding stock options exercisable within 60 days of June 30, 2013, of which 1,235,254 were fully vested as of such date.

(10) Consists of 350,000 shares held of record by Ms. King and David Yamamoto as community property with the right of survivorship, 233,334 of which were issued upon early exercise of stock options and remained subject to further vesting as of 60 days following June 30, 2013. Shares
issued upon early exercise of stock options remain subject to the vesting schedule applicable to the exercised stock options, and we have a right to repurchase any unvested shares at the original exercise price if Ms. King ceases to provide services to us prior to the date on which all shares have vested. Ms. King has shared voting and investment power with respect to the shares held of record by Ms. King and David Yamamoto as community property with the right of survivorship.

(11) Consists of (i) 866,659 shares held of record by Mr. Mahbod and (ii) 391,000 shares issuable pursuant to outstanding stock options exercisable within 60 days of June 30, 2013, of which 213,125 were fully vested as of such date.

(12) Consists of (i) 725,944 shares held of record by the Gaurav Garg and Komal Shah Trust dated April 27, 2000 (the “Trust”), 179,827 of which were issued upon early exercise of stock options and remained subject to further vesting as of 60 days following June 30, 2013, (ii) 228,134 shares held of record by Gaurav Garg and Komal Shah, Trustees of the Garg/Shah GRAT Number One (“Grat No. 1”), (iii) 228,133 shares held of record by Gaurav Garg and Komal Shah, Trustees of the Garg/Shah GRAT Number Two (“Grat No. 2”), (iv) 507,515 shares held of record by Hilltop Family Partnership, and (v) 18,994 shares held of record by Alameda Alpha, LLC. Mr. Garg and Komal Shah are the general partners of Hilltop Family Partnership and share voting and investment power with respect to the shares held of record by such entity. Mr. Garg and J. Peter Wagner are the general partners of Alameda Alpha, LLC and share voting and investment power with respect to the shares held of record by such entity. Mr. Garg, as trustee, has shared voting and investment power with respect to the shares held of record by the Trust, Grat No. 1 and Grat No. 2. Shares issued upon early exercise of stock options remain subject to the vesting schedule applicable to the exercised stock options, and we have a right to repurchase any unvested shares at the original exercise price if Mr. Garg ceases to provide services to us prior to the date on which all such shares have vested.

(13) Consists of 20,843,865 shares held by Norwest Venture Partners Entities described in footnote (2) above. Mr. Haque is a member of the general partners of Norwest Venture Partners VIII, LP and Norwest Venture Partners IX, LP (Itasca VC Partners VIII, LLP and Genesis VC Partners IX, LLC, respectively). Mr. Haque is also an officer of NVP Associates, LLC, the managing member of Norwest Venture Partners VIII, LP and Norwest Venture Partners IX, LP and a limited partner of such funds, and as such may be deemed to share voting and investment power with respect to all shares held by such entities.

(14) Consists of (i) 125,000 shares held of record by the Codd Revocable Trust Dtd March 6, 1998, 57,292 of which were issued upon early exercise of stock options and remained subject to further vesting as of 60 days following June 30, 2013, and (ii) 125,000 shares issuable pursuant to outstanding stock options exercisable within 60 days of June 30, 2013, none of which were vested as of such date. Shares issued upon early exercise of stock options remain subject to the vesting schedule applicable to the exercised stock options, and we have a right to repurchase any unvested shares at the original exercise price if Mr. Codd ceases to provide services to us prior to the date on which all such shares have vested. Mr. Codd, as trustee, has shared voting and investment power with respect to the shares held of record by the Codd Revocable Trust Dtd March 6, 1998.

(15) Excludes shares held of record by the Sequoia Capital Entities.

(16) Consists of 430,382 shares issuable pursuant to outstanding stock options exercisable within 60 days of June 30, 2013, of which 385,550 were fully vested as of such date.

(17) Consists of 200,000 shares held of record by Enrique Salem, all of which were issued upon early exercise of stock options and remained subject to further vesting as of 60 days following June 30, 2013. Shares issued upon early exercise of stock options remain subject to the vesting schedule applicable to the exercised stock options, and we have a right to repurchase any unvested shares at the original exercise price if Mr. Salem ceases to provide services to us prior to the date on which all such shares have vested.

(18) Consists of (i) 41,150,588 shares beneficially owned by our current directors and executive officers, of which 6,566,549 remained subject to further vesting within 60 days of June 30, 2013; and (ii) 2,614,045 shares issuable pursuant to stock options exercisable within 60 days of June 30, 2013, of which 1,867,855 were fully vested as of such date.
DESCRIPTION OF CAPITAL STOCK

General

The following is a summary of the rights of our common stock and preferred stock and certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws as they will be in effect upon the completion of this offering. This summary does not purport to be complete and is qualified in its entirety by the provisions of our amended and restated certificate of incorporation and amended and restated bylaws, copies of which have been filed as exhibits to the registration statement of which this prospectus is a part.

Immediately following the completion of this offering, our authorized capital stock will consist of 1,100,000,000 shares, with a par value of $0.0001 per share, of which:

- 1,000,000,000 shares are designated as common stock; and
- 100,000,000 shares are designated as preferred stock.

As of June 30, 2013, there were 102,295,849 shares of our common stock outstanding, held by approximately 260 stockholders of record, and no shares of preferred stock, assuming the automatic conversion of all outstanding shares of our convertible preferred stock into common stock effective immediately prior to the completion of this offering. In addition, as of June 30, 2013, there were outstanding options to acquire 20,433,497 shares of our common stock and outstanding warrants to purchase 615,790 shares of our common stock, assuming the automatic conversion of all warrants exercisable for shares of our convertible preferred stock into warrants exercisable for shares of our common stock as of immediately prior to the completion of this offering.

Common Stock

The holders of common stock are entitled to one vote per share on all matters submitted to a vote of our stockholders and do not have cumulative voting rights. Accordingly, holders of a majority of the shares of common stock entitled to vote in any election of directors may elect all of the directors standing for election. Subject to preferences that may be applicable to any preferred stock outstanding at the time, the holders of outstanding shares of common stock are entitled to receive ratably any dividends declared by our board of directors out of assets legally available. See the section entitled “Dividend Policy.” Upon our liquidation, dissolution, or winding up, holders of our common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preference of any then outstanding shares of preferred stock. Holders of common stock have no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock.

Preferred Stock

After the completion of this offering, no shares of preferred stock will be outstanding. Pursuant to our amended and restated certificate of incorporation, our board of directors will have the authority, without further action by the stockholders, to issue from time to time up to 100,000,000 shares of preferred stock in one or more series. Our board of directors may designate the rights, preferences, privileges, and restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, redemption rights, liquidation preference, sinking fund terms, and the number of shares constituting any series or the designation of any series. The issuance of preferred stock could have the effect of restricting dividends on the common stock, diluting the voting power of the common stock, impairing the liquidation rights of the common stock, or delaying, deterring, or preventing a change in control. Such issuance could have the effect of decreasing the market price of the common stock. We currently have no plans to issue any shares of preferred stock.
Warrants

As of June 30, 2013, warrants to purchase 245,899 shares of our Series A-2 convertible preferred stock at an exercise price of $0.61 per share were outstanding. Upon the completion of this offering, the warrants will become exercisable for 288,459 shares of common stock.

As of June 30, 2013, warrants to purchase 118,942 shares of our Series B convertible preferred stock were outstanding at an exercise price of $1.32 per share. Upon the completion of this offering, these warrants will become exercisable for 166,670 shares of common stock.

As of June 30, 2013, a warrant to purchase 100,000 shares of our Series D convertible preferred stock at an exercise price of approximately $0.39 per share was outstanding. Upon the completion of this offering, the warrant will become exercisable for the same number of shares of common stock.

As of June 30, 2013, a warrant to purchase 60,661 shares of our Series E convertible preferred stock was outstanding at an exercise price of $1.36 per share. Upon the completion of this offering, the warrant will become exercisable for the same number of shares of common stock.

Each of these warrants have a net exercise provision under which its holder may, in lieu of payment of the exercise price in cash, surrender the warrant and receive a net amount of shares based on the fair market value of the underlying shares at the time of exercise of the warrant after deduction of a number of shares equal in value to the aggregate exercise price. Each warrant contains provisions for the adjustment of the exercise price and the number of shares issuable upon the exercise of the warrant in the event of certain stock dividends, stock splits, reorganizations, reclassifications and consolidations. The holders of the shares issuable upon exercise of our warrants are entitled to registration rights with respect to such shares as described in greater detail below under the heading “—Registration Rights.”

Registration Rights

Following the completion of this offering, the holders of shares of our common stock issued upon the conversion of our convertible preferred stock and upon the exercise of outstanding warrants, or their permitted transferees, will be entitled to rights with respect to the registration of these shares under the Securities Act. These rights are provided under the terms of an investors’ rights agreement between us and the holders of these shares, which was entered into in connection with our convertible preferred stock financings, and include demand registration rights, piggyback registration rights, and Form S-3 registration rights. In any registration made pursuant to such investors’ rights agreement, all expenses (other than underwriting discounts and commissions and stock transfer taxes applicable to the securities registered by the selling stockholders) of underwritten registrations will be borne by us. These registration rights terminate three years following the completion of this offering.

Pursuant to his offer letter, Mr. Aziz has certain registration rights as described in greater detail under the heading “Executive Compensation—Employment Agreements for Executive Officers.”

Demand Registration Rights

Following the completion of this offering, the holders of an aggregate of 74,837,323 shares of our common stock, or their permitted transferees, will be entitled to demand registration rights. Under the terms of the investors’ rights agreement, we will be required, upon the written request of holders of at least 30% of the shares that are entitled to registration rights under the investors’ rights agreement, to register, as soon as practicable, all or a portion of these shares for public resale. We are required to effect only two registrations pursuant to this provision of the investors’ rights agreement. We are not required to effect a demand registration until the earlier of (i) 180 days after the effective date of this offering or (ii) December 27, 2014. Such request for registration must cover that number of shares with an anticipated aggregate offering price of $15,000,000. We will not be
required to effect a demand registration during the period beginning 60 days prior to our good faith estimate of the date of the filing of, and 180 days following the effective date of, a registration statement relating to a public offering of our securities. We may defer the filing of a registration statement once during any 12 month period for a period of not more than 90 days, if we provide a certificate stating that in the good faith judgment of our board of directors, it would be seriously detrimental to us and our stockholders for the registration statement to be effected at that time; provided that, during such 90 day period, we do not register any securities for our own account or any other stockholder.

Piggyback Registration Rights

Following the completion of this offering, the holders of an aggregate of 74,837,323 shares of our common stock or their permitted transferees will be entitled to piggyback registration rights. If we register any of our securities for our own account, after the completion of this offering, the holders of these shares will be entitled to include their shares in the registration. The underwriters of any underwritten offering have the right to limit the number of shares registered by these holders for marketing reasons, subject to limitations set forth in the investors’ rights agreement.

Form S-3 Registration Rights

Following the completion of this offering, the holders of an aggregate of 74,837,323 shares of our common stock or their permitted transferees will also be entitled to Form S-3 registration rights. If we are eligible to file a registration statement on Form S-3, and have not done so within the preceding 12 month period, these holders have the right, upon written request from holders of at least 30% of the shares that are entitled to registration rights under the investors’ rights agreement, to have such shares registered by us if the proposed aggregate offering price of the shares to be registered by the holders requesting registration is at least $5,000,000, subject to exceptions set forth in the investors’ rights agreement. We may defer the filing of the Form S-3 registration statement once during any 12 month period for a period of not more than 90 days, if we provide a certificate stating that in the good faith judgment of our board of directors, it would be seriously detrimental to us and our stockholders for the registration statement to be effected at that time; provided that, during such 90 day period, we do not register any securities for our own account or any other stockholder.

Anti-Takeover Effects of Delaware Law and Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

Our amended and restated certificate of incorporation and amended and restated bylaws to be effective upon the completion of this offering will contain provisions that could have the effect of delaying, deferring, or discouraging another party from acquiring control of us. These provisions and certain provisions of Delaware law, which are summarized below, could discourage takeovers, coercive or otherwise. These provisions are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us.

Undesignated Preferred Stock. As discussed above under “—Preferred Stock,” our board of directors will have the ability to designate and issue preferred stock with voting or other rights or preferences that could deter hostile takeovers or delay changes in our control or management.

Limits on Ability of Stockholders to Act by Written Consent or Call a Special Meeting. Our amended and restated certificate of incorporation will provide that our stockholders may not act by written consent. This limit on the ability of stockholders to act by written consent may lengthen the amount of time required to take stockholder actions. As a result, the holders of a majority of our capital stock would not be able to amend the amended and restated bylaws or remove directors without holding a meeting of stockholders called in accordance with the amended and restated bylaws.
In addition, our amended and restated bylaws will provide that special meetings of the stockholders may be called only by our board of directors, chairperson of our board of directors, the chief executive officer or the president (in the absence of a chief executive officer). A stockholder may not call a special meeting, which may delay the ability of our stockholders to force consideration of a proposal or for holders controlling a majority of our capital stock to take any action, including the removal of directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals. Our amended and restated bylaws will establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of our board of directors or a committee of the board of directors. These advance notice procedures may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed and may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempt to obtain control of our company.

Board Classification. Our board of directors will be divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders. This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors.

Delaware Anti-Takeover Statute. We will be subject to the provisions of Section 203 of the Delaware General Corporation Law regulating corporate takeovers. In general, Section 203 prohibits a publicly held Delaware corporation from engaging, under certain circumstances, in a business combination with an interested stockholder for a period of three years following the date the person became an interested stockholder unless:

- prior to the date of the transaction, our board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding but not the outstanding voting stock owned by the interested stockholder, (1) shares owned by persons who are directors and also officers and (2) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the date of the transaction, the business combination is approved by our board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

Generally, a business combination includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. An interested stockholder is a person who, together with affiliates and associates, owns or, within three years prior to the determination of interested stockholder status, did own 15% or more of a corporation’s outstanding voting stock. We expect the existence of this provision to have an anti-takeover effect with respect to transactions our board of directors does not approve in advance. We also anticipate that Section 203 may discourage attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

The provisions of Delaware law and the provisions of our amended and restated certificate of incorporation and amended and restated bylaws could have the effect of discouraging others from attempting hostile takeovers and as a consequence, they might also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions might also have the effect of preventing changes in our management. It is also possible that these provisions could make it more difficult to accomplish transactions that stockholders might otherwise deem to be in their best interests.
Transfer Agent and Registrar

Upon the completion of this offering, the transfer agent and registrar for our common stock will be American Stock Transfer & Trust Company, LLC. The transfer agent’s address is 6201 15th Avenue, Brooklyn, New York 11219.

Exchange Listing

We intend to apply to list our common stock on the under the symbol “FEYE.”
SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for shares of our common stock. Future sales of substantial amounts of shares of common stock, including shares issued upon the exercise of outstanding options, in the public market after this offering, or the possibility of these sales occurring, could adversely affect the prevailing market price for our common stock or impair our ability to raise equity capital.

Upon the completion of this offering, a total of shares of common stock will be outstanding, assuming the automatic conversion of all outstanding shares of convertible preferred stock into shares of common stock upon the completion of this offering. Of these shares, all shares of common stock sold in this offering by us, plus any shares sold upon exercise of the underwriters’ over-allotment option, will be freely tradable in the public market without restriction or further registration under the Securities Act, unless these shares are held by “affiliates,” as that term is defined in Rule 144 under the Securities Act.

The remaining shares of common stock will be “restricted securities,” as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below.

Subject to the lock-up agreements described below and the provisions of Rules 144 and 701 under the Securities Act, these restricted securities will be available for sale in the public market at various times beginning more than 180 days (subject to extension) after the date of this prospectus.

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell such shares without complying with the manner of sale, volume limitation, or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then such person is entitled to sell such shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell upon expiration of the lock-up agreements described below, within any three-month period beginning 90 days after the date of this prospectus, a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding, which will equal approximately shares immediately after this offering;
- or
- the average weekly trading volume of the common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Rule 701 generally allows a stockholder who purchased shares of our common stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the
Lock-Up Agreements

We, all of our directors and officers, and the holders of substantially all of our common stock, or securities exercisable for or convertible into our common stock outstanding immediately prior to this offering have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Goldman, Sachs & Co., on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus:

• offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any other securities convertible into or exercisable or exchangeable for shares of common stock;

• file any registration statement with the Securities and Exchange Commission relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or

• enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common stock;

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. This agreement is subject to certain exceptions as set forth in the section entitled “Underwriters.” In addition, participants in the directed share program who purchase more than $1,000,000 of shares, if any, shall be subject to a lock-up with respect to any shares sold to them pursuant to that program. This lock-up will have restrictions similar to those described above and under the caption “Underwriters.”

Rule 10b5-1 Trading Plans

Following the completion of this offering, certain of our executive officers and directors may adopt written plans, known as “Rule 10b5-1 trading plans,” under which they will contract with a broker to buy or sell shares of our common stock on a periodic basis to diversify their assets and investments. Under these 10b5-1 trading plans, a broker may execute trades pursuant to parameters established by the executive officer or director when entering into the plan, without further direction from such officer or director. Such sales would not commence until the expiration of the applicable lock-up agreements entered into by such executive officer or director in connection with this offering.

Registration Rights

Upon the completion of this offering, the holders of 74,837,323 shares of common stock or their transferees will be entitled to various rights with respect to the registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. See “Description of Capital Stock—Registration Rights” for additional information.

Registration Statements on Form S-8

Upon the completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register all of the shares of common stock issued or reserved for issuance under our stock option plans and ESPP. Shares covered by this registration statement will be eligible for sale in the public market, upon the expiration or release from the terms of the lock-up agreements and subject to vesting of such shares.
MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following is a summary of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the ownership and disposition of our common stock acquired in this offering. This summary does not purport to be a complete analysis of all the potential tax considerations relating thereto and is based upon the provisions of the Internal Revenue Code of 1986, as amended, or the Code, Treasury regulations promulgated thereunder, administrative rulings, and judicial decisions, all as of the date hereof. These authorities may be changed, possibly retroactively, so as to result in U.S. federal income tax consequences different from those set forth below. We have not sought, and will not seek, any ruling from the Internal Revenue Service, or the IRS, with respect to the tax consequences discussed herein, and there can be no assurance that the IRS will not take a position contrary to the tax consequences discussed below or that any position taken by the IRS would not be sustained.

This summary also does not address the tax considerations arising under the laws of any non-U.S., state or local jurisdiction, the potential application of Medicare contribution tax or any tax considerations under U.S. federal gift and estate tax laws, except to the limited extent set forth below. In addition, this discussion does not address tax considerations applicable to an investor’s particular circumstances or to investors that may be subject to special tax rules, including, without limitation:

- banks, insurance companies, or other financial institutions;
- persons subject to the alternative minimum tax;
- tax-exempt organizations;
- controlled foreign corporations, passive foreign investment companies, and corporations that accumulate earnings to avoid U.S. federal income tax;
- dealers in securities or currencies;
- traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- persons that own, or are deemed to own, more than five percent of our capital stock (except to the extent specifically set forth below);
- certain former citizens or long-term residents of the United States;
- persons who hold our common stock as a position in a hedging transaction, “straddle,” “conversion transaction,” or other risk reduction transaction;
- persons who do not hold our common stock as a capital asset within the meaning of Section 1221 of the Code; or
- persons deemed to sell our common stock under the constructive sale provisions of the Code.

In addition, if a partnership or entity classified as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner generally will depend on the status of the partner and upon the activities of the partnership. Accordingly, partnerships that hold our common stock, and partners in such partnerships, should consult their tax advisors.

You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences of the purchase, ownership, and disposition of our common stock arising under the U.S. federal estate or gift tax rules or under the laws of any state, local, non-U.S., or other taxing jurisdiction or under any applicable tax treaty.

Non-U.S. Holder Defined

For purposes of this discussion, you are a non-U.S. holder if you are any holder other than:

- a partnership or entity classified as a partnership for U.S. federal-tax purposes;
• an individual citizen or resident of the United States (for tax purposes);
• a corporation or other entity taxable as a corporation created or organized in the United States or under the laws of the United States or any political subdivision thereof;
• an estate whose income is subject to U.S. federal income tax regardless of its source; or
• a trust (x) whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (y) which has made an election to be treated as a U.S. person.

Distributions

We have not made any distributions on our common stock and do not intend to do so in the foreseeable future. However, if we do make distributions on our common stock, those payments will constitute dividends for U.S. tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed both our current and our accumulated earnings and profits, they will constitute a return of capital and will first reduce your basis in our common stock, but not below zero, and then will be treated as gain from the sale of stock.

Any dividend paid to you generally will be subject to U.S. withholding tax either at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty. To obtain this exemption, you must provide us with an IRS Form W-8ECI or other applicable version of IRS Form W-8 properly certifying such exemption. Such effectively connected dividends, although not subject to withholding tax, are taxed at the same graduated rates applicable to U.S. persons, net of certain deductions and credits. In addition, if you are a corporate non-U.S. holder, dividends you receive that are effectively connected with your conduct of a U.S. trade or business may also be subject to a branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty.

Gain on Disposition of Common Stock

Subject to the discussion below regarding foreign accounts, you generally will not be required to pay U.S. federal income tax on any gain realized upon the sale or other disposition of our common stock unless:

• the gain is effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, the gain is attributable to a permanent establishment maintained by you in the United States);
• you are an individual who is present in the United States for a period or periods aggregating 183 days or more during a taxable year in which the sale or disposition occurs and certain other conditions are met; or
• our common stock constitutes a U.S. real property interest by reason of our status as a “United States real property holding corporation,” or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding your disposition of, or your holding period for, our common stock.
We believe that we are not currently and will not become a USRPHC. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property relative to the fair market value of our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we become a USRPHC, however, as long as our common stock is regularly traded on an established securities market, such common stock will be treated as U.S. real property interests only if you actually or constructively hold more than five percent of such regularly traded common stock at any time during the shorter of the five-year period preceding your disposition of, or your holding period for, our common stock.

If you are a non-U.S. holder described in the first bullet above, you will be required to pay tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates, and a corporate non-U.S. holder described in the first bullet above also may be subject to the branch profits tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty. If you are an individual non-U.S. holder described in the second bullet above, you will be required to pay a flat 30% tax on the gain derived from the sale. The amount of the gain subject to tax may be offset by U.S. source capital losses for the year. You should consult any applicable income tax or other treaties that may provide for different rules.

**U.S. Federal Estate Tax**

Our common stock beneficially owned by an individual who is not a citizen or resident of the United States (as defined for U.S. federal estate tax purposes) at the time of death will generally be includable in the decedent’s gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

**Backup Withholding and Information Reporting**

Generally, we must report annually to the IRS the amount of dividends paid to you, your name and address, and the amount of tax withheld, if any. A similar report will be sent to you. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in your country of residence.

Payments of dividends or of proceeds on the disposition of stock made to you may be subject to information reporting and backup withholding at a current rate of 28% unless you establish an exemption, for example, by properly certifying your non-U.S. status on a Form W-8BEN or other applicable version of IRS Form W-8. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that you are a U.S. person.

Backup withholding is not an additional tax; rather, the U.S. income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund, or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

**Foreign Accounts**

A U.S. federal withholding tax of 30% may apply to dividends on, and the gross proceeds of a disposition of, our common stock, paid to a “foreign financial institution” (as specially defined under these rules), unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities certain information regarding the U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners). A U.S. federal withholding tax of 30% may also generally apply to dividends and the gross proceeds of a disposition of our common stock paid to a non-financial foreign entity unless such entity provides the withholding agent with a certification identifying the direct and indirect U.S. owners of the entity (or certifying that it does not have any “substantial U.S. owners”). The withholding provisions described above generally apply to dividends paid on our common stock after June 30, 2014, and to
the gross proceeds from the sale or other disposition of our common stock after December 31, 2016. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of these foreign account rules on their investment in our common stock.

Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state and local and non-U.S. tax consequences of purchasing, holding and disposing of our common stock, including the consequences of any proposed change in applicable laws.
UNDERWRITERS

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC, Goldman, Sachs & Co., J.P. Morgan Securities LLC and Barclays Capital Inc. are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Shares</th>
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<tbody>
<tr>
<td>Morgan Stanley &amp; Co. LLC</td>
<td></td>
</tr>
<tr>
<td>Goldman, Sachs &amp; Co.</td>
<td></td>
</tr>
<tr>
<td>J.P. Morgan Securities LLC</td>
<td></td>
</tr>
<tr>
<td>Barclays Capital Inc.</td>
<td></td>
</tr>
<tr>
<td>Merrill Lynch, Pierce, Fenner &amp; Smith Incorporated</td>
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<tr>
<td>UBS Securities LLC</td>
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<tr>
<td>Nomura Securities International, Inc.</td>
<td></td>
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<tr>
<td>Total:</td>
<td></td>
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</tbody>
</table>

The underwriters and the representatives are collectively referred to as the “underwriters” and the “representatives,” respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters’ over-allotment option described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers, at such offering price less a selling concession not in excess of $             per share. After the initial offering of the shares of common stock, the offering price, and other selling terms may from time to time be varied by the representatives. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters’ right to reject any order in whole or in part.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to                 additional shares of our common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter’s name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters’ over-allotment option to purchase up to an additional shares of our common stock.

<table>
<thead>
<tr>
<th>Description</th>
<th>Per Share</th>
<th>No Exercise</th>
<th>Full Exercise</th>
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</thead>
<tbody>
<tr>
<td>Public offering price</td>
<td>$</td>
<td>$</td>
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</tr>
<tr>
<td>Underwriting discounts and commissions paid by us</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds, before expenses, to us</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $\ldots$, which includes legal, accounting and printing costs, and various other fees associated with the registration and listing of our common stock.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

We intend to apply to have our common stock approved for listing on the \ldots under the trading symbol “FEYE.”

At our request, the underwriters have reserved up to 5% of the common stock being offered by this prospectus for sale at the initial public offering price to entities and individuals associated with us. None of our directors or executive officers will participate in the directed share program. The sales will be made by UBS Financial Services Inc., a selected dealer affiliated with UBS Securities LLC, an underwriter of this offering, through a directed share program. We do not know if these persons will choose to purchase all or any portion of these reserved shares, but any purchases they do make will reduce the number of shares available to the general public. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same terms as the other shares of common stock. Participants in the directed share program who purchase more than $1,000,000 of shares, if any, shall be subject to a lock-up with respect to any shares sold to them pursuant to that program. This lock-up will have restrictions similar to those described below.

We, all of our directors and officers, and the holders of substantially all of our common stock and securities exercisable for or convertible into our common stock outstanding immediately prior to this offering have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Goldman, Sachs & Co. on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus (the “restricted period”):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;

- file any registration statement with the Securities and Exchange Commission relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or

- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common stock.

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of Morgan Stanley & Co. LLC and Goldman, Sachs & Co. on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restrictions described in the immediately preceding paragraph to do not apply to:

- the sale of shares of common stock (including upon the exercise of options) pursuant to the terms of the underwriting agreement;

- the transfer of shares of common stock or any securities convertible into or exercisable or exchangeable for common stock by a security holder (i) to an immediate family member or to a trust formed for the benefit of such security holder or of an immediate family member of such security holder.
holder, (ii) by bona fide gift, will or intestacy, (iii) if the security holder is a corporation, partnership, limited liability company or other business entity (A) to another corporation, partnership, limited liability company or other business entity that controls, is controlled by or is under common control with the security holder or (B) as part of a disposition, transfer or distribution by the security holder to its equity holders, or (iv) if the security holder is a trust, to a trustor or beneficiary of the trust; provided that in the case of any transfer or distribution pursuant to this clause (b), (i) each transferee, donee or distributee shall sign and deliver a lock-up agreement prior to or upon such transfer or distribution, and (ii) no filing under Section 16(a) of the Exchange Act, reporting a reduction of beneficial ownership of shares of common stock, shall be required or shall be voluntarily made during the restricted period;

- (i) the issuance by us of shares of common stock upon the exercise of options, insofar as such option is outstanding as of the date of this prospectus, or (ii) the transfer of shares of common stock or any securities convertible into common stock to us upon a vesting event of our securities or upon the exercise of options or warrants to purchase our securities on a “cashless” or “net exercise” basis to cover tax withholding obligations of a security holder in connection with such vesting or exercise, provided that in the case of either (i) or (ii), no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made within 30 days after the date of this prospectus, and after such 30th day, any filing under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that (a) the filing relates to the circumstances described in (i) or (ii), as the case may be, (b) no shares were sold by the reporting person and (c) in the case of (i), the shares received upon exercise of the option are subject to a lock-up agreement with the underwriters;

- the transfer of shares of common stock or any security convertible into or exercisable or exchangeable for common stock to us pursuant to agreements under which the shares were issued and we have the option to repurchase such shares or securities or a right of first refusal with respect to transfers of such shares or securities, provided that no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made within 30 days after the date of this prospectus, and after such 30th day, any filing under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that (i) the filing relates to the transfer of such shares or securities to us pursuant to such repurchase option or right of first refusal, as the case may be, and (b) no shares were sold by the reporting person;

- the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, provided that (i) such plan does not provide for the transfer of common stock during the restricted period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of the security holder or us regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of common stock may be made under such plan during the restricted period;

- the conversion of our outstanding convertible preferred stock into shares of our common stock, provided that such shares of common stock remain subject to the terms of the lock-up agreement;

- the transfer of shares of common stock or any security convertible into or exercisable or exchangeable for common stock that occurs solely by operation of law or by order of a court of competent jurisdiction, provided that the transferee shall sign and deliver a lock-up agreement; and

- the disposition by a security holder of shares of common stock purchased from us pursuant to any employee stock purchase plan described in this prospectus after completion of this offering, provided that no filing under Section 16(a) of the Exchange Act shall be required or shall be voluntarily made during the restricted period.

Morgan Stanley & Co. LLC and Goldman, Sachs & Co. in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain, or otherwise affect the price of the common stock. Specifically, the underwriters may sell
more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on Websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

Goldman Sachs Bank USA, an affiliate of Goldman, Sachs & Co., has entered into a term (committed loan) loan agreement with Ashar Aziz, our Vice Chairman of the Board, Chief Technology Officer and Chief Strategy Officer, individually and as trustee of the Ashar Aziz Family Trust, or the Trust. Under the loan agreement, Goldman Sachs Bank USA has agreed to make loans up to an aggregate amount of $10 million to Mr. Aziz and the Trust, subject to certain conditions. As of June 30, 2013, a total of $9,333,367.80 was outstanding under the loan. Goldman Sachs Bank USA received customary fees and expense reimbursements in connection with this loan. As a regulated entity, Goldman Sachs Bank USA makes decisions regarding making and managing its loans independent of Goldman, Sachs & Co. This loan is secured under a security and pledge agreement by a pledge of all of the shares of our common stock currently owned by Mr. Aziz and the Trust. We are not a party to the loan. The terms of these loans were negotiated directly between Mr. Aziz and Goldman Sachs Bank USA. The loan amount becomes due and payable 10 days following the expiration of any restrictions on sale under our insider trading policy following this offering. In the case of nonpayment or another event of default (including but not limited to the inability to satisfy any margin call in the event of a significant decline in our common stock price), Goldman Sachs Bank USA may exercise its rights under the loan agreements to obtain or sell shares pledged to cover the amount due under the loan. The lock-up agreement between the underwriters and Mr. Aziz includes an exception to allow for the transfer of shares of our common stock held by Mr. Aziz to Goldman Sachs Bank USA (or its assigns or affiliates) in connection with the exercise of its rights under the security and pledge agreement, and the sale by such entities. Any transfers or sales of such common stock to satisfy the obligations under the loan agreement may cause the price of our common stock to decline further.

**Pricing of the Offering**

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in
determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

• to any legal entity which is a qualified investor as defined in the Prospectus Directive;
• to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or
• in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

Each underwriter has represented and agreed that:

• it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (the “FSMA”)) received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and
• it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Hong Kong

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the
document being a “prospectus” within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation, or
document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or
elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the
laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional
investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other
document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor
may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore
other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person,
or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in
accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor)
the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited
investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited
investor, shares, debentures and units of shares, and debentures of that corporation, or the beneficiaries' rights and interest in that trust shall not be
transferable for six months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under
Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of
the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and
Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any
resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of
Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration
requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial
guidelines of Japan.

Notice to Prospective Investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or
regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art.
652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing
rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to
the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares have been or will be filed with or
approved by any Swiss regulatory authority. In particular, this
Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (“DFSA”). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission (“ASIC”), in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the “Corporations Act”), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the “Exempt Investors”) who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.
LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for us by Wilson Sonsini Goodrich & Rosati, Professional Corporation, Palo Alto, California. Cooley LLP, Palo Alto, California, is acting as counsel to the underwriters in connection with this offering.

EXPERTS

The consolidated financial statements of FireEye, Inc. as of December 31, 2011 and 2012, and for each of the three years in the period ended December 31, 2012, appearing in this prospectus and registration statement have been audited by Deloitte & Touche LLP, independent registered public accounting firm, as stated in its report appearing herein. Such financial statements are included in reliance upon the report of such firm given upon its authority as an expert in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document is not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. You may obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet Website that contains reports, proxy statements, and other information about issuers, like us, that file electronically with the SEC. The address of that Website is www.sec.gov.

As a result of this offering, we will become subject to the information and reporting requirements of the Securities Exchange Act of 1934 and, in accordance with this law, will file periodic reports, proxy statements, and other information with the SEC. These periodic reports, proxy statements, and other information will be available for inspection and copying at the SEC’s public reference facilities and the Website of the SEC referred to above. We also maintain a Website at www.fireeye.com. Upon completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our Website is not a part of this prospectus and the inclusion of our Website address in this prospectus is an inactive textual reference only.
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**FIREYE, INC.**

**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

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<td>Notes to Consolidated Financial Statements</td>
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</tbody>
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F-1
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders:
FireEye, Inc.
Milpitas, California

We have audited the accompanying consolidated balance sheets of FireEye, Inc. and its subsidiaries (the “Company”) as of December 31, 2012 and 2011, and the related consolidated statements of operations, stockholders’ equity (deficit) and cash flows for each of the three years in the period ended December 31, 2012. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of FireEye, Inc. and subsidiaries as of December 31, 2012 and 2011, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP
San Jose, California
May 14, 2013 (June 27, 2013 as to Note 17)
## Table of Contents

**FIREEYE, INC.**

**Consolidated Balance Sheets**

(In thousands, except per share data)

<table>
<thead>
<tr>
<th>Pro Forma Balance Sheet as of June 30, 2013 (Unaudited)</th>
<th>As of December 31,</th>
<th>As of June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
</tbody>
</table>

### ASSETS

**Current assets:**

- Cash and cash equivalents: $10,676, $60,200, $54,085
- Accounts receivable: 20,027, 30,133, 28,081
- Inventories: 1,080, 2,340, 3,779
- Deferred costs of revenue, current portion: 444, 837, 1,070
- Prepaid expenses and other current assets: 1,014, 10,731, 9,963

Total current assets: $33,241, $104,241, $96,978

- Deferred costs of revenue, non-current portion: 398, 674, 885
- Property and equipment, net: 1,935, 13,536, 33,734
- Goodwill: —, 1,274, 1,274
- Intangible assets: —, 4,194, 3,666
- Deposits and other long-term assets: 72, 1,354, 2,950

Total assets: $35,646, $125,273, $139,487

### LIABILITIES AND STOCKHOLDERS’ EQUITY (DEFICIT)

**Current liabilities:**

- Accounts payable: $6,517, $15,653, 28,867
- Accrued liabilities: 635, 1,174, 2,482
- Accrued compensation: 5,107, 8,271, 13,221
- Long-term debt, current portion: 1,400, 1,231, —
- Proceeds from early exercise of stock awards: 819, 2,001, 9,831

Total current liabilities: $30,693, $72,080, $110,127

- Long-term debt, non-current portion: 4,528, 10,916, 20,000
- Deferred revenue, non-current portion: 13,887, 32,656, 46,859
- Preferred stock warrant liability: 994, 3,529, 6,507
- Other long-term liabilities: 195, 702, 1,040

Total liabilities: $50,297, $119,883, $184,533

### Commitments and contingencies (Note 7)

**Convertible preferred stock, par value of $0.0001 per share; 60,519 as of December 31, 2011 and 65,326 shares authorized as of December 31, 2012 and June 30, 2013; 59,841, 64,115 and 64,590 shares issued and outstanding with liquidation preference of $51,741, $96,746 and $101,740 as of December 31, 2011, 2012 and June 30, 2013, actual; no shares issued and outstanding, pro forma:** 5, 6, 6, —

**Common stock, par value of $0.0001 per share; 97,529, 130,000 and 130,000 shares authorized as of December 31, 2011, 2012 and June 30, 2013; 11,797, 22,435 and 28,074 shares issued and outstanding as of December 31, 2011, 2012 and June 30, 2013 actual; and 102,296 shares issued and outstanding, pro forma:**

<table>
<thead>
<tr>
<th>Additional paid-in capital</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
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<tbody>
<tr>
<td>52,605</td>
<td></td>
<td></td>
<td>125,008</td>
<td>131,515</td>
</tr>
<tr>
<td>Notes receivable from stockholders</td>
<td>4,515</td>
<td></td>
<td>1,003</td>
<td>—</td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(67,111)</td>
<td>(102,867)</td>
<td>(170,063)</td>
<td>(170,063)</td>
</tr>
<tr>
<td>Total stockholders’ equity (deficit)</td>
<td>(14,651)</td>
<td>5,390</td>
<td>(45,046)</td>
<td>(38,539)</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND STOCKHOLDERS’ EQUITY (DEFICIT):**

$35,646, $125,273, $139,487

*See notes to these consolidated financial statements.*
## FireEye, Inc.

### Consolidated Statements of Operations

(In thousands, except per share data)

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31</th>
<th></th>
<th>Six Months Ended June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>$ 9,270</td>
<td>$ 24,888</td>
<td>$ 52,265</td>
</tr>
<tr>
<td>Subscription and services</td>
<td>2,495</td>
<td>8,770</td>
<td>31,051</td>
</tr>
<tr>
<td><strong>Total revenue:</strong></td>
<td>$11,765</td>
<td>33,658</td>
<td>83,316</td>
</tr>
<tr>
<td><strong>Cost of revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product</td>
<td>2,054</td>
<td>5,690</td>
<td>14,467</td>
</tr>
<tr>
<td>Subscription and services</td>
<td>277</td>
<td>1,590</td>
<td>3,163</td>
</tr>
<tr>
<td><strong>Total cost of revenue:</strong></td>
<td>$2,331</td>
<td>7,280</td>
<td>17,630</td>
</tr>
<tr>
<td><strong>Total gross profit</strong></td>
<td>$9,434</td>
<td>26,378</td>
<td>65,686</td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research and development</td>
<td>5,291</td>
<td>7,275</td>
<td>16,522</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>11,357</td>
<td>30,389</td>
<td>67,562</td>
</tr>
<tr>
<td>General and administrative</td>
<td>1,943</td>
<td>4,428</td>
<td>15,221</td>
</tr>
<tr>
<td><strong>Total operating expenses:</strong></td>
<td>$18,591</td>
<td>42,092</td>
<td>99,305</td>
</tr>
<tr>
<td><strong>Operating loss:</strong></td>
<td>($9,157)</td>
<td>($15,714)</td>
<td>($33,619)</td>
</tr>
<tr>
<td><strong>Interest income:</strong></td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>Interest expense:</strong></td>
<td>(158)</td>
<td>(194)</td>
<td>(537)</td>
</tr>
<tr>
<td><strong>Other expense, net:</strong></td>
<td>(156)</td>
<td>(806)</td>
<td>(2,572)</td>
</tr>
<tr>
<td><strong>Loss before income taxes:</strong></td>
<td>($9,468)</td>
<td>($16,711)</td>
<td>($36,721)</td>
</tr>
<tr>
<td><strong>Provision for (benefit from) income taxes:</strong></td>
<td>13</td>
<td>71</td>
<td>(965)</td>
</tr>
<tr>
<td><strong>Net loss attributable to common stockholders:</strong></td>
<td>$ (9,481)</td>
<td>$(16,782)</td>
<td>$(35,756)</td>
</tr>
<tr>
<td><strong>Net loss per share attributable to common stockholders, basic and diluted:</strong></td>
<td>$ (1.30)</td>
<td>$(1.99)</td>
<td>$(3.28)</td>
</tr>
<tr>
<td><strong>Weighted-average shares used to compute net loss per share attributable to common stockholders, basic and diluted:</strong></td>
<td>7,271</td>
<td>8,447</td>
<td>10,917</td>
</tr>
<tr>
<td><strong>Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited):</strong></td>
<td>$ (0.39)</td>
<td>$ (0.70)</td>
<td></td>
</tr>
<tr>
<td><strong>Pro forma weighted-average shares used to compute net loss per share attributable to common stockholders, basic and diluted (unaudited):</strong></td>
<td>84,664</td>
<td>91,098</td>
<td></td>
</tr>
</tbody>
</table>

See notes to these consolidated financial statements.

F-4
FIREEYE, INC.

Consolidated Statements of Stockholders' Equity (Deficit)
(In thousands)

<table>
<thead>
<tr>
<th></th>
<th>Convertible Preferred Stock</th>
<th>Common Stock</th>
<th>Additional Paid-In Capital</th>
<th>Notes Receivable from Stockholders</th>
<th>Accumulated Deficit</th>
<th>Total Stockholders' Equity (Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of December 31, 2009</td>
<td>$42,047</td>
<td>$4</td>
<td>$6,253</td>
<td>$1</td>
<td>$40,434</td>
<td>$—</td>
</tr>
<tr>
<td>Net proceeds from issuance of Series D convertible preferred stock</td>
<td>13,382</td>
<td>1</td>
<td>—</td>
<td>—</td>
<td>5,143</td>
<td>—</td>
</tr>
<tr>
<td>Net proceeds from issuance of Series E convertible preferred stock</td>
<td>4,412</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>5,933</td>
<td>—</td>
</tr>
<tr>
<td>Issuances of common stock upon stock option exercises</td>
<td>—</td>
<td>—</td>
<td>481</td>
<td>—</td>
<td>20</td>
<td>—</td>
</tr>
<tr>
<td>Issuances of common stock upon stock option exercises with notes receivable</td>
<td>—</td>
<td>—</td>
<td>3,027</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Vesting of early exercise of equity awards</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>4</td>
<td>—</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>137</td>
<td>—</td>
</tr>
<tr>
<td>Net loss and total comprehensive loss</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(9,481)</td>
</tr>
<tr>
<td>Balance as of December 31, 2010</td>
<td>$59,841</td>
<td>$5</td>
<td>$9,761</td>
<td>$1</td>
<td>$51,671</td>
<td>—</td>
</tr>
<tr>
<td>Additional issuance cost of Series E convertible preferred stock</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(3)</td>
<td>—</td>
</tr>
<tr>
<td>Issuances of common stock upon stock option exercises</td>
<td>—</td>
<td>—</td>
<td>816</td>
<td>—</td>
<td>62</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of restricted stock</td>
<td>—</td>
<td>—</td>
<td>1,220</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Vesting of stock options exercised with notes receivable</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>144</td>
<td>(144)</td>
</tr>
<tr>
<td>Accrued interest for notes receivable from stockholders</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>7</td>
<td>(7)</td>
</tr>
<tr>
<td>Vesting of early exercise of equity awards</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>9</td>
<td>—</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>715</td>
<td>—</td>
</tr>
<tr>
<td>Net loss and total comprehensive loss</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(16,782)</td>
</tr>
<tr>
<td>Balance as of December 31, 2011</td>
<td>$59,841</td>
<td>$5</td>
<td>$11,797</td>
<td>$1</td>
<td>$52,605</td>
<td>(151)</td>
</tr>
<tr>
<td>Net proceeds from issuance of Series F convertible preferred stock</td>
<td>4,274</td>
<td>1</td>
<td>—</td>
<td>—</td>
<td>44,778</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of common stock related to Tall Maple Systems, Inc. acquisition</td>
<td>—</td>
<td>—</td>
<td>150</td>
<td>—</td>
<td>816</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of common stock related to Ensighta Security, Inc. acquisition</td>
<td>—</td>
<td>—</td>
<td>423</td>
<td>—</td>
<td>2,300</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of common stock upon stock option exercises with notes receivable</td>
<td>—</td>
<td>—</td>
<td>4,260</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Vesting of stock options exercised with notes receivable</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1</td>
<td>816</td>
<td>(817)</td>
</tr>
<tr>
<td>Issuances of common stock upon stock option exercises</td>
<td>—</td>
<td>—</td>
<td>3,212</td>
<td>—</td>
<td>716</td>
<td>—</td>
</tr>
<tr>
<td>Accrued interest for notes receivable from stockholders</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>35</td>
<td>(35)</td>
</tr>
<tr>
<td>Issuance of restricted stock</td>
<td>—</td>
<td>—</td>
<td>2,686</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Repurchase of unvested restricted common stock</td>
<td>—</td>
<td>—</td>
<td>(93)</td>
<td>—</td>
<td>(214)</td>
<td>—</td>
</tr>
<tr>
<td>Vesting of early exercise of equity awards</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>557</td>
<td>—</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>6,843</td>
<td>—</td>
</tr>
<tr>
<td>Net loss and total comprehensive loss</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(35,756)</td>
</tr>
<tr>
<td>Balance as of December 31, 2012</td>
<td>$64,115</td>
<td>$6</td>
<td>$22,435</td>
<td>$2</td>
<td>$109,252</td>
<td>(1,003)</td>
</tr>
<tr>
<td>Net proceeds from issuance of Series F convertible preferred stock (unaudited)</td>
<td>475</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>4,994</td>
<td>—</td>
</tr>
<tr>
<td>Payment of note receivable from stockholder, net of early exercises (unaudited)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>828</td>
<td>1,003</td>
</tr>
<tr>
<td>Issuances of common stock upon stock option exercises (unaudited)</td>
<td>—</td>
<td>—</td>
<td>5,639</td>
<td>1</td>
<td>1,757</td>
<td>—</td>
</tr>
<tr>
<td>Vesting of early exercise of equity awards (unaudited)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>647</td>
<td>—</td>
</tr>
<tr>
<td>Stock-based compensation (unaudited)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>7,530</td>
<td>—</td>
</tr>
<tr>
<td>Net loss and total comprehensive loss (unaudited)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(67,196)</td>
</tr>
<tr>
<td>Balance as of June 30, 2013 (unaudited)</td>
<td>$64,590</td>
<td>$6</td>
<td>$28,074</td>
<td>$3</td>
<td>$125,008</td>
<td>—</td>
</tr>
</tbody>
</table>

See notes to these consolidated financial statements.

F-5
FIREYE, INC.
Consolidated Statements of Cash Flows
(In thousands)

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Six Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 31,</td>
<td>June 30,</td>
</tr>
<tr>
<td>2010</td>
<td>2011</td>
</tr>
</tbody>
</table>

### Cash Flows from Operating Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss</td>
<td>$(9,481)</td>
<td>$(16,782)</td>
<td>$(35,756)</td>
<td>$(14,328)</td>
<td>$(67,196)</td>
</tr>
<tr>
<td>Adjustments to reconcile net loss to net cash provided by (used in) operating activities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>842</td>
<td>3,272</td>
<td>6,917</td>
<td>2,172</td>
<td>7,095</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>137</td>
<td>715</td>
<td>6,843</td>
<td>1,813</td>
<td>7,530</td>
</tr>
<tr>
<td>Change in fair value of preferred stock warrant liability</td>
<td>181</td>
<td>805</td>
<td>2,535</td>
<td>549</td>
<td>2,978</td>
</tr>
<tr>
<td>Loss on disposal of property and equipment</td>
<td>167</td>
<td>201</td>
<td>197</td>
<td>17</td>
<td>39</td>
</tr>
<tr>
<td>Release of deferred tax valuation allowance</td>
<td>—</td>
<td>—</td>
<td>(1,241)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities, net of assets acquired and liabilities assumed in business combinations:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>(5,614)</td>
<td>(13,540)</td>
<td>(10,106)</td>
<td>(1,232)</td>
<td>2,052</td>
</tr>
<tr>
<td>Inventories</td>
<td>211</td>
<td>(658)</td>
<td>(817)</td>
<td>(2,122)</td>
<td>(1,168)</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>(65)</td>
<td>(187)</td>
<td>(3,084)</td>
<td>(734)</td>
<td>(4,569)</td>
</tr>
<tr>
<td>Deferred costs of revenue</td>
<td>(42)</td>
<td>(742)</td>
<td>(669)</td>
<td>(340)</td>
<td>(444)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>466</td>
<td>5,400</td>
<td>6,189</td>
<td>1,697</td>
<td>8,207</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>275</td>
<td>284</td>
<td>511</td>
<td>335</td>
<td>1,310</td>
</tr>
<tr>
<td>Accrued compensation</td>
<td>2,336</td>
<td>2,446</td>
<td>3,165</td>
<td>(1,201)</td>
<td>4,949</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>3,764</td>
<td>23,836</td>
<td>46,303</td>
<td>16,475</td>
<td>26,180</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>122</td>
<td>194</td>
<td>211</td>
<td>137</td>
<td>842</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) operating activities</strong></td>
<td>(6,701)</td>
<td>5,111</td>
<td>21,500</td>
<td>3,248</td>
<td>(12,699)</td>
</tr>
</tbody>
</table>

### Cash Flows from Investing Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of business, net of cash acquired</td>
<td>—</td>
<td>—</td>
<td>(889)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Purchase of property and equipment and demonstration units</td>
<td>(1,558)</td>
<td>(5,217)</td>
<td>(18,848)</td>
<td>(9,397)</td>
<td>(22,055)</td>
</tr>
<tr>
<td>Proceeds from disposal of property and equipment</td>
<td>49</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Lease deposits</td>
<td>(9)</td>
<td>(7)</td>
<td>(478)</td>
<td>(376)</td>
<td>(1,597)</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(1,518)</td>
<td>(5,224)</td>
<td>(20,215)</td>
<td>(9,773)</td>
<td>(23,652)</td>
</tr>
</tbody>
</table>

### Cash Flows from Financing Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowing from line of credit</td>
<td>2,322</td>
<td>2,381</td>
<td>7,619</td>
<td>7,619</td>
<td>10,000</td>
</tr>
<tr>
<td>Repayment of line of credit</td>
<td>—</td>
<td>(2,322)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Borrowing of term loan</td>
<td>1,564</td>
<td>2,750</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Repayment of term loan</td>
<td>(383)</td>
<td>(557)</td>
<td>(1,405)</td>
<td>(697)</td>
<td>(2,147)</td>
</tr>
<tr>
<td>Payment of costs related to initial public offering</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>330</td>
</tr>
<tr>
<td>Net proceeds from issuance of convertible preferred stock</td>
<td>11,077</td>
<td>(3)</td>
<td>39,785</td>
<td>—</td>
<td>9,988</td>
</tr>
<tr>
<td>Proceeds from exercise of equity awards</td>
<td>39</td>
<td>875</td>
<td>2,454</td>
<td>1,261</td>
<td>4,771</td>
</tr>
<tr>
<td>Repayment of notes receivable from stockholders</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>7,294</td>
</tr>
<tr>
<td>Repurchase of common stock</td>
<td>—</td>
<td>—</td>
<td>(214)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net cash provided by financing activities</strong></td>
<td>14,619</td>
<td>3,124</td>
<td>48,239</td>
<td>8,183</td>
<td>30,236</td>
</tr>
<tr>
<td>Net change in cash and cash equivalents</td>
<td>6,400</td>
<td>3,011</td>
<td>49,524</td>
<td>1,658</td>
<td>(6,115)</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of year</td>
<td>1,265</td>
<td>7,665</td>
<td>10,676</td>
<td>10,676</td>
<td>60,200</td>
</tr>
<tr>
<td>Cash and cash equivalents, end of year</td>
<td><strong>$7,665</strong></td>
<td><strong>$10,676</strong></td>
<td><strong>$60,200</strong></td>
<td><strong>$12,334</strong></td>
<td><strong>$54,085</strong></td>
</tr>
</tbody>
</table>

### Supplemental Disclosure of Cash Flow Information:

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid for income taxes</td>
<td>$4</td>
<td>$2</td>
<td>$22</td>
<td>$22</td>
<td>$234</td>
</tr>
<tr>
<td>Cash paid for interest</td>
<td>$108</td>
<td>$194</td>
<td>$508</td>
<td>$190</td>
<td>$284</td>
</tr>
</tbody>
</table>

### Supplemental Disclosure of Noncash Investing and Financing Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock issued in connection with acquisitions</td>
<td>—</td>
<td>—</td>
<td>$3,116</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Purchases of property and equipment and demonstration units in accounts payable</td>
<td>$47</td>
<td>$117</td>
<td>$2,874</td>
<td>$2,091</td>
<td>$7,971</td>
</tr>
<tr>
<td>Proceeds receivable from issuance of convertible preferred stock</td>
<td>—</td>
<td>—</td>
<td>$4,994</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

See notes to consolidated financial statements.

F-6
1. Description of Business and Summary of Significant Accounting Policies

Description of Business

FireEye, Inc., with principal executive offices located in Milpitas, California, was incorporated as NetForts, Inc. on February 18, 2004, under the laws of the State of Delaware, and we changed our name to FireEye, Inc. on September 7, 2005.

FireEye, Inc. and its wholly owned subsidiaries (collectively, the "Company", “we”, “us” or “our”) is a leader in stopping advanced cyber attacks that use advanced malware, zero-day exploits, and APT (“Advanced Persistent Threat”) tactics. Our solutions supplement traditional and next-generation firewalls, IPS (“Intrusion Prevention Systems”), anti-virus, and gateways, which cannot stop advanced threats, leaving security holes in networks. We offer a solution that detects and blocks attacks across both Web and email threat vectors as well as latent malware resident on file shares. Our solution addresses all stages of an attack lifecycle with a signature-less engine utilizing stateful attack analysis to detect zero-day threats.

We sell the majority of our products, subscriptions and services to end-customers through distributors, resellers, and strategic partners, with a lesser percentage of sales directly to end-customers.

Basis of Presentation and Consolidation

The consolidated financial statements include the accounts of FireEye, Inc., and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. Subsequent events were evaluated from the balance sheet date of December 31, 2012 through the audited consolidated financial statements original issuance date of May 14, 2013 and re-issuance date of June 27, 2013. For the six months ended June 30, 2013, subsequent events were evaluated through August 2, 2013, the date on which the interim consolidated financial statements were issued and the re-issuance of the interim financial statements on August 21, 2013 as to Note 18.

Unaudited Interim Financial Information

The accompanying interim consolidated balance sheet as of June 30, 2013, the related interim consolidated statements of operations, and cash flows for the six month periods ended June 30, 2012 and 2013, the statement of stockholders’ equity (deficit) for the six month period ended June 30, 2013 and the related footnote disclosures are unaudited. These unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). In management’s opinion, the unaudited interim consolidated financial statements have been prepared on the same basis as the annual financial statements and include all adjustments, which include only normal recurring adjustments, necessary for the fair presentation of our financial position as of June 30, 2013 and our consolidated results of operations and cash flows for the six months ended June 30, 2012 and 2013. The results for the six months ended June 30, 2013 are not necessarily indicative of the results expected for the full fiscal year.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Such management estimates include, but are not limited to, the best estimate of selling price for our products and services, future taxable income, contract manufacturer liabilities, litigation and settlement costs and other loss.
contingencies and fair value of our common and preferred stock, stock options and preferred stock warrant liability. We base our estimates on historical experience and also on assumptions that we believe are reasonable. Actual results could differ from those estimates.

**Unaudited Pro Forma Consolidated Balance Sheet**

Upon the consummation of the initial public offering contemplated by us, all of the outstanding shares of convertible preferred stock will automatically convert into shares of common stock, assuming we raise at least $75 million. The June 30, 2013 unaudited pro forma consolidated balance sheet data has been prepared assuming the conversion of the convertible preferred stock outstanding into 74,221,533 shares of common stock and the related conversion of the preferred stock underlying outstanding warrants, which results in the reclassification of the warrant liability to additional paid-in capital.

**Concentrations**

Financial instruments that subject us to concentrations of credit risk consist primarily of cash, cash equivalents, and accounts receivable. We maintain a substantial portion of our cash and cash equivalents in money market funds invested in U.S. Treasury related obligations. Management believes that the financial institutions that hold our investments are financially sound and, accordingly, are subject to minimal credit risk. Deposits held with banks may exceed the amount of insurance provided on such deposits.

Our accounts receivables are primarily derived from our partners representing various geographical locations. We perform ongoing credit evaluations of our partners and generally do not require collateral on accounts receivable. We maintain an allowance for doubtful accounts for estimated potential credit losses. As of December 31, 2011, two customers represented 23% and 16% of our gross accounts receivable. As of December 31, 2012, two customers represented 14% and 10% of our gross accounts receivable. As of June 30, 2013, two customers represented 18% and 12% of our gross accounts receivable. During the year ended December 31, 2010, two customers represented 12% and 12% of our total revenue. During the year ended December 31, 2011, one customer represented 12% of our total revenue. During the six months ended June 30, 2012, two customers represented 14% and 11% of our total revenue. During the six months ended June 30, 2013, two customers represented 11% and 10% of our total revenue. We rely on a single contract manufacturer to assemble all of our products and sole suppliers for a certain number of our components.

**Foreign Currency Translation and Transactions**

The functional currency of our foreign subsidiaries is the U.S. dollar. We translate all monetary assets and liabilities denominated in foreign currencies into U.S. dollars using the exchange rates in effect at the balance sheet dates and other assets and liabilities using historical exchange rates.

Foreign currency denominated revenue and expenses have been re-measured using the average exchange rates in effect during each period. Foreign currency re-measurement gains and losses have been included in other income (expense) and have not been significant through December 31, 2012 and June 30, 2013.

**Cash and Cash Equivalents**

We consider all highly liquid investments held at financial institutions, such as money market funds with original maturities of three months or less at date of purchase, to be cash equivalents.

**Fair Value of Financial Instruments**

We define fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value
measurements for assets and liabilities which are required to be recorded at fair value, we consider the principal or most advantageous market in which to transact and the market-based risk. We apply fair value accounting for all financial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. The carrying amounts reported in the consolidated financial statements approximate the fair value for cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities, due to their short-term nature. The carrying amount of the Company’s preferred stock warrant liability represents their fair value and the long term debt is stated at the carrying value as the stated interest rate approximate market rate currently available to the Company.

**Accounts Receivable**

Trade accounts receivable are recorded at the invoiced amount, net of allowances for doubtful accounts. The allowance for doubtful accounts is based on our assessment of the collectability of accounts. Management regularly reviews the adequacy of the allowance for doubtful accounts by considering the age of each outstanding invoice, each partner’s expected ability to pay, and the collection history with each partner, when applicable, to determine whether a specific allowance is appropriate. Accounts receivable deemed uncollectible are charged against the allowance for doubtful accounts when identified. As of December 31, 2011 and 2012 and June 30, 2013, the allowance for doubtful accounts was not significant.

**Inventories**

Inventories are stated at lower of cost or market. Provisions have been made to reduce all slow-moving, obsolete or unusable inventories to their net realizable values. We purchase completed units from contract manufacturers, accordingly substantially all inventories are finished goods with an immaterial balance of replacement parts. As of December 31, 2011 and 2012 and June 30, 2013, the provisions for excess and obsolete inventories were not significant.

**Deferred Costs of Revenue**

Deferred cost of revenue consists of direct and incremental costs related to product revenue deferred in accordance with the Company’s revenue recognition policy. Deferred cost of revenue that will be realized within the succeeding 12 month period is recorded as current and the remaining is recorded as non-current.

**Property and Equipment**

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally one to five years.

The estimated useful lives of property and equipment are described below:

<table>
<thead>
<tr>
<th>Property and Equipment</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer equipment and software</td>
<td>2 to 5 years</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>Shorter of estimated useful life or remaining lease term</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>5 years</td>
</tr>
</tbody>
</table>

**Demonstration Units**

Product demonstration units are included in prepaid and other current assets on the consolidated balance sheet. Demonstration units are recorded at cost and are amortized over the estimated useful life of 12 months from the date of transfer. We generally do not resell units that have been used for demonstration purposes.
Impairment of Long-Lived Assets

We evaluate events and changes in circumstances that could indicate carrying amounts of long-lived assets, including property and equipment, may not be recoverable. When such events or changes in circumstances occur, we assess the recoverability of long-lived assets by determining whether or not the carrying value of such assets will be recovered through undiscounted expected future cash flows. If the total of the future undiscounted cash flows is less than the carrying amount of an asset, we record an impairment charge for the amount by which the carrying amount of the assets exceeds the fair value of the asset. Through December 31, 2012 and June 30, 2013, we have not written down any of our long-lived assets as a result of impairment.

Goodwill

Goodwill represents the excess of the aggregate purchase price paid over the fair value of the net tangible assets acquired. Goodwill is not amortized and is tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The Company has determined that it operates as one reporting unit and has selected December 1 as the date to perform its annual impairment test. In the valuation of its goodwill, the Company must make assumptions regarding estimated future cash flows to be derived from the Company. If these estimates or their related assumptions change in the future, the Company may be required to record impairment for these assets. The first step of the impairment test involves comparing the fair value of the reporting unit to its net book value, including goodwill. If the net book value exceeds its fair value, then the Company would perform the second step of the goodwill impairment test to determine the amount of the impairment loss. The impairment loss would be calculated by comparing the implied fair value of the Company to its net book value. In calculating the implied fair value of the Company’s goodwill, the fair value of the Company would be allocated to all of the other assets and liabilities based on their fair values. The excess of the fair value of the Company over the amount assigned to its other assets and liabilities is the implied fair value of goodwill. An impairment loss would be recognized when the carrying amount of goodwill exceeds its implied fair value. There was no impairment of goodwill recorded for the years ended December 31, 2011 or 2012 or the six months ended June 30, 2013.

Warranties

We generally provide a one-year warranty on hardware. We do not accrue for potential warranty claims as a component of cost of product revenue as all product warranty claims are satisfied under our support and maintenance contracts.

Deferred Revenue

Deferred revenue consists of amounts that have been invoiced but that have not been recognized as revenue. Deferred revenue that will be realized during the succeeding 12 month period is recorded as current, and the remaining deferred revenue is recorded as non-current.

Contract Manufacturer Liabilities

We outsource most of our manufacturing, repair, and supply chain management operations to our independent contract manufacturer, and payments to such manufacturer are a significant portion of our product cost of revenue. Although we could be contractually obligated to purchase manufactured products, we generally do not own the manufactured products. Product title transfers from our independent contract manufacturer to us and to our partner upon shipment. Our independent contract manufacturer assembles our products using design specifications, quality assurance programs, and standards that we establish and it procures components and assembles our products based on our demand forecasts. These forecasts represent our estimates of future demand for our products based upon historical trends and analysis from our sales and product management functions as adjusted for overall market conditions. If the actual component usage and product demand are significantly lower than forecast, we may accrue for costs for contractual manufacturing commitments in excess of our forecasted
demand, including costs for excess components or for carrying costs incurred by our contract manufacturer. To date, we have not accrued any significant costs associated with this exposure.

Preferred Stock Warrant Liability

The preferred stock warrant liability is measured and recognized in the financial statements at its fair value because the warrants contain anti-dilution provisions which require us to lower the exercise price of the warrants upon any future down-round financing. The fair value of the warrants is estimated using the Monte Carlo model at each reporting date. The change in fair value of the warrants is recognized in the consolidated statements of operations as other expense. Upon the earlier of the exercise of the warrants or the completion of a liquidation event, including the completion of an initial public offering in which the shares underlying the warrants convert from preferred stock into shares of common stock, the preferred stock warrant liability will be remeasured to fair value and any remaining liability will be reclassified to stockholders’ equity.

Revenue Recognition

We generate revenue from the sales of products, subscriptions, support and maintenance, and other services primarily through our indirect relationships with our partners as well as end customers through our direct sales force. Our products include operating system software that is integrated into the appliance hardware and is deemed essential to its functionality. As a result, we account for revenue in accordance with Accounting Standards Codification 605, Revenue Recognition, and all related interpretations as all our security appliance deliverables include proprietary operating system software, which together deliver the essential functionality of our products.

Revenue is recognized when all of the following criteria are met:

- **Persuasive Evidence of an Arrangement Exists.** We rely upon non-cancelable sales agreements and purchase orders to determine the existence of an arrangement.

- **Delivery has Occurred.** We use shipping documents or transmissions of service contract registration codes to verify delivery.

- **The Fee is Fixed or Determinable.** We assess whether the fee is fixed or determinable based on the payment terms associated with the transaction.

- **Collectability is Reasonably Assured.** We assess collectability based on credit analysis and payment history.

Our products include three principal security product families that address critical vectors of attack, including Web, email and file shares. Our Web MPS, File MPS, MAS and CMS appliance and subscription services qualify as separate units of accounting. Therefore, Web MPS, File MPS, MAS and CMS appliance product revenue is recognized at the time of shipment. However, our Email MPS cannot function without the use of our subscription services. As such, our Email MPS products and related services do not have stand-alone value and do not qualify as separate units of accounting. Therefore, Email MPS product revenue is recognized ratably over the longer of the contractual term of the subscription services or the estimated period the customer is expected to benefit from the product, provided that all other revenue recognition criteria have been met. Because we have only been selling our Email MPS since April 2011, we have a limited history with respect to subscription renewals for such product. As a result, revenue from all Email MPS products sold by us through June 30, 2013 has been recognized ratably over the contractual term of the subscription services.

At the time of shipment, product revenue meets the criteria for fixed or determinable fees. In addition, payment from our partners is not contingent on the partner’s collection from their end-customers. Our partners do not stock products and do not have any stock rotation rights. We recognize subscription and support and maintenance service revenue ratably over the contractual service period, which is typically one or three years. Other services revenue is recognized as the services are rendered and has not been significant to date.
Most of our arrangements, other than renewals of subscriptions and support and maintenance services, are multiple-element arrangements with a combination of product, subscriptions, support and maintenance, and other services. For multiple-element arrangements, we allocate revenue to each unit of accounting based on an estimated selling price at the arrangement inception. The estimated selling price for each element is based upon the following hierarchy: vendor-specific objective evidence (“VSOE”) of selling price, if available, third-party evidence (“TPE”) of selling price, if VSOE of selling price is not available, or best estimate of selling price (“BESP”), if neither VSOE of selling price nor TPE of selling price are available. The total arrangement consideration is allocated to each separate unit of accounting using the relative estimated selling prices of each unit based on the aforementioned selling price hierarchy. We limit the amount of revenue recognized for delivered elements to an amount that is not contingent upon future delivery of additional products or services or meeting of any specified performance conditions.

To determine the estimated selling price in multiple-element arrangements, we seek to establish VSOE of selling price using the prices charged for a deliverable when sold separately and, for subscriptions and support and maintenance, based on the renewal rates and discounts offered to partners. If VSOE of selling price cannot be established for a deliverable, we seek to establish TPE of selling price by evaluating similar and interchangeable competitor products or services in standalone arrangements with similarly situated partners. However, as our products contain a significant element of proprietary technology and offer substantially different features and functionality from our competitors, we are unable to obtain comparable pricing of our competitors’ products with similar functionality on a standalone basis. Therefore, we have not been able to obtain reliable evidence of TPE of selling price. If neither VSOE nor TPE of selling price can be established for a deliverable, we establish BESP primarily based on historical transaction pricing. Historical transactions are segregated based on our pricing model and our go-to-market strategy, which include factors such as type of sales channel (reseller, distributor, or end-customer), the geographies in which our products and services were sold (domestic or international), offering type (products, subscriptions or services), and whether or not the opportunity was identified by our sales force or by our partners. In analyzing historical transaction pricing, we evaluate whether a majority of the prices charged for a product, as represented by a percentage of list price, fall within a reasonable range. To further support the best estimate of selling price as determined by the historical transaction pricing or when such information is unavailable, such as when there are limited sales of a new product, we consider the same factors we have established through our pricing model and go-to-market strategy. The determination of BESP is made through consultation with and approval by our management. We have established the estimated selling price of all of our deliverables using BESP.

Shipping charges billed to partners are included in revenue and related costs are included in cost of revenue. Sales commissions and other incremental costs to acquire contracts are also expensed as incurred and are recorded in sales and marketing expense. After receipt of a partner order, any amounts billed in excess of revenue recognized are recorded as deferred revenue.

**Advertising Costs**

Advertising costs, which are expensed and included in sales and marketing expense when incurred, were $29,000, $171,000, and $1.1 million during the years ended December 31, 2010, 2011 and 2012, respectively, and $542,000 and $334,000 during the six months ended June 30, 2012 and 2013, respectively.

**Software Development Costs**

The costs to develop software have not been capitalized as we believe our current software development process is essentially completed concurrent with the establishment of technological feasibility. As such, all software development costs are expensed as incurred and included in research and development expense on the consolidated statements of operations.

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Stock-Based Compensation

Compensation expense related to stock-based transactions, including employee and non-employee director awards, is measured and recognized in the financial statements based on fair value. The fair value of each option award is estimated on the grant date using the Black-Scholes option-pricing model and a single option award approach. This model requires that at the date of grant we determine the fair value of the underlying common stock, the expected term of the award, the expected volatility of the price of our common stock, risk-free interest rates, and expected dividend yield of our common stock. The stock-based compensation expense, net of forfeitures, is recognized using a straight-line basis over the requisite service periods of the awards, which is generally four years. We estimate a forfeiture rate to calculate the stock-based compensation for our awards. Our forfeiture rate is based on an analysis of our actual historical forfeitures.

The Company accounts for stock options issued to nonemployees based on the fair value of the awards determined using the Black-Scholes option-pricing model. The fair value of stock options granted to nonemployees are remeasured as the stock options vest, and the resulting change in value, if any, is recognized in the statement of operations during the period the related services are rendered.

Income Taxes

We account for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in our financial statements or tax returns. In addition, deferred tax assets are recorded for the future benefit of utilizing net operating losses and research and development credit carryforwards. Valuation allowances are provided when necessary to reduce deferred tax assets to the amount expected to be realized.

We apply the authoritative accounting guidance prescribing a threshold and measurement attribute for the financial recognition and measurement of a tax position taken or expected to be taken in a tax return. We recognize liabilities for uncertain tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step requires us to estimate and measure the tax liability as the largest amount that is more likely than not to be realized upon ultimate settlement.

Net Loss and Pro Forma Net Loss Per Share Attributable to Common Stockholders

The Company calculates its basic and diluted net loss per share attributable to common stockholders in conformity with the two-class method required for companies with participating securities. Under the two-class method, in periods when the Company has net income, net income attributable to common stockholders is determined by allocating undistributed earnings, calculated as net income less current period convertible preferred stock non-cumulative dividends, between common stock and the convertible preferred stock. In computing diluted net income attributable to common stockholders, undistributed earnings are re-allocated to reflect the potential impact of dilutive securities. The Company’s basic net loss per share attributable to common stockholders is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding for the period. The diluted net loss per share attributable to common stockholders is computed by giving effect to all potential dilutive common stock equivalents outstanding for the period. For purposes of this calculation, convertible preferred stock, options to purchase common stock and convertible preferred stock warrants are considered common stock equivalents but have been excluded from the calculation of diluted net loss per share attributable to common stockholders as their effect is antidilutive. In contemplation of an initial public offering, the Company has presented the unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the year ended December 31, 2012 and the six months ended June 30, 2013, which has been computed to give effect to the automatic conversion of the convertible preferred stock into shares of common stock as of the beginning of the respective period.
Recent Accounting Pronouncements

In June 2011, the Financial Accounting Standards Board, (“FASB”) issued authoritative guidance that addresses the presentation of comprehensive income for annual reporting of financial statements was issued. The guidance is intended to improve the comparability, consistency and transparency of financial reporting and to increase the prominence of items reported in other comprehensive income by eliminating the option to present components of other comprehensive income as part of the statement of changes in stockholders’ equity. Such changes in the stockholders’ equity will be required to be disclosed in either a single continuous statement of comprehensive income or in two separate but consecutive statements. The guidance is effective for fiscal years beginning after December 15, 2011, and should be applied retrospectively for all periods presented. Early adoption is permitted. This new guidance impacts how the Company reports comprehensive income, and did not have any effect on the Company’s results of operations, financial position or liquidity upon its required adoption on January 1, 2012.

Additionally, in May 2011, updated authoritative guidance to amend existing requirements for fair value measurements and disclosures was issued. The guidance expands the disclosure requirements around fair value measurements categorized in Level 3 of the fair value hierarchy and requires disclosure of the level in the fair value hierarchy of items that are not measured at fair value but whose fair value must be disclosed. It also clarifies and expands upon existing requirements for fair value measurements of financial assets and liabilities as well as instruments classified in stockholders’ equity. The guidance was effective for the year ended December 31, 2012 and was applied prospectively. This new guidance impacts how the Company reports on fair value measurements only, and had no effect on the Company’s results of operations, financial position or liquidity upon the Company’s adoption on January 1, 2012.

In February 2013, the FASB issued guidance which addresses the presentation of amounts reclassified from accumulated other comprehensive income. This guidance does not change current financial reporting requirements, instead an entity is required to cross-reference to other required disclosures that provide additional detail about amounts reclassified out of accumulated other comprehensive income. In addition, the guidance requires an entity to present significant amounts reclassified out of accumulated other comprehensive income by line item of net income if the amount reclassified is required to be reclassified to net income in its entirety in the same reporting period. Adoption of this standard is required for periods beginning after December 15, 2012 for public companies. This new guidance impacts how the Company reports comprehensive income and has had no effect on the Company’s results of operations, financial position or liquidity for the six months ended June 30, 2013.

2. Fair Value Measurements

We categorize assets and liabilities recorded at fair value on our consolidated balance sheets based upon the level of judgment associated with inputs used to measure their fair value. The categories are as follows:

- Level 1—Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2—Inputs are quoted prices for similar assets and liabilities in active markets or inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly through market corroboration, for substantially the full term of the financial instruments.
- Level 3—Inputs are unobservable inputs based on our own assumptions used to measure assets and liabilities at fair value. The inputs require significant management judgment or estimation.
The following table presents the fair value of our financial assets and liabilities using the above input categories (in thousands):

<table>
<thead>
<tr>
<th>Description</th>
<th>As of December 31, 2011</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
<td>Level 3</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Money market funds</td>
<td>$5,886</td>
<td>$—</td>
<td>$—</td>
<td>$5,886</td>
</tr>
<tr>
<td>Preferred stock warrant liability</td>
<td>$—</td>
<td>$—</td>
<td>994</td>
<td>$994</td>
</tr>
<tr>
<td>Total assets and liabilities measured at fair value</td>
<td>$5,886</td>
<td>$—</td>
<td>$994</td>
<td>$6,880</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>As of December 31, 2012</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
<td>Level 3</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Money market funds</td>
<td>$5,893</td>
<td>$—</td>
<td>$—</td>
<td>$5,893</td>
</tr>
<tr>
<td>Preferred stock warrant liability</td>
<td>$—</td>
<td>$—</td>
<td>3,529</td>
<td>3,529</td>
</tr>
<tr>
<td>Total assets and liabilities measured at fair value</td>
<td>$5,893</td>
<td>$—</td>
<td>$3,529</td>
<td>$9,422</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>As of June 30, 2013 (Unaudited)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
<td>Level 3</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Money market funds</td>
<td>$40,900</td>
<td>$—</td>
<td>$—</td>
<td>$40,900</td>
</tr>
<tr>
<td>Preferred stock warrant liability</td>
<td>$—</td>
<td>$—</td>
<td>6,507</td>
<td>6,507</td>
</tr>
<tr>
<td>Total assets and liabilities measured at fair value</td>
<td>$40,900</td>
<td>$—</td>
<td>$6,507</td>
<td>$47,407</td>
</tr>
</tbody>
</table>

Level 1 investments consist solely of money market funds, included in cash and cash equivalents, valued at amortized cost which approximates fair value. Level 3 instruments consist solely of our preferred stock warrant liability in which the fair value was measured using a Monte Carlo model. As discussed further in Note 8, the preferred stock warrant liability was estimated using assumptions related to the remaining contractual term of the warrants, the risk-free interest rate, volatility of our comparable public companies over the remaining term, the fair value of underlying shares, and other assumptions related to estimated probabilities for future scenarios for our business such as an IPO or change of control. The significant unobservable inputs used in the fair value measurement of the preferred stock warrant liability are the fair value of the underlying stock at the valuation date and the estimated term of the warrants. Generally, increases (decreases) in the fair value of the underlying stock and estimated term would result in a directionally similar impact to the fair value measurement.

The following table sets forth a summary of the changes in the fair value of our Level 3 financial instruments as follows (in thousands):

<table>
<thead>
<tr>
<th>Description</th>
<th>Preferred Stock Warrant Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of December 31, 2009</td>
<td>$—</td>
</tr>
<tr>
<td>Change in fair value of preferred stock warrant liability</td>
<td>$8</td>
</tr>
<tr>
<td>Balance as of December 31, 2010</td>
<td>$181</td>
</tr>
<tr>
<td>Change in fair value of preferred stock warrant liability</td>
<td>$189</td>
</tr>
<tr>
<td>Balance as of December 31, 2011</td>
<td>$994</td>
</tr>
<tr>
<td>Change in fair value of preferred stock warrant liability</td>
<td>$2,535</td>
</tr>
<tr>
<td>Balance as of December 31, 2012</td>
<td>$3,529</td>
</tr>
<tr>
<td>Change in fair value of preferred stock warrant liability (unaudited)</td>
<td>$2,978</td>
</tr>
<tr>
<td>Balance as of June 30, 2013 (unaudited)</td>
<td>$6,507</td>
</tr>
</tbody>
</table>

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The gains and losses from remeasurement of Level 3 financial liabilities are recorded through the other expenses, net in the statements of operations.

3. Balance Sheet Components

Property and Equipment

Property and equipment, net consisted of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>As of December 31</th>
<th>As of June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Computer equipment, and software</td>
<td>$2,400</td>
<td>$12,115</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>427</td>
<td>2,668</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>414</td>
<td>1,841</td>
</tr>
<tr>
<td>Total property and equipment</td>
<td>3,241</td>
<td>16,624</td>
</tr>
<tr>
<td>Less: accumulated depreciation and amortization</td>
<td>(1,306)</td>
<td>(3,088)</td>
</tr>
<tr>
<td>Total property and equipment, net</td>
<td>$1,935</td>
<td>$13,536</td>
</tr>
</tbody>
</table>

Depreciation and amortization expense related to property and equipment and demonstration units during the years ended December 31, 2010, 2011 and 2012 was $842,000, $3.3 million and $6.9 million, respectively, and $2.2 million and $6.6 million for the six months ended June 30, 2012 and 2013, respectively.

4. Business Combinations

On December 14, 2012, we acquired certain assets of Tall Maple Systems, Inc. ("Tall Maple"), a software platform provider that developed software applications to simplify the development cycle and reduce the time to market of Linux-based Internet appliances. We accounted for the acquisition of Tall Maple as a purchase of a business. We expensed the related acquisition costs, consisting primarily of legal expenses in the amount of $19,000 during the year ended December 31, 2012. These legal expenses were presented as general and administrative expenses on the consolidated statements of operations for the year ended December 31, 2012. The total purchase consideration of $816,000 consisted of the issuance of 150,000 shares of our common stock with a fair value of $5.44 per share on the acquisition date. The acquisition of Tall Maple provided us with developed technology. We determined that the fair value of the developed technology was approximately equal to the purchase consideration and that no other identifiable intangible or tangible assets were acquired and no liabilities were assumed. Accordingly, we did not recognize any goodwill with the acquisition of Tall Maple.

On December 20, 2012, we acquired all outstanding shares of Ensighta Security, Inc. ("Ensighta"), a company that develops a software application that enables automatic security analysis of mobile apps on android based mobile devices. We accounted for the acquisition of Ensighta as a purchase of a business. We expensed the related acquisition costs, consisting primarily of legal expenses in the amount of $888,000 during the year ended December 31, 2012. These legal expenses were presented as general and administrative expenses on the consolidated statements of operations for the year ended December 31, 2012. The total purchase consideration of $3.2 million consisted of $888,000 in cash and the issuance of 422,668 shares of our common stock with a fair value of $5.44 per share on the acquisition date. The acquisition of Ensighta provided us with developed technology and allowed us to enhance our workforce. We also assumed deferred tax liabilities related to the fair value of the developed technology we obtained in the acquisition as well as other assumed liabilities related to normal operations. Primarily as a result of the deferred tax liabilities assumed in the acquisition, we recognized goodwill of $1.3 million equal for the excess of the purchase consideration over the fair value of the assets acquired and the liabilities assumed. None of the goodwill is expected to be deductible for income tax purposes.
The following table summarizes the consideration paid and the fair values of the assets acquired and liabilities assumed at the acquisition date (in thousands):

<table>
<thead>
<tr>
<th>Consideration:</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed technology</td>
<td>$3,378</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>(1,274)</td>
</tr>
<tr>
<td>Liabilities assumed</td>
<td>(190)</td>
</tr>
<tr>
<td>Goodwill</td>
<td>1,274</td>
</tr>
<tr>
<td>Fair value of total consideration transferred</td>
<td>$3,188</td>
</tr>
</tbody>
</table>

The results of operations of Tall Maple and Ensighta have been included in our consolidated statements of operations from the applicable acquisition dates. Pro forma results of operations have not been presented because the acquisitions were not material to our results of operations.

**Intangible Assets**

Intangible assets are comprised entirely of developed technology of $4.2 million and $3.7 million as of December 31, 2012 and June 30, 2013, respectively, recorded in connection with the acquisitions of Tall Maple and Ensighta. We did not carry intangible assets on our consolidated balance sheets as of December 31, 2011.

The acquired developed technology will be amortized to cost of sales over the economic life of the related assets, which was estimated to be four years. The expected annual amortization expense of intangible assets as of June 30, 2013 is presented below (in thousands):

<table>
<thead>
<tr>
<th>Years Ending December 31.</th>
<th>Developed Technology (Unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 (for the remaining six months)</td>
<td>$521</td>
</tr>
<tr>
<td>2014</td>
<td>1,049</td>
</tr>
<tr>
<td>2015</td>
<td>1,049</td>
</tr>
<tr>
<td>2016</td>
<td>1,047</td>
</tr>
</tbody>
</table>

Total intangible assets subject to amortization: $3,666

5. Deferred Revenue

Deferred revenue consists of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>As of December 31,</th>
<th>As of June 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Product, current</td>
<td>2,335</td>
<td>6,570</td>
</tr>
<tr>
<td>Subscription and services, current</td>
<td>13,880</td>
<td>37,180</td>
</tr>
<tr>
<td>Total deferred revenue, current</td>
<td>16,215</td>
<td>43,750</td>
</tr>
<tr>
<td>Product, non-current</td>
<td>3,207</td>
<td>3,888</td>
</tr>
<tr>
<td>Subscription and services, non-current</td>
<td>10,680</td>
<td>28,768</td>
</tr>
<tr>
<td>Total deferred revenue, non-current</td>
<td>13,887</td>
<td>32,656</td>
</tr>
<tr>
<td>Total deferred revenue</td>
<td>$30,102</td>
<td>$76,406</td>
</tr>
</tbody>
</table>

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6. Long-term Debt

In August 2005, we entered into a loan agreement (the “First Loan Agreement”) with two lenders that provided for borrowings under an equipment facility and a growth capital facility. The First Loan Agreement provided for advances under the equipment facility up to $1.0 million in $50,000 increments through the termination date on December 31, 2006 and advances under the growth capital facility up to $3.0 million in $1.0 million increments through the termination date on December 31, 2006. Outstanding borrowings under the equipment facility were due in 36 equal monthly payments of principal and interest following the month of borrowing, with a final payment on the maturity date equal to 2.5% of the drawn down principal. Outstanding borrowings under the growth capital facility were due in 36 monthly payments of principal and interest beginning January 1, 2007. There were no prepayment penalties for either the equipment facility or the growth capital facility. In September 2006, the First Loan Agreement was amended to add supplemental borrowing capacity under the equipment facility to $2.1 million and the growth capital facility to $3.6 million. In February 2008, the First Loan Agreement was amended to extend the supplemental equipment availability end date to April 30, 2008 and provide a waiver of default. The 2006 and 2008 modifications to the First Loan Agreement did not have a significant impact on the accounting for the carrying amounts related to the First Loan Agreement. There were no amounts outstanding under the First Loan Agreement as of December 31, 2011 and 2012 and June 30, 2013.

In June 2010, the Company entered into a second loan agreement (the “Second Loan Agreement”) with a lender that provides for: (1) a revolving line of credit facility, (2) an equipment facility and (3) a term loan. In addition, this loan agreement was amended in August 2011 to provide for additional borrowings under a (4) growth facility. The Second Loan Agreement provides certain financial-related covenants, among others, relating to delivery of audited financial statements to the lender. The lender granted a waiver arising from our failure to deliver our audited financial statements for the year ended December 31, 2011 within the time period set forth in the Second Loan Agreement. After giving effect to such waiver, we were in compliance with all financial-related covenants under the Second Loan Agreement as of December 31, 2012 and June 30, 2013.

**Line of Credit**

Under the terms of the Second Loan Agreement, we are able to borrow up to $3.0 million under a revolving line of credit. The line of credit carries a floating interest rate equal to prime plus 1.5% and was to mature in June 2012. Borrowings under the line of credit were collateralized by all of the Company’s assets, excluding intellectual property, and the availability of borrowings under the line of credit were subject to certain borrowing base limitations around our outstanding accounts receivable. In August 2011, the Second Loan Agreement was amended to increase the amounts available under the line of credit to $10.0 million. In December 2012, the Second Loan Agreement was amended to increase the amounts available under the line of credit to $25.0 million, extend the maturity date to December 31, 2014 and add a supplemental equipment line of $15.0 million, which has a maturity date in September 2016. As of December 31, 2012 and June 30, 2013, there were no amounts outstanding under the supplemental equipment line. We drew down $2.3 million, $2.4 million and $7.6 million under the line of credit during the years ended December 31, 2010, 2011 and 2012, respectively. We drew down $10.0 million under the line of credit during the six months ended June 30, 2013. Borrowings under the revolving line of credit consist of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2011</th>
<th>December 31, 2012</th>
<th>June 30, 2013 (Unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Second Loan Agreement—revolving line of credit</td>
<td>$2,381</td>
<td>$10,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Less current portion</td>
<td>$2,381</td>
<td>$10,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Total</td>
<td>$2,381</td>
<td>$10,000</td>
<td>$20,000</td>
</tr>
</tbody>
</table>
Term Loans

Under the terms of the Second Loan Agreement, the Company was able to borrow up to $750,000 under the equipment facility. The equipment facility carries a fixed interest rate equal to 7.0% and requires payments of principal and interest due in 36 equal monthly installments beginning the month following any borrowings. Borrowings under the equipment facility were collateralized by all of our assets, excluding intellectual property. There are no prepayment penalties for the equipment facility. We borrowed $564,000 under the equipment facility during the year ended December 31, 2010 and paid off the balance during the six months ended June 30, 2013.

Under the terms of the Second Loan Agreement, we borrowed $1.0 million under the term loan during the year ended December 31, 2010. The term loan carries a fixed interest rate equal to 8.0% and requires payments of principal and interest in 36 equal monthly installments beginning July 2010. Borrowings under the term loan were collateralized by all of our assets, excluding intellectual property. There are no prepayment penalties for the term loan. We paid off the balance during the six months ended June 30, 2013.

Under the terms of the Second Loan Agreement, as amended in August 2011, we borrowed $2.75 million under a growth facility during the year ended December 31, 2011. The borrowings under the growth facility in the amount of $1.0 million was available until October 2011 and the remaining $1.75 million was available through the maturity date in December 2014. The growth facility carries a fixed interest rate equal to 6.5% and requires payments of principal and interest in 36 equal monthly installments beginning the month following any borrowings. Borrowings under the growth facility were collateralized by all of the Company’s assets, excluding intellectual property. There are no prepayment penalties for the growth facility. We paid off the balance during the six months ended June 30, 2013.

Outstanding borrowings under our debt agreements consist of the following (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Second Loan Agreement—equipment facility</td>
<td>$324</td>
<td>$132</td>
</tr>
<tr>
<td>Second Loan Agreement—growth capital facility</td>
<td>2,694</td>
<td>1,832</td>
</tr>
<tr>
<td>Second Loan Agreement—term loan</td>
<td>529</td>
<td>183</td>
</tr>
<tr>
<td>Less current portion</td>
<td>(1,400)</td>
<td>(1,231)</td>
</tr>
<tr>
<td>Total</td>
<td>$2,147</td>
<td>$916</td>
</tr>
</tbody>
</table>

Principal payments on outstanding debt obligations, not including outstanding balances under the revolving line of credit, as of December 31, 2012 are as follows (in thousands):

<table>
<thead>
<tr>
<th>Years Ending December 31,</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$1,231</td>
</tr>
<tr>
<td>2014</td>
<td>916</td>
</tr>
<tr>
<td>Total</td>
<td>$2,147</td>
</tr>
</tbody>
</table>

Warrants

Under the terms of the First Loan Agreement during the years ended December 31, 2005, 2006, 2007 and 2008, we issued to the two lenders fully vested warrants to purchase an aggregate of 245,899 shares of Series A-2 convertible preferred stock and an aggregate of 118,942 shares of Series B convertible preferred stock. The Series A-2 warrants have an exercise price of $0.61 per share and a contractual term of 10 years. The Series B warrants have an exercise price of $1.32 per share and a contractual term of 10 years. The fair value of the warrants upon issuance, which was $4,000 in the aggregate, was recorded as debt issuance costs and a warrant liability.
Under the terms of the Second Loan Agreement, we issued to the lender a fully vested warrant to purchase 100,000 shares of Series D convertible preferred stock during the year ended December 31, 2010. The Series D warrant has an exercise price of $0.39 per share and expires in June 2015. The fair value upon issuance in the amount of $12,000 was determined utilizing the Monte Carlo model with the following assumptions: contractual term of 10 years, expected volatility of 79%, risk-free rate of 2.2%, control premium of 30%, change of control probability of 50% and IPO threshold of $500 million. The fair value of the warrant upon issuance was recorded as debt issuance costs and a warrant liability.

Under the terms of the Second Loan Agreement, we also issued to the lender a fully vested warrant to purchase 60,661 shares of Series E convertible preferred stock during the year ended December 31, 2011. The Series E warrant has an exercise price of $1.36 per share and expires in August 2016. The fair value upon issuance in the amount of $56,000 was determined utilizing the Monte Carlo model with the following assumptions: contractual term of 10 years, expected volatility of 79%, risk-free rate of 1.6%, control premium of 40%, change of control probability of 50% and IPO threshold of $500 million. The fair value of the warrant upon issuance was recorded as debt issuance costs and a warrant liability.

7. Commitments and Contingencies

Leases

We lease our facilities under various non-cancelable operating leases, which expire through the year ending December 31, 2017. Rent expense is recognized using the straight-line method over the term of the lease. Rent expense was $250,000, $324,000, and $796,000 during the years ended December 31, 2010, 2011 and 2012, respectively, and $239,000 and $1.5 million for the six months ended June 30, 2012 and 2013, respectively.

The aggregate future non-cancelable minimum rental payments on our operating leases, as of December 31, 2012, are as follows (in thousands):

<table>
<thead>
<tr>
<th>Years Ending December 31</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$1,605</td>
</tr>
<tr>
<td>2014</td>
<td>907</td>
</tr>
<tr>
<td>2015</td>
<td>858</td>
</tr>
<tr>
<td>2016</td>
<td>651</td>
</tr>
<tr>
<td>2017 and thereafter</td>
<td>556</td>
</tr>
<tr>
<td>Total</td>
<td>$4,577</td>
</tr>
</tbody>
</table>

Contract Manufacturer Commitments

Our independent contract manufacturer procures components and assembles our products based on our forecasts. These forecasts are based on estimates of future demand for our products, which are in turn based on historical trends and an analysis from our sales and product marketing organizations, adjusted for overall market conditions. In order to reduce manufacturing lead times and plan for adequate supply, we may issue forecasts and orders for components and products that are non-cancelable. As of December 31, 2012 and June 30, 2013, we had $3.3 million and $7.0 million, respectively, of non-cancellable open orders. As of December 31, 2012 and June 30, 2013, we have not accrued any significant cost associated with the excess of our forecasted demand including costs for excess components or for carrying costs incurred by our independent contract manufacturer.

Litigation

We accrue for contingencies when we believe that a loss is probable and that we can reasonably estimate the amount of any such loss. We have made an assessment of the probability of incurring any such losses and whether or not those losses are estimable.
We are subject to legal proceedings, claims and litigation, including intellectual property litigation, arising in the ordinary course of business. Such matters are subject to many uncertainties and outcomes and are not predictable with assurance. We accrue amounts that we believe are adequate to address any liabilities related to legal proceedings and other loss contingencies that we believe will result in a probable loss that is reasonably estimable.

To the extent there is a reasonable possibility that a loss exceeding amounts already recognized may be incurred and the amount of such additional loss would be material, we will either disclose the estimated additional loss or state that such an estimate cannot be made. We do not currently believe that it is reasonably possible that additional losses in connection with litigation arising in the ordinary course of business would be material.

**Indemnification**

Under the indemnification provisions of our standard sales related contracts, we agree to defend our customers against third-party claims asserting infringement of certain intellectual property rights, which may include patents, copyrights, trademarks, or trade secrets, and to pay judgments entered on such claims. Our exposure under these indemnification provisions is generally limited to the total amount paid by our customer under the agreement. However, certain agreements include indemnification provisions that could potentially expose us to losses in excess of the amount received under the agreement. In addition, we indemnify our officers, directors, and certain key employees while they are serving in good faith in such capacities. Through December 31, 2012, there have been no claims under any indemnification provisions.

**8. Convertible Preferred Stock Warrants**

In connection with the First Loan Agreement and Second Loan Agreement entered into or amended during the years ended December 31, 2005, 2006, 2007, 2008, 2011 and 2012 (Note 6), we issued warrants to purchase an aggregate of 525,502 shares of convertible preferred stock, all of which were exercisable upon issuance. As of December 31, 2011 and 2012 and June 30, 2013, all of the convertible preferred stock warrants remained outstanding as follows (in thousands, except share and per share amounts):

<table>
<thead>
<tr>
<th>Class of Shares</th>
<th>Issuance Date(s)</th>
<th>Expiration Date(s)</th>
<th>No. of Shares</th>
<th>Exercise Price per Share</th>
<th>As of December 31, 2011</th>
<th>As of December 31, 2012</th>
<th>As of June 30, 2013 (Unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series A-2</td>
<td>2005 and 2006</td>
<td>2015 and 2016</td>
<td>245,899</td>
<td>$0.61</td>
<td>$477</td>
<td>$1,632</td>
<td>$3,090</td>
</tr>
<tr>
<td>Series B</td>
<td>2006 through 2008</td>
<td>2016 through 2018</td>
<td>118,942</td>
<td>$1.32</td>
<td>248</td>
<td>925</td>
<td>1,724</td>
</tr>
<tr>
<td>Series D</td>
<td>June 2010</td>
<td>June 2020</td>
<td>100,000</td>
<td>$0.39</td>
<td>182</td>
<td>634</td>
<td>1,087</td>
</tr>
<tr>
<td>Series E</td>
<td>August 2011</td>
<td>August 2021</td>
<td>60,661</td>
<td>$1.36</td>
<td>87</td>
<td>338</td>
<td>606</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>385,502</strong></td>
<td></td>
<td><strong>443</strong></td>
<td><strong>1,594</strong></td>
<td><strong>4,680</strong></td>
</tr>
</tbody>
</table>

The fair value of the warrants was recorded as a warrant liability. The warrant is recorded at its estimated fair value utilizing the Monte Carlo model with changes in the fair value of the warrant liability reflected in other expense, net. Upon the earlier of the exercise of the warrants or the completion of a liquidation event, including the completion of an initial public offering in which the shares underlying the warrants would convert from the related shares of preferred stock into shares of common stock, the preferred stock warrant liability will be remeasured to fair value and any remaining liability will be reclassified to additional paid-in capital.

During the years ended December 31, 2010, 2011 and 2012, we recognized charges in the amount of $181,000, $805,000 and $2.5 million, respectively, and during the six months ended June 30, 2012 and June 30, 2013, we recognized charges of $549,000 and $3.0 million (unaudited), respectively, from the remeasurement of the fair value of the warrants, which was recorded through other expense, net in the consolidated statements of operations.

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We determined the fair value of the outstanding convertible preferred stock warrants utilizing a Monte Carlo model with the following assumptions as of December 31, 2011 and 2012 and June 30, 2013:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2011</th>
<th>As of December 31, 2012</th>
<th>As of June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remaining contractual term</td>
<td>3.6 – 9.7</td>
<td>2.6 – 8.7</td>
<td>2.1 – 8.2</td>
</tr>
<tr>
<td>(in years)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk-free interest rate</td>
<td>1.6% – 2.4%</td>
<td>0.3% – 1.5%</td>
<td>0.4% – 2.2%</td>
</tr>
<tr>
<td>Volatility</td>
<td>67% – 79%</td>
<td>55% – 64%</td>
<td>55% – 64%</td>
</tr>
<tr>
<td>Change of control probability</td>
<td>30% – 55%</td>
<td>25% – 50%</td>
<td>25% – 45%</td>
</tr>
<tr>
<td>Control premium</td>
<td>40%</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td>IPO threshold (in billions)</td>
<td>$0.5 – $0.6</td>
<td>$0.6 – $1.8</td>
<td>$1.2</td>
</tr>
</tbody>
</table>

The above assumptions were determined as follows:

*Remaining contractual term*—The remaining contractual term represents the time from the date of the valuation to the expiration of the warrant;

*Risk-free interest rate*—The risk-free interest rate is based on the U.S. Treasury yield in effect as of December 31, 2011 and 2012 and June 30, 2013 for zero coupon U.S. Treasury notes with maturities approximately equal to the term of the warrant;

*Volatility*—The volatility is derived from historical volatilities of several unrelated publicly listed peer companies over a period approximately equal to the term of the warrant because the Company has limited information on the volatility of the preferred stock since there is currently no trading history. When making the selections of industry peer companies to be used in the volatility calculation, the Company considered the size, operational and economic similarities to the Company’s principle business operations;

*Change of control probability*—The change of control probability is the Board of Directors’ estimate of the probability that the Company will be involved in a change of control transaction; and

*Control premium*—The control premium represents an additional amount above the value of an entity’s common stock that an investor would be willing to pay to obtain control over that entity.

### 9. Convertible Preferred Stock

As of the dates below, the Company’s outstanding convertible preferred stock consisted of the following (in thousands):

<table>
<thead>
<tr>
<th>Series</th>
<th>Shares Designated</th>
<th>Shares Issued and Outstanding</th>
<th>Liquidation Preference</th>
<th>Shares Designated</th>
<th>Shares Issued and Outstanding</th>
<th>Liquidation Preference</th>
<th>Shares Designated</th>
<th>Shares Issued and Outstanding</th>
<th>Liquidation Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-1</td>
<td>1,000</td>
<td>1,000</td>
<td>$ 250</td>
<td>1,000</td>
<td>1,000</td>
<td>$ 250</td>
<td>1,000</td>
<td>1,000</td>
<td>$ 250</td>
</tr>
<tr>
<td>A-2</td>
<td>10,410</td>
<td>10,164</td>
<td>6,200</td>
<td>10,410</td>
<td>10,164</td>
<td>6,200</td>
<td>10,410</td>
<td>10,164</td>
<td>6,200</td>
</tr>
<tr>
<td>B</td>
<td>11,097</td>
<td>10,985</td>
<td>14,500</td>
<td>11,104</td>
<td>10,985</td>
<td>14,500</td>
<td>11,104</td>
<td>10,985</td>
<td>14,500</td>
</tr>
<tr>
<td>C</td>
<td>7,049</td>
<td>7,049</td>
<td>14,604</td>
<td>7,049</td>
<td>7,049</td>
<td>14,604</td>
<td>7,049</td>
<td>7,049</td>
<td>14,604</td>
</tr>
<tr>
<td>D</td>
<td>26,331</td>
<td>26,231</td>
<td>10,187</td>
<td>26,331</td>
<td>26,231</td>
<td>10,187</td>
<td>26,331</td>
<td>26,231</td>
<td>10,187</td>
</tr>
<tr>
<td>E</td>
<td>4,632</td>
<td>4,412</td>
<td>6,000</td>
<td>4,632</td>
<td>4,412</td>
<td>6,000</td>
<td>4,632</td>
<td>4,412</td>
<td>6,000</td>
</tr>
<tr>
<td>F</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>4,800</td>
<td>4,274</td>
<td>45,005</td>
<td>4,800</td>
<td>4,749</td>
<td>49,999</td>
</tr>
<tr>
<td>Total</td>
<td>60,519</td>
<td>59,841</td>
<td>$ 51,741</td>
<td>65,326</td>
<td>64,115</td>
<td>$ 96,746</td>
<td>65,326</td>
<td>64,590</td>
<td>$ 101,740</td>
</tr>
</tbody>
</table>

In January 2013, we completed a second closing of our Series F convertible preferred stock financing issuing 474,380 shares for approximately $5.0 million.
The significant rights, preferences and privileges of convertible preferred stock are as follows:

**Voting Rights**

The holders of the convertible preferred stock are entitled to one vote for each share of common stock into which their shares of convertible preferred stock may be converted, and the holders of the convertible preferred stock and common stock vote together on an as converted basis. For the election of the Directors, and as long as 1,000,000 shares of convertible preferred stock are outstanding, the holders of the Series A-1, A-2, B, C, D and E convertible preferred stock can elect two Directors. The holders of the common stock can elect two Directors. A majority of the preferred stock (other than Series F convertible preferred stock) and common stock (each voting as a separate class) shall have the right to elect any remaining directors. The holders of the Series F convertible preferred stock do not have voting rights with respect to the election of Directors.

**Dividends**

The holders of the convertible preferred stock are entitled, when, as, and if declared by the Board of Directors, and prior and in preference to common stock, to non-cumulative dividends at the following per annum rates: $0.015 per share for Series A-1, $0.0366 per share for Series A-2, $0.0792 per share for Series B, $0.1243 per share for Series C, $0.0233014 per share for Series D, $0.0816 per share for Series E and $0.6318 per share for Series F. There were no cumulative preferred stock dividends in arrears as of December 31, 2011 and 2012 and June 30, 2013. No dividends have been paid to date.

**Liquidation**

In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the Company, all assets available for distribution will be distributed to the holders of convertible preferred stock based on the original issue price of the related shares as follows: $0.25 per share for Series A-1, $0.61 per share for Series A-2, $1.32 per share for Series B, $2.0717 per share for Series C, $0.3883572 per share for Series D, $1.36 per share for Series E, and $10.5294 per share for Series F, plus in each case all declared and unpaid dividends. If the available funds are insufficient to permit full payment of each Series’ original issue price, the available funds will be allocated based on the number of shares of convertible preferred stock outstanding on a pro-rata basis. Any remaining available funds after payment to the holders of the convertible preferred stock will be distributed to holders of common stock on a pro-rata basis, except that if the holder of convertible preferred stock would receive more funds had they converted into common stock, then the holders of convertible preferred stock will receive the amount they would have received had they converted into common stock.

**Conversion**

Shares of convertible preferred stock are convertible, at any time and at the option of the holder, into shares of common stock. Shares of convertible preferred stock automatically convert into shares of common stock upon the closing of an initial public offering, provided the aggregate proceeds from an initial public offering are not less than $75 million. As of December 31, 2012 and June 30, 2013, the conversion ratio for all series of convertible preferred stock was as follows; 1:1 for Series A-1, 1:1.730769 for Series A-2, 1:1.4012739 for Series B, 1:1.4915047 for Series C, 1:1 for Series D, 1:1 for Series E and 1:1 for Series F.

**Redemption**

The convertible preferred stock is not redeemable.

**10. Common Shares Reserved for Issuance**

We were authorized to issue 97,529,000 shares of common stock with a par value of $0.0001 per share as of December 31, 2011. We were authorized to issue 130,000,000 shares of common stock with a par value of
$0.0001 per share as of December 31, 2012 and June 30, 2013. Each share of common stock is entitled to one vote. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors, subject to the prior rights of holders of all classes of convertible preferred stock outstanding.

As of December 31, 2011 and 2012 and June 30, 2013, we reserved shares of common stock for issuance as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2011</th>
<th>As of June 30, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserved under stock award plans</td>
<td>14,918</td>
<td>21,443</td>
</tr>
<tr>
<td>Conversion of preferred stock</td>
<td>69,473</td>
<td>73,747</td>
</tr>
<tr>
<td>Warrants to purchase convertible preferred stock</td>
<td>616</td>
<td>616</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>85,007</strong></td>
<td><strong>95,806</strong></td>
</tr>
</tbody>
</table>

11. Equity Award Plans

We have two equity award plans, our 2004 Stock Option Plan (“2004 Plan”) and our 2008 Stock Plan (“2008 Plan”) (collectively, the “Plans”), which were adopted by the Board of Directors and approved by the stockholders in August 2004 and February 2008.

Our Plans provide for the issuance of restricted stock and the granting of options and restricted stock units to our employees, officers, directors, and consultants. Awards granted under the Plans vest over the periods determined by the Board of Directors, generally four years, and expire no more than ten years after the date of grant. In the case of an incentive stock option granted to an employee who at the time of grant owns stock representing more than 10% of the total combined voting power of all classes of stock, the exercise price shall be no less than 110% of the fair value per share on the date of grant, and expire five years from the date of grant. For options granted to any other employee, the per share exercise price shall be no less than 100% of the fair value per share on the date of grant. In the case of a non-statutory stock option and options granted to consultants, the per share exercise price shall be no less than 100% of the fair value per share on the date of grant. Stock that is purchased prior to vesting is subject to our right of repurchase at any time following termination of the participant.

During the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013, a total of 3,508,051, 815,898, 9,807,105 and 5,612,954 shares of common stock, respectively, were issued upon the exercise of equity awards under the Plans, of which proceeds in the amounts of $19,000, $118,000, $1,738,000 and $3,011,750, respectively, related to exercise of unvested shares. As such, at the date of exercise, we recorded the amount attributed to the unvested shares to proceeds from early exercise of unvested stock awards on the consolidated balance sheets. The proceeds from early exercise of unvested stock awards are reclassified to additional paid-in capital on the consolidated statements of stockholders’ equity (deficit) upon vesting. As such, $123,000, $1,566,000 and $9,483,000 were recorded in proceeds from early exercise of unvested stock awards on the consolidated balance sheet as of December 31, 2011 and 2012 and June 30, 2013, respectively.

Stock-Based Compensation

We record stock-based compensation awards, including employee stock options, based on fair value as of the grant date using the Black-Scholes option-pricing model. We recognize such costs as compensation expense.
on a straight-line basis over the employee’s requisite service period, which is generally four years. We determined valuation assumptions as follows:

**Fair Value of Common Stock**

Given the absence of a public trading market, our Board of Directors considered numerous objective and subjective factors to determine the fair value of our common stock at each meeting at which awards were approved. These factors included, but were not limited to (i) contemporaneous third-party valuations of common stock; (ii) the rights and preferences of convertible preferred stock relative to common stock; (iii) the lack of marketability of common stock; (iv) developments in the business; and (v) the likelihood of achieving a liquidity event, such as an initial public offering or sale of the Company, given prevailing market conditions.

**Risk-Free Interest Rate**

We base the risk-free interest rate used in the Black-Scholes option-pricing model on the implied yield available on U.S. Treasury zero-coupon issues with an equivalent expected term of the options for each option group.

**Expected Term**

The expected term represents the period that our stock-based awards are expected to be outstanding. We base the expected term assumption based on our historical behavior combined with estimates of post-vesting holding period.

**Volatility**

We determine the price volatility factor based on the historical volatilities of our peer group as we did not have trading history for our common stock.

**Dividend Yield**

The expected dividend assumption is based on our current expectations about our anticipated dividend policy.

The following table summarizes the assumptions used in the Black-Scholes option-pricing model to determine fair value of our stock options:

<table>
<thead>
<tr>
<th>Year Ended December 31, (Unaudited)</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value of common stock</td>
<td>$0.07 – $0.57</td>
<td>$0.57 – $1.65</td>
<td>$1.65 – $5.44</td>
<td>$2.00 – $2.48</td>
<td>$6.05 – $10.63</td>
</tr>
<tr>
<td>Risk-free interest rate</td>
<td>0.7% – 2.7%</td>
<td>1.0% – 2.8%</td>
<td>0.2% – 3.4%</td>
<td>0.0% – 1.4%</td>
<td>0.6% – 1.7%</td>
</tr>
<tr>
<td>Expected term (in years)</td>
<td>1 – 6</td>
<td>5 – 7</td>
<td>1 – 6</td>
<td>5 – 6</td>
<td>4 – 6</td>
</tr>
<tr>
<td>Volatility</td>
<td>29% – 53%</td>
<td>51% – 52%</td>
<td>49% – 53%</td>
<td>43% – 52%</td>
<td>51% – 54%</td>
</tr>
<tr>
<td>Dividend yield</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Stock-based compensation expense is included in costs and expenses as follows (in thousands):

<table>
<thead>
<tr>
<th>Year Ended December 31, (Unaudited)</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of revenue</td>
<td>$ 4</td>
<td>$ 39</td>
<td>$ 170</td>
<td>$ 54</td>
<td>$ 704</td>
</tr>
<tr>
<td>Research and development</td>
<td>60</td>
<td>148</td>
<td>1,465</td>
<td>238</td>
<td>2,075</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>63</td>
<td>360</td>
<td>1,672</td>
<td>561</td>
<td>2,094</td>
</tr>
<tr>
<td>General and administrative</td>
<td>10</td>
<td>168</td>
<td>3,536</td>
<td>960</td>
<td>2,657</td>
</tr>
<tr>
<td>Total</td>
<td>$137</td>
<td>$715</td>
<td>$6,843</td>
<td>$1,813</td>
<td>$7,530</td>
</tr>
</tbody>
</table>
During the years ended December 31, 2010 and 2012 and the six months ended June 30, 2012 and 2013, we modified the terms of certain stock-based awards for former employees and recorded $35,000, $292,000, zero and zero, respectively, of additional compensation expense within general and administrative and sales and marketing expenses.

A summary of the activity under our stock plans and changes during the reporting periods and a summary of information related to options exercisable, restricted stock activity, vested, and expected to vest are presented below (in thousands, except per share and contractual life amounts):

<table>
<thead>
<tr>
<th>Options Outstanding</th>
<th>Shares Available for Grant</th>
<th>Number of Shares</th>
<th>Weighted-Average Exercise Price</th>
<th>Weighted-Average Contractual Life (years)</th>
<th>Aggregate Intrinsic Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance—December 31, 2009</td>
<td>4,215</td>
<td>6,073</td>
<td>$0.08</td>
<td>9.34</td>
<td>$12</td>
</tr>
<tr>
<td>Additional shares authorized</td>
<td>6,096</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options granted</td>
<td>(5,738)</td>
<td>5,738</td>
<td>0.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options exercised</td>
<td></td>
<td>(5,508)</td>
<td>0.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options cancelled</td>
<td>698</td>
<td>(698)</td>
<td>0.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance—December 31, 2010</td>
<td>5,271</td>
<td>7,605</td>
<td>0.07</td>
<td>8.66</td>
<td>12</td>
</tr>
<tr>
<td>Additional shares authorized</td>
<td>2,858</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options granted</td>
<td>(8,089)</td>
<td>8,089</td>
<td>0.72</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options exercised</td>
<td></td>
<td>(816)</td>
<td>0.22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options cancelled</td>
<td>167</td>
<td>(167)</td>
<td>0.37</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance—December 31, 2011</td>
<td>207</td>
<td>14,711</td>
<td>0.42</td>
<td>8.64</td>
<td>11,227</td>
</tr>
<tr>
<td>Additional shares authorized</td>
<td>16,308</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted stock awards granted</td>
<td>2,335</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repurchases</td>
<td>24</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options granted</td>
<td>(11,341)</td>
<td>11,341</td>
<td>1.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options exercised</td>
<td></td>
<td>(7,472)</td>
<td>1.27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options cancelled</td>
<td>1,244</td>
<td>(1,244)</td>
<td>1.06</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance—December 31, 2012</td>
<td>4,107</td>
<td>17,336</td>
<td>$0.98</td>
<td>8.28</td>
<td>$77,250</td>
</tr>
<tr>
<td>Additional shares authorized (unaudited)</td>
<td>7,156</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted stock units granted (unaudited)</td>
<td>(2,590)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options granted (unaudited)</td>
<td>9,367</td>
<td>9,367</td>
<td>7.05</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options exercised (unaudited)</td>
<td></td>
<td>(5,613)</td>
<td>0.85</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Options cancelled (unaudited)</td>
<td>657</td>
<td>(657)</td>
<td>2.65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance—June 30, 2013 (unaudited)</td>
<td>2,044</td>
<td>20,433</td>
<td>3.78</td>
<td>8.75</td>
<td>$132,828</td>
</tr>
<tr>
<td>Option vested and expected to vest December 31, 2012</td>
<td>14,725</td>
<td></td>
<td>0.92</td>
<td>8.17</td>
<td>$66,554</td>
</tr>
<tr>
<td>Option exercisable—December 31, 2012</td>
<td>13,639</td>
<td></td>
<td>0.64</td>
<td>7.96</td>
<td>$65,439</td>
</tr>
<tr>
<td>Option vested and expected to vest—June 30, 2013 (unaudited)</td>
<td>17,501</td>
<td></td>
<td>3.72</td>
<td>8.70</td>
<td>$114,369</td>
</tr>
<tr>
<td>Option exercisable—June 30, 2013 (unaudited)</td>
<td>10,921</td>
<td></td>
<td>1.71</td>
<td>8.08</td>
<td>$93,288</td>
</tr>
</tbody>
</table>

A summary of information related to restricted stock awards and restricted stock units are presented below (in thousands, except per share):

<table>
<thead>
<tr>
<th>Restricted Stock Award/Stock Units</th>
<th>Weighted-Average Grant Date Fair Value per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unvested balance—December 31, 2011</td>
<td>$</td>
</tr>
<tr>
<td>Granted</td>
<td>2,335</td>
</tr>
<tr>
<td>Vested</td>
<td>(440)</td>
</tr>
<tr>
<td>Canceled/forfeited</td>
<td></td>
</tr>
<tr>
<td>Unvested balance—December 31, 2012</td>
<td>1,895</td>
</tr>
<tr>
<td>Granted</td>
<td>532</td>
</tr>
<tr>
<td>Vested</td>
<td>(474)</td>
</tr>
<tr>
<td>Canceled/forfeited</td>
<td>(23)</td>
</tr>
<tr>
<td>Unvested balance—June 30, 2013</td>
<td>1,930</td>
</tr>
</tbody>
</table>
The weighted-average fair value of employee options granted during the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013 was $0.03, $0.44, $1.35 and $4.05, respectively. The intrinsic value of the vested employee options exercised during the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2013 was $27,000, $477,000, $6.7 million and $29.6 million, respectively. The grant date fair value of employee options vested during the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2012 and 2013 was $65,000, $291,000, $2.5 million, $475,000 and $2.0 million, respectively.

As of December 31, 2010, 2011 and 2012 and the six months ended June 30, 2012 and 2013, total compensation cost related to unvested stock-based awards granted to employees under our stock plans but not yet recognized was $132,000, $2.7 million, $15.3 million, $6.4 million and $39.7 million, net of estimated forfeitures, respectively. This cost for all periods is expected to be amortized on a straight-line basis over a weighted-average period of three years. Future grants will increase the amount of compensation expense to be recorded in future periods.

Additional information regarding options outstanding as of December 31, 2012, is as follows (in thousands, except per share amounts and years):

<table>
<thead>
<tr>
<th>Exercise Price</th>
<th>Options Outstanding</th>
<th>Options Exercisable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Weighted-Average</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Remaining Contractual Life (Years)</td>
</tr>
<tr>
<td>$0.05</td>
<td>205</td>
<td>2.43</td>
</tr>
<tr>
<td>$0.07</td>
<td>4,920</td>
<td>7.18</td>
</tr>
<tr>
<td>$0.13</td>
<td>25</td>
<td>4.44</td>
</tr>
<tr>
<td>$0.14</td>
<td>435</td>
<td>5.29</td>
</tr>
<tr>
<td>$0.57</td>
<td>4,547</td>
<td>8.36</td>
</tr>
<tr>
<td>$1.18</td>
<td>1,603</td>
<td>8.96</td>
</tr>
<tr>
<td>$1.65</td>
<td>3,466</td>
<td>9.26</td>
</tr>
<tr>
<td>$2.48</td>
<td>1,168</td>
<td>9.70</td>
</tr>
<tr>
<td>$3.66</td>
<td>967</td>
<td>9.87</td>
</tr>
<tr>
<td></td>
<td>17,336</td>
<td>8.28 $ 0.98</td>
</tr>
</tbody>
</table>

During the six months ended June 30, 2013, we granted restricted stock units covering an aggregate of 483,000 shares of common stock to certain employees which vest upon the achievement of certain performance conditions, subject to the employees’ continued service relationship with the Company and the completion of the Company’s initial public offering by December 31, 2014. The grant date fair value of the restricted stock units was approximately $2.9 million or $6.06 per share. Through June 30, 2013, no stock-based compensation was recognized related to these restricted stock units as we concluded that it is not probable that the performance conditions will be achieved. We will reassess the probability of vesting at each reporting period and adjust our compensation cost based on the probability assessment. If the performance conditions are deemed to be probable, we will recognize a cumulative lump sum charge, equal to the compensation costs associated with requisite services that have been rendered to date, in the period performance conditions are deemed to be probable. Any unrecognized compensation charge will be recognized over the remaining requisite service period.

Restricted Stock Outside of the Plans

In July and August 2011, we issued and sold an aggregate of 1,220,498 shares of restricted common stock to a then new key executive for an aggregate amount equal to approximately $696,000. The shares had a purchase price per share equal to $0.57, and vest over four years, with 25% of the shares vesting on the first anniversary of the applicable vesting commencement date and 1/48 of the shares vesting monthly thereafter, subject to the employee’s continued service relationship with the Company on each applicable vesting date. The shares are subject to the terms and conditions of our 2008 Plan (even though the shares were issued outside of the shares
reserved for issuance under the 2008 Plan) and the applicable stock purchase agreement. The grant date fair value of the shares was approximately $574,000 or $0.47 per share. As of December 31, 2011 and 2012 and June 30, 2013, 1,220,498, 762,812 and 610,249 shares were subject to a repurchase right held by us at the original issuance price. As such, $696,000, $435,000 and $348,000 were recorded in proceeds from early exercises of stock awards on the consolidated balance sheet as of December 31, 2011 and 2012 and June 30, 2013, respectively.

In December 2012, we issued 351,953 shares of restricted common stock to certain employees which vests upon achievement of performance and time-based vesting conditions, subject to the employees’ continued service relationship with the Company on each applicable vesting date. The grant date fair value of the restricted stock awards was approximately $1.9 million or $5.44 per share. As of December 31, 2012 and June 30, 2013, 351,953 shares were subject to forfeiture.

As of December 31, 2011 and 2012 and June 30, 2013, total compensation costs related to these unvested restricted stock awards were $371,000, $2.2 million and $957,000, respectively.

12. Income Taxes

Loss before provision for income taxes consisted of the following (in thousands):

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$(9,468)</td>
<td>$(16,744)</td>
<td>$(37,316)</td>
</tr>
<tr>
<td>Foreign</td>
<td>33</td>
<td>595</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$(9,468)</td>
<td>$(16,711)</td>
<td>$(36,721)</td>
</tr>
</tbody>
</table>

The provision for (benefit from) income taxes consisted of the following (in thousands):

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>—</td>
<td>$ —</td>
<td>$(1,181)</td>
</tr>
<tr>
<td>Deferred</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>State:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>8</td>
<td>12</td>
<td>(62)</td>
</tr>
<tr>
<td>Deferred</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Foreign:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>5</td>
<td>59</td>
<td>278</td>
</tr>
<tr>
<td>Deferred</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>$ 13</td>
<td>$ 71</td>
<td>$(965)</td>
</tr>
</tbody>
</table>

The items accounting for the difference between income taxes computed at the federal statutory income tax rate and the provision for (benefit from) income taxes consisted of the following:

<table>
<thead>
<tr>
<th>Year Ended December 31</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal statutory rate</td>
<td>35.0%</td>
<td>35.0%</td>
<td>35.0%</td>
</tr>
<tr>
<td>Effect of:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State taxes, net of federal tax benefit</td>
<td>4.7</td>
<td>4.4</td>
<td>2.7</td>
</tr>
<tr>
<td>Change in valuation allowance</td>
<td>(42.2)</td>
<td>(39.5)</td>
<td>(31.7)</td>
</tr>
<tr>
<td>Research and development tax credit</td>
<td>3.8</td>
<td>2.8</td>
<td>3.0</td>
</tr>
<tr>
<td>Convertible preferred stock warrants</td>
<td>(0.7)</td>
<td>(1.7)</td>
<td>(2.4)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>(0.5)</td>
<td>(0.8)</td>
<td>(3.2)</td>
</tr>
<tr>
<td>Other, net</td>
<td>(0.2)</td>
<td>(0.6)</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Total</td>
<td>(0.1)%</td>
<td>(0.4)%</td>
<td>2.6%</td>
</tr>
</tbody>
</table>
The components of the deferred tax assets and liabilities are as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>As of December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Deferred tax assets:</td>
<td></td>
</tr>
<tr>
<td>Net operating loss carryforwards</td>
<td>$ 22,868</td>
</tr>
<tr>
<td>Accruals and reserves</td>
<td>2,881</td>
</tr>
<tr>
<td>Research and development credits</td>
<td>2,116</td>
</tr>
<tr>
<td>Depreciation</td>
<td>127</td>
</tr>
<tr>
<td>Gross deferred tax assets</td>
<td>27,992</td>
</tr>
<tr>
<td>Valuation allowance</td>
<td>(27,988)</td>
</tr>
<tr>
<td>Total deferred tax assets</td>
<td>4</td>
</tr>
<tr>
<td>Acquisition related intangibles</td>
<td>—</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(4)</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>(4)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

A valuation allowance is provided when it is more likely than not that the deferred tax asset will not be realized. Realization of the deferred tax assets is dependent upon future taxable income, if any, the amount and timing of which are uncertain. At such time, if it is determined that it is more likely than not that the deferred tax assets are realizable, the valuation allowance will be adjusted. As of December 31, 2012, we have provided a valuation allowance for our federal and state deferred tax assets that we believe are more likely than not unrealizable. The net valuation allowance increased by approximately $11.7 million during fiscal 2012. As of December 31, 2012, we had federal and state net operating loss carry forwards of approximately $77.6 million and $71.4 million, respectively, available to reduce future taxable income, if any. If not utilized, the federal net operating loss carry forwards will expire from the years ending December 31, 2024 through 2032 while state net operating loss carry forwards will expire from the years ending December 31, 2014 through 2032.

We also have federal and state research and development tax credit carry forwards of approximately $2.3 million and $2.5 million, respectively. If not utilized, the federal credit carry forwards will expire in various amounts from the years ended December 31, 2025 through 2032. The state credit will carry forward indefinitely.

Utilization of the net operating loss carry forwards and credits may be subject to a substantial annual limitation due to the ownership change limitations provided by the Internal Revenue Code of 1986, as amended, and similar state provisions. The annual limitation may result in the expiration of net operating losses and credits before utilization.

As of December 31, 2012, we had $1.2 million of unrecognized tax benefits, all of which would affect income tax expense if recognized, before consideration of our valuation allowance. As of December 31, 2012, our federal, state, and foreign returns for all years are still open to examination. We do not expect the unrecognized tax benefits to change significantly over the next 12 months. We recognize both interest and penalties associated with uncertain tax positions as a component of income tax expense. As of December 31, 2010 and 2011, we have not accrued any penalties or made provisions for interest. As of December 31, 2012, we have accrued penalties of $12,251 and the provision for interest was $16,678. The ultimate amount and timing of any future cash settlements cannot be predicted with reasonable certainty.
A reconciliation of the gross unrecognized tax benefit is as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Unrecognized tax benefits at the beginning of the period</td>
<td>$382</td>
</tr>
<tr>
<td>Additions for tax positions related to the current year</td>
<td>119</td>
</tr>
<tr>
<td>Lapse of statute of limitations</td>
<td>—</td>
</tr>
<tr>
<td>Unrecognized tax benefits at the end of the period</td>
<td>$501</td>
</tr>
</tbody>
</table>

As of December 31, 2012, we have not made any tax provision for U.S. federal and state income taxes on approximately $0.5 million of undistributed earnings in foreign subsidiaries, which we expect to reinvest outside of the U.S. indefinitely. If we were to repatriate these earnings to the U.S., we would be subject to U.S. income taxes, subject to an adjustment for foreign tax credits and foreign withholding taxes. The amount of unrecognized deferred tax liability was not significant.

The benefit for income taxes for the year ended December 31, 2012 primarily resulted from the reduction in the Company’s valuation allowance resulting from recording a deferred tax liability on acquisition-related amortizable intangibles for which no tax benefit will be derived. The provision for income taxes for the years ended December 31, 2010 and 2011 differed from the U.S. federal statutory rate primarily as the result of the valuation allowances on U.S. deferred tax assets and state minimum taxes.

13. Net Loss per Share

Basic loss per share is calculated by dividing net loss by the weighted-average number of common shares outstanding during the period, less shares subject to repurchase, and excludes any dilutive effects of employee share-based awards and warrants. Diluted net income per common share is computed giving effect to all potential dilutive common shares, including common stock issuable upon exercise of stock options, and unvested restricted common stock. As the Company had net losses for the years ended December 31, 2010, 2011 and 2012 and the six months ended June 30, 2012 and 2013, all potential common shares were determined to be anti-dilutive.

The following table sets forth the computation of net loss per common share (in thousands, except per share amounts):

|                                    | Year Ended December 31, | Six Months Ended June 30, |
|                                    | 2010 | 2011 | 2012 | 2012 | 2013 |
|                                    | (Unaudited) | (Unaudited) |
| Numerator:                         |      |      |      |      |      |
| Net loss                           | $(9,481) | $(16,782) | $(35,756) | $(14,328) | $(67,196) |
| Denominator:                       |      |      |      |      |      |
| Weighted average number of shares outstanding—basic and diluted | 7,271 | 8,447 | 10,917 | 9,797 | 16,877 |
| Net loss per share—basic and diluted | $(1.30) | $(1.99) | $(3.28) | $(1.46) | $(3.98) |
The following outstanding options, unvested shares, warrants, and convertible preferred stock were excluded (as common stock equivalents) from the computation of diluted net loss per common share for the periods presented as their effect would have been antidilutive (in thousands):

<table>
<thead>
<tr>
<th>Option Type</th>
<th>As of December 31</th>
<th>As of June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Options to purchase common stock</td>
<td>7,605</td>
<td>17,425</td>
</tr>
<tr>
<td>Unvested early exercised common shares</td>
<td>1,824</td>
<td>9,202</td>
</tr>
<tr>
<td>Convertible preferred stock</td>
<td>69,473</td>
<td>69,473</td>
</tr>
<tr>
<td>Warrants to purchase convertible preferred stock</td>
<td>555</td>
<td>616</td>
</tr>
</tbody>
</table>

**Unaudited Pro Forma Net Loss Per Share**

Pro forma basic and diluted net loss per share have been computed to give effect, even if antidilutive, to the conversion of our preferred stock into common stock as of the beginning of the period presented or the original issuance date, if later.

The following table shows our calculation of the unaudited pro forma basic and diluted net loss per share (in thousands, except per share data):

<table>
<thead>
<tr>
<th>Year Ended December 31, 2012</th>
<th>Six Months Ended June 30, 2013 (Unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss used to compute pro forma net loss per share:</td>
<td></td>
</tr>
<tr>
<td>Net loss</td>
<td>$(35,756)</td>
</tr>
<tr>
<td>Change in fair value of preferred stock warrant liability</td>
<td>2,535</td>
</tr>
<tr>
<td>Pro forma net loss</td>
<td>$(33,221)</td>
</tr>
</tbody>
</table>

Weighted-average shares used to compute pro forma net loss per share:

- Weighted-average shares used to compute net loss per share, basic and diluted | 10,917                     | 16,877                  |
- Pro forma adjustment to reflect assumed conversion of convertible preferred stock | 73,747                     | 74,221                  |
- Weighted-average shares used to compute pro forma net loss per share, basic and diluted | 84,664                     | 91,098                  |

Pro forma net loss per share, basic and diluted | $(0.39)                    | $(0.70)                 |

14. Employee Benefit Plan

We have established a 401(k) tax-deferred savings plan (the “401(k) Plan”), which permits participants to make contributions by salary deduction pursuant to Section 401(k) of the Internal Revenue Code of 1986, as amended. We are responsible for administrative costs of the 401(k) Plan and have made no contributions to the 401(k) Plan since inception.

15. Related Party Transactions

**Employee Notes Receivable**

Our former Chief Executive Officer and now Chief Technology Officer and Chief Strategy Officer and the current Chief Executive Officer have exercised stock options early in exchange for full-recourse promissory notes bearing annual interest of 1.07% to 2.72% payable to us. These notes were secured by the underlying
shares purchased and such unvested shares can be repurchased by us upon employee termination at the original issuance price. The promissory notes and accrued interest become due and payable in full beginning January 29, 2015 and ending June 18, 2017, but may become due earlier if we become subject to the requirements of Section 13 of the Securities Exchange Act of 1934, have a change in control or the Chief Executive Officer terminates services.

Employee notes receivable as of December 31, 2012 was $7.3 million, all of which was repaid in March and April 2013.

In March 2013, the Company’s Chief Technology Officer repaid in full his outstanding promissory notes with us in the aggregate amount of $3.7 million, which covered all outstanding principal and accrued interest. Approximately $1.9 million is recorded as an early exercise liability, as such shares can be repurchased by us upon employee termination at the original issuance price.

In April 2013, our Chief Executive Officer repaid in full his outstanding promissory note with us in the amount of $3.6 million, which covered all outstanding principal and accrued interest.

**Investor Customers**

As of December 31, 2011, we had two customers that were also investors, owning 532,064 and 1,837,832 shares of Series C, D and E convertible preferred stock. As of December 31, 2012, the same two investor customers owned 532,064 and 1,938,027 shares of Series C, D, E and F convertible preferred stock. Sales to these two customers accounted for $1.5 million, $370,000 and $437,000 of revenue during the years ended December 31, 2010, 2011 and 2012, respectively, and $71,000 and $124,000 for the six months ended June 30, 2012 and 2013, respectively.

During the year ended December 31, 2010, we reduced revenue by $43,000, which reflects the fair value of the convertible preferred stock.

We have not reduced revenue during the years ended December 31, 2011 and 2012 or for the six month periods ended June 30, 2012 and 2013 related to the issuance of convertible preferred stock to related parties as we believe the issuance of the convertible preferred stock does not constitute a sales incentive. The price paid for the convertible preferred stock was representative of fair value, as evidenced by the simultaneous purchase of convertible preferred stock by other, unrelated investors.

16. **Segment Information**

We conduct business globally and are primarily managed on a geographic theater basis. Our chief operating decision maker reviews financial information presented on a consolidated basis accompanied by information about revenue by geographic region for purposes of allocating resources and evaluating financial performance. We have one business activity, and there are no segment managers who are held accountable for operations, operating results, and plans for levels, components, or types of products or services below the consolidated unit level. Accordingly, we are considered to be in a single reportable segment and operating unit structure.
Revenue by geographic region based on the billing address is as follows (in thousands):

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31</th>
<th>Six Months Ended June 30</th>
<th>(Unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>$10,073</td>
<td>$30,050</td>
<td>$66,556</td>
</tr>
<tr>
<td>EMEA</td>
<td>132</td>
<td>1,129</td>
<td>6,628</td>
</tr>
<tr>
<td>APAC</td>
<td>1,470</td>
<td>1,142</td>
<td>6,488</td>
</tr>
<tr>
<td>Other</td>
<td>90</td>
<td>1,337</td>
<td>3,644</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$11,765</td>
<td>$33,658</td>
<td>$83,316</td>
</tr>
</tbody>
</table>

Substantially all of our assets were attributable to operations in the United States as of December 31, 2011 and 2012 and June 30, 2013.

17. Revision to Prior Period Financial Statements

Subsequent to the issuance of the Company’s fiscal 2012 consolidated financial statements, we determined that $205,000, $806,000 and $3.6 million for the years ended December 31, 2010, 2011 and 2012, primarily attributable to change in fair value of preferred stock warrant liability, was incorrectly included within the cash paid for interest previously disclosed within the Supplemental Disclosure of Cash Flow information in the Consolidated Statements of Cash Flows. The impact of the error is presented below:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid for interest as reported</td>
<td>$313</td>
</tr>
<tr>
<td>Cash paid for interest corrected</td>
<td>108</td>
</tr>
<tr>
<td>Difference</td>
<td>$205</td>
</tr>
</tbody>
</table>

Accordingly, we have corrected the supplemental disclosure of cash flows relating to cash paid for interest in the statement of cash flows. Management has concluded that the correction of these errors is immaterial.

18. Subsequent Events (unaudited)

In August 2013, we amended our Milpitas, CA operating lease agreement to add office space in Milpitas, CA. Rent payments under the lease will be approximately $3.5 million over the lease term, which expires in January 2018.

In August 2013, our board of directors approved an increase of 1,157,555 shares of common stock reserved for issuance under the 2008 Plan, subject to stockholder approval.
PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth all the fees and expenses to be paid by the Registrant, other than underwriting discounts and commissions, in connection with this offering. All amounts shown are estimates except for the SEC registration fee and the FINRA filing fee.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEC registration fee</td>
<td>$23,870</td>
</tr>
<tr>
<td>FINRA filing fee</td>
<td>$26,750</td>
</tr>
<tr>
<td>Printing and engraving</td>
<td>*</td>
</tr>
<tr>
<td>Legal fees and expenses</td>
<td>*</td>
</tr>
<tr>
<td>Accounting fees and expenses</td>
<td>*</td>
</tr>
<tr>
<td>Blue sky fees and expenses (including legal fees)</td>
<td>*</td>
</tr>
<tr>
<td>Transfer agent and registrar fees</td>
<td>*</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>*</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>*<em>$</em></td>
</tr>
</tbody>
</table>

* To be filed by amendment.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the Delaware General Corporation Law authorizes a corporation’s board of directors to grant, and authorizes a court to award, indemnity to officers, directors, and other corporate agents.

On completion of this offering, as permitted by Section 102(b)(7) of the Delaware General Corporation Law, the Registrant’s amended and restated certificate of incorporation will include provisions that eliminate the personal liability of its directors and officers for monetary damages for breach of their fiduciary duty as directors and officers.

In addition, as permitted by Section 145 of the Delaware General Corporation Law, the amended and restated certificate of incorporation and amended and restated bylaws of the Registrant will provide that:

• The Registrant shall indemnify its directors and officers for serving the Registrant in those capacities or for serving other business enterprises at the Registrant’s request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person’s conduct was unlawful.

• The Registrant may, in its discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law.

• The Registrant is required to advance expenses, as incurred, to its directors and officers in connection with defending a proceeding, except that such director or officer shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification.

• The Registrant will not be obligated pursuant to the amended and restated bylaws to indemnify a person with respect to proceedings initiated by that person, except with respect to proceedings authorized by the Registrant’s board of directors or brought to enforce a right to indemnification.

II-1
The rights conferred in the amended and restated certificate of incorporation and amended and restated bylaws are not exclusive, and the Registrant is authorized to enter into indemnification agreements with its directors, officers, employees, and agents and to obtain insurance to indemnify such persons.

The Registrant may not retroactively amend the bylaw provisions to reduce its indemnification obligations to directors, officers, employees, and agents.

The Registrant’s policy is to enter into separate indemnification agreements with each of its directors and officers that provide the maximum indemnity allowed to directors and executive officers by Section 145 of the Delaware General Corporation Law and also to provide for certain additional procedural protections. The Registrant also maintains directors and officers insurance to insure such persons against certain liabilities.

These indemnification provisions and the indemnification agreements entered into between the Registrant and its directors and certain of its officers may be sufficiently broad to permit indemnification of the Registrant’s officers and directors for liabilities (including reimbursement of expenses incurred) arising under the Securities Act.

The underwriting agreement filed as Exhibit 1.1 to this registration statement provides for indemnification by the underwriters of the Registrant and its officers and directors for certain liabilities arising under the Securities Act and otherwise.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES.

During the last three years, the Registrant has sold the following unregistered securities:

Warrants
In August 2011, the Registrant issued a warrant to purchase 60,661 shares of its Series E convertible preferred stock to one accredited investor at an exercise price of $1.36 per share.

Sales of Convertible Preferred Stock
In December 2010, the Registrant sold an aggregate of 4,411,761 shares of its Series E convertible preferred stock to a total of 18 accredited investors at a purchase price of $1.36 per share, for an aggregate purchase price of approximately $6,000,000.

In December 2012 and January 2013, the Registrant sold an aggregate of 4,748,591 shares of its Series F convertible preferred stock to a total of 30 accredited investors at a purchase price of approximately $10.53 per share, for an aggregate purchase price of approximately $50,000,000.

Option and Common Stock Issuances
From July 1, 2010 through June 30, 2013, pursuant to the terms of its 2008 Stock Plan, the Registrant granted to its officers, directors, employees, consultants and other service providers options to purchase an aggregate of 28,796,657 shares of its common stock at exercise prices ranging from $0.57 to $9.68 per share.

From July 1, 2010 through June 30, 2013, pursuant to the terms of its 2008 Stock Plan, the Registrant granted to certain executive officers and other employees restricted stock units for an aggregate of 505,500 shares of its common stock in exchange for services.

From July 1, 2010 through June 30, 2013, pursuant to the terms of its 2008 Stock Plan, the Registrant issued and sold to its officers, directors, employees, consultants and other service providers an aggregate of 13,999,389 shares of its common stock upon the exercise of options at exercise prices ranging from $0.05 to $7.93 per share, for an aggregate exercise price of $14,449,142.
From July 1, 2010 through June 30, 2013, the Registrant issued an aggregate of 2,361,103 shares of its restricted common stock in exchange for services and sold 1,220,498 shares of its restricted common stock at a purchase price of $0.57 per share for an aggregate purchase price of $695,684.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. The Registrant believes the offers, sales, and issuances of the above securities were exempt from registration under the Securities Act by virtue of (i) Section 4(2) of the Securities Act (or Regulation D promulgated thereunder) as transactions not involving a public offering, (ii) Rule 701 promulgated under the Securities Act as transactions pursuant to compensatory benefit plans or contracts relating to compensation as provided under such rule, or (iii) Regulation S promulgated under the Securities Act as transactions made outside of the United States. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients had adequate access, through their relationships with the Registrant, to information about the Registrant. The sales of these securities were made without any general solicitation or advertising.

In addition to the securities described above, the Registrant has issued securities in connection with the following acquisitions:

- On December 14, 2012, the Registrant issued 150,000 shares of its common stock as consideration for the acquisition of certain assets of another entity.
- On December 20, 2012, the Registrant issued 763,133 shares of its common stock as partial consideration for the acquisition of another entity and an additional 11,488 shares of its common stock to a former advisor to such entity in connection with the acquisition.

None of the foregoing transactions with respect to the acquisitions involved any underwriters, underwriting discounts or commissions, or any public offering. The Registrant believes that such offers, sales and issuances of the above securities in connection with the foregoing acquisitions were exempt from registration under the Securities Act by virtue of Section 4(2) of the Securities Act as transactions by an issuer not involving a public offering, after taking into account the following factors: (i) all sales of the shares were made without any general solicitation or advertising; (ii) there were a limited number of offerees (three persons and two entities in the case of the acquisition described in the first bullet above and one offeree in the case of the acquisition described in the second bullet above); (iv) the purchasers and/or their legal representatives had access to substantial business and financial information regarding the Registrant; (v) the Registrant believes that each of the purchasers was sophisticated and capable of understanding and evaluating the risks of acquiring the Registrant’s securities; (vi) each of the purchasers made standard representations to the Registrant to ensure the availability of the Section 4(2) exemption, including, without limitation, representations of their intentions to acquire the shares for investment for their own accounts and not with a view to the resale or distribution of any shares (except, in the case of the acquisition described in the first bullet above, for a distribution by the recipient entity to its five stockholders, provided that such distribution would be exempt from the registration requirements of the Securities Act); and (vii) appropriate legends were placed upon the stock certificates issued in connection with both of these acquisitions.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits.

We have filed the exhibits listed on the accompanying Exhibit Index of this Registration Statement.

(b) Financial Statement Schedules.

All financial statement schedules are omitted because the information called for is not required or is shown either in the consolidated financial statements or in the notes thereto.
ITEM 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer, or controlling person of the registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

1. For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

2. For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Milpitas, State of California, on August 21, 2013.

**FIREEYE, INC.**

By: /S/ DAVID G. DEWALT

David G. DeWalt

*Chief Executive Officer*

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>/S/ DAVID G. DEWALT</td>
<td>Chief Executive Officer and Chairman of the Board</td>
<td>August 21, 2013</td>
</tr>
<tr>
<td>David G. DeWalt</td>
<td><em>(Principal Executive Officer)</em></td>
<td></td>
</tr>
<tr>
<td>*</td>
<td>Senior Vice President and Chief Financial Officer</td>
<td>August 21, 2013</td>
</tr>
<tr>
<td>Michael J. Sheridan</td>
<td><em>(Principal Financial and Accounting Officer)</em></td>
<td></td>
</tr>
<tr>
<td>*</td>
<td>Founder, Chief Technology Officer, Chief Strategy Officer, and Vice</td>
<td>August 21, 2013</td>
</tr>
<tr>
<td>Ashar Aziz</td>
<td>Chairman of the Board</td>
<td></td>
</tr>
<tr>
<td>*</td>
<td>Director</td>
<td>August 21, 2013</td>
</tr>
<tr>
<td>Ronald E. F. Codd</td>
<td>Director</td>
<td>August 21, 2013</td>
</tr>
<tr>
<td>*</td>
<td>Director</td>
<td>August 21, 2013</td>
</tr>
<tr>
<td>William M. Coughran Jr.</td>
<td>Director</td>
<td>August 21, 2013</td>
</tr>
<tr>
<td>*</td>
<td>Director</td>
<td>August 21, 2013</td>
</tr>
<tr>
<td>Gaurav Garg</td>
<td>Director</td>
<td>August 21, 2013</td>
</tr>
<tr>
<td>*</td>
<td>Director</td>
<td>August 21, 2013</td>
</tr>
<tr>
<td>Promod Haque</td>
<td>Director</td>
<td>August 21, 2013</td>
</tr>
<tr>
<td>*</td>
<td>Director</td>
<td>August 21, 2013</td>
</tr>
<tr>
<td>Robert F. Lentz</td>
<td>Director</td>
<td>August 21, 2013</td>
</tr>
<tr>
<td>*</td>
<td>Director</td>
<td>August 21, 2013</td>
</tr>
<tr>
<td>Enrique Salem</td>
<td>Director</td>
<td>August 21, 2013</td>
</tr>
</tbody>
</table>

*by: /S/ David G. DeWalt

David G. DeWalt

*As Attorney-in-Fact*
<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Description of Exhibit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1*</td>
<td>Form of Underwriting Agreement.</td>
</tr>
<tr>
<td>3.1#</td>
<td>Seventh Restated Certificate of Incorporation of the Registrant, as currently in effect.</td>
</tr>
<tr>
<td>3.2</td>
<td>Form of Amended and Restated Certificate of Incorporation of the Registrant, to be in effect upon completion of the offering.</td>
</tr>
<tr>
<td>3.3#</td>
<td>Amended and Restated Bylaws of the Registrant, as currently in effect.</td>
</tr>
<tr>
<td>3.4</td>
<td>Form of Amended and Restated Bylaws of Registrant, to be in effect upon completion of the offering.</td>
</tr>
<tr>
<td>4.1*</td>
<td>Form of the Registrant’s common stock certificate.</td>
</tr>
<tr>
<td>5.1*</td>
<td>Opinion of Wilson Sonsini Goodrich &amp; Rosati, Professional Corporation.</td>
</tr>
<tr>
<td>10.1†#</td>
<td>Form of Indemnification Agreement.</td>
</tr>
<tr>
<td>10.2#</td>
<td>Amended and Restated Loan and Security Agreement, dated as of August 26, 2011, between the Registrant and Silicon Valley Bank, as amended and currently in effect.</td>
</tr>
<tr>
<td>10.3</td>
<td>Lease, dated as of January 15, 2008, by and between the Registrant and Silicon Valley CA-I, LLC, as amended and currently in effect.</td>
</tr>
<tr>
<td>10.4#</td>
<td>Lease, dated as of March 11, 2010, by and between the Registrant and Silicon Valley CA-I, LLC, as amended, assigned and currently in effect.</td>
</tr>
<tr>
<td>10.5†#</td>
<td>2004 Stock Option Plan, as amended, including form agreements under 2004 Stock Option Plan.</td>
</tr>
<tr>
<td>10.6†#</td>
<td>2008 Stock Plan, as amended, including form agreements under 2008 Stock Plan.</td>
</tr>
<tr>
<td>10.7*</td>
<td>2013 Equity Incentive Plan, including form agreements under 2013 Stock Plan.</td>
</tr>
<tr>
<td>10.8*</td>
<td>2013 Employee Stock Purchase Plan, to be in effect upon completion of the offering.</td>
</tr>
<tr>
<td>10.9†</td>
<td>Offer Letter between the Registrant and David DeWalt, dated November 19, 2012, as amended and currently in effect.</td>
</tr>
<tr>
<td>10.13†</td>
<td>Offer Letter between the Registrant and Michael J. Sheridan, dated August 1, 2013.</td>
</tr>
<tr>
<td>10.14†</td>
<td>Offer Letter between the Registrant and Bahman Mahbod, dated August 1, 2013.</td>
</tr>
<tr>
<td>10.15†</td>
<td>Offer Letter between the Registrant and Jeffrey C. Williams, dated August 1, 2013.</td>
</tr>
<tr>
<td>10.16†</td>
<td>Offer Letter between the Registrant and Alexa King, dated August 1, 2013.</td>
</tr>
<tr>
<td>10.17†#</td>
<td>Employee Incentive Plan.</td>
</tr>
<tr>
<td>10.18#</td>
<td>Agreement, dated as of September 29, 2010, between the Registrant and AMAX Information Technologies.</td>
</tr>
<tr>
<td>10.20#</td>
<td>Amended and Restated Investors’ Rights Agreement, dated as of December 27, 2012, by and among the Registrant and the investors listed on Schedule A thereto.</td>
</tr>
<tr>
<td>10.21#</td>
<td>Warrant to purchase shares of Series A-2 Preferred Stock issued to Silicon Valley Bank and assigned to SVB Financial Group, dated August 15, 2005.</td>
</tr>
<tr>
<td>Exhibit No.</td>
<td>Description of Exhibit</td>
</tr>
<tr>
<td>------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>10.22#</td>
<td>Warrant to purchase shares of Series A-2 Preferred Stock issued to Gold Hill Lending 03, LP, dated August 15, 2005.</td>
</tr>
<tr>
<td>10.23#</td>
<td>Warrant to purchase shares of Series B Preferred Stock issued to Silicon Valley Bank and assigned to SVB Financial Group, dated September 5, 2006.</td>
</tr>
<tr>
<td>10.24#</td>
<td>Warrant to purchase shares of Series B Preferred Stock issued to Gold Hill Lending 03, LP, dated September 5, 2006.</td>
</tr>
<tr>
<td>10.25#</td>
<td>Warrant to purchase shares of Series D Preferred Stock issued to Silicon Valley Bank and assigned to SVB Financial Group, dated June 7, 2010.</td>
</tr>
<tr>
<td>10.26#</td>
<td>Warrant to purchase shares of Series E Preferred Stock issued to Silicon Valley Bank and assigned to SVB Financial Group, dated August 26, 2011.</td>
</tr>
<tr>
<td>10.27†</td>
<td>Change of Control Severance Policy for Officers.</td>
</tr>
<tr>
<td>21.1</td>
<td>List of subsidiaries of the Registrant.</td>
</tr>
<tr>
<td>23.1*</td>
<td>Consent of Wilson Sonsini Goodrich &amp; Rosati, P.C. (included in Exhibit 5.1).</td>
</tr>
<tr>
<td>23.2</td>
<td>Consent of Deloitte &amp; Touche LLP, independent registered public accounting firm.</td>
</tr>
<tr>
<td>24.1#</td>
<td>Power of Attorney (see page II-5 to the original filing of this Registration Statement on Form S-1).</td>
</tr>
</tbody>
</table>

* To be filed by amendment.
† Indicates a management contract or compensatory plan or arrangement.
+ Portions of this exhibit have been omitted pending a determination by the Securities and Exchange Commission as to whether these portions should be granted confidential treatment.
# Previously filed.
FireEye, Inc., a corporation organized and existing under the laws of the State of Delaware (the “Corporation”), hereby certifies as follows:

A. The name of the Corporation is FireEye, Inc. The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on February 18, 2004, under the name NetForts, Inc.

B. This Amended and Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware, and restates, integrates and further amends the provisions of the Corporation’s Certificate of Incorporation, and has been duly approved by the written consent of the stockholders of the Corporation in accordance with Section 228 of the General Corporation Law of the State of Delaware.

C. The text of the Certificate of Incorporation of the Corporation is hereby amended and restated to read in its entirety as follows:

ARTICLE I

The name of this corporation is FireEye, Inc. (the “Corporation”).

ARTICLE II

The address of the Corporation’s registered office in the State of Delaware is 3500 South DuPont Highway, City of Dover, County of Kent, Delaware 19901. The name of its registered agent at such address is Incorporating Services, Ltd.

ARTICLE III

The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the “DGCL”).

ARTICLE IV

4.1 Authorized Capital Stock. The total number of shares of all classes of capital stock that the Corporation is authorized to issue is 1,100,000,000 shares, consisting of 1,000,000,000 shares of Common Stock, par value $0.0001 per share (the “Common Stock”), and 100,000,000 shares of Preferred Stock, par value $0.0001 per share (the “Preferred Stock”).
4.2 Increase or Decrease in Authorized Capital Stock. The number of authorized shares of Preferred Stock or Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote generally in the election of directors, irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), voting together as a single class, without a separate vote of the holders of the class or classes the number of authorized shares of which are being increased or decreased, unless a vote by any holders of one or more series of Preferred Stock is required by the express terms of any series of Preferred Stock as provided for or fixed pursuant to the provisions of Section 4.4 of this Article IV.

4.3 Common Stock.

(a) The holders of shares of Common Stock shall be entitled to one vote for each such share on each matter properly submitted to the stockholders on which the holders of shares of Common Stock are entitled to vote. Except as otherwise required by law or this certificate of incorporation (this “Certificate of Incorporation” which term, as used herein, shall mean the certificate of incorporation of the Corporation, as amended from time to time, including the terms of any certificate of designations of any series of Preferred Stock), and subject to the rights of the holders of Preferred Stock, at any annual or special meeting of the stockholders the holders of shares of Common Stock shall have the right to vote for the election of directors and on all other matters properly submitted to a vote of the stockholders; provided, however, that, except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation that relates solely to the terms, number of shares, powers, designations, preferences, or relative participating, optional or other special rights (including, without limitation, voting rights), or to qualifications, limitations or restrictions thereon, of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Certificate of Incorporation (including, without limitation, by any certificate of designations relating to any series of Preferred Stock) or pursuant to the DGCL.

(b) Subject to the rights of the holders of Preferred Stock, the holders of shares of Common Stock shall be entitled to receive such dividends and other distributions (payable in cash, property or capital stock of the Corporation) when, as and if declared by the Board of Directors of the Corporation (the “Board of Directors”) from time to time out of any assets or funds of the Corporation legally available therefor and shall share equally on a per share basis in such dividends and distributions.

(c) In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation, and subject to the rights of the holders of Preferred Stock in respect thereof, the holders of shares of Common Stock shall be entitled to receive all the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of Common Stock held by them.
4.4 Preferred Stock

(a) The Preferred Stock may be issued from time to time in one or more series pursuant to a resolution or resolutions providing for such issue duly adopted by the Board of Directors (authority to do so being hereby expressly vested in the Board of Directors). The Board of Directors is further authorized, subject to limitations prescribed by law, to fix by resolution or resolutions and to set forth in a certification of designations filed pursuant to the DGCL the powers, designations, preferences and relative participation, optional or other rights, if any, and the qualifications, limitations or restrictions thereof, if any, of any wholly unissued series of Preferred Stock, including, without limitation, dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including, without limitation, sinking fund provisions), redemption price or prices, and liquidation preferences of any such series, and the number of shares constituting any such series and the designation thereof, or any of the foregoing.

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

ARTICLE V

5.1 General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

5.2 Number of Directors; Election; Term

(a) Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, the number of directors that constitutes the entire Board of Directors shall be fixed solely by resolution of the Board of Directors.

(b) Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, effective upon the closing date (the “Effective Date”) of the initial sale of shares of Common Stock in the Corporation’s initial public offering pursuant to an effective registration statement filed under the Securities Act of 1933, as amended, the directors of the Corporation shall be divided into three classes as nearly equal in size as is practicable, hereby designated Class I, Class II and Class III. The initial assignment of members of the Board of Directors to each such class shall be made by the Board of Directors. The term of office of the initial Class I directors shall expire at the first regularly-scheduled annual meeting of the stockholders following the Effective Date, the term of office of the initial Class II directors shall expire at the second annual meeting of the stockholders following the Effective Date and the term of office of the initial Class III directors shall expire at the third annual meeting of the stockholders following the
Effective Date. At each annual meeting of stockholders, commencing with the first regularly-scheduled annual meeting of stockholders following the Effective Date, each of the successors elected to replace the directors of a class whose term shall have expired at such annual meeting shall be elected to hold office until the third annual meeting next succeeding his or her election and until his or her respective successor shall have been duly elected and qualified. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, if the number of directors that constitutes the Board of Directors is changed, any newly created directorships or decrease in directorships shall be so apportioned by the Board of Directors among the classes as to make all classes as nearly equal in number as is practicable, provided that no decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(c) Notwithstanding the foregoing provisions of this Section 5.2, and subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, each director shall serve until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal.

(d) Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

5.3 Removal. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, a director may be removed from office by the stockholders of the Corporation only for cause.

5.4 Vacancies and Newly Created Directorships. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, and except as otherwise provided in the DGCL, vacancies occurring on the Board of Directors for any reason and newly created directorships resulting from an increase in the authorized number of directors may be filled only by vote of a majority of the remaining members of the Board of Directors, although less than a quorum, or by a sole remaining director, at any meeting of the Board of Directors. A person so elected by the Board of Directors to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been assigned by the Board of Directors and until his or her successor shall be duly elected and qualified.

ARTICLE VI

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation; provided, however, that a Bylaw amendment adopted by stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the Board of Directors.

ARTICLE VII

7.1 No Action by Written Consent of Stockholders. Except as otherwise expressly provided by the terms of any series of Preferred Stock permitting the holders of such series of Preferred Stock to act by written consent, any action required or permitted to be taken by stockholders of the Corporation must be effected at a duly called annual or special meeting of the stockholders and may not be effected by written consent in lieu of a meeting.
7.2 **Special Meetings.** Except as otherwise expressly provided by the terms of any series of Preferred Stock permitting the holders of such series of Preferred Stock to call a special meeting of the holders of such series, special meetings of stockholders of the Corporation may be called only by the Board of Directors, the chairperson of the Board of Directors, the chief executive officer of the Corporation or the president of the Corporation (in the absence of a chief executive officer of the Corporation), and the ability of the stockholders to call a special meeting is hereby specifically denied. The Board of Directors may cancel, postpone or reschedule any previously scheduled special meeting at any time, before or after the notice for such meeting has been sent to the stockholders.

7.3 **Advance Notice.** Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

**ARTICLE VIII**

8.1 **Limitation of Personal Liability.** To the fullest extent permitted by the DGCL, as it presently exists or may hereafter be amended from time to time, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

8.2 **Indemnification.**

The Corporation shall indemnify, to the fullest extent permitted by applicable law, any director or officer of the Corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a “Proceeding”) by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding. The Corporation shall be required to indemnify a person in connection with a Proceeding initiated by such person only if the Proceeding was authorized by the Board of Directors.

The Corporation shall have the power to indemnify, to the extent permitted by the DGCL, as it presently exists or may hereafter be amended from time to time, any employee or agent of the Corporation who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another
corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys’ fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

Any repeal or amendment of this Article VIII by the stockholders of the Corporation or by changes in law, or the adoption of any other provision of this Certificate of Incorporation inconsistent with this Article VIII will, unless otherwise required by law, be prospective only (except to the extent such amendment or change in law permits the Corporation to further limit or eliminate the liability of directors) and shall not adversely affect any right or protection of any current or former director of the Corporation existing at the time of such repeal or amendment or adoption of such inconsistent provision with respect to acts or omissions occurring prior to such repeal or amendment or adoption of such inconsistent provision.

ARTICLE IX

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation (including, without limitation, any rights, preferences or other designations of Preferred Stock), in the manner now or hereafter prescribed by this Certificate of Incorporation and the DGCL; and all rights, preferences and privileges herein conferred upon stockholders by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article IX. Notwithstanding any other provision of this Certificate of Incorporation, and in addition to any other vote that may be required by law or the terms of any series of Preferred Stock, the affirmative vote of the holders of at least 66 2/3% of the voting power of all then outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend, alter or repeal, or adopt any provision as part of this Certificate of Incorporation inconsistent with the purpose and intent of, Article V, Article VI, Article VII or this Article IX (including, without limitation, any such Article as renumbered as a result of any amendment, alteration, change, repeal or adoption of any other Article).
IN WITNESS WHEREOF, FireEye, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by its duly authorized officer on this ______ day of ____ 2013.

FIRE EYE, INC.

By: ________________________________
    David G. DeWalt
    Chief Executive Officer
AMENDED AND RESTATED BYLAWS OF
FIREEYE, INC.
(as amended and restated on August 6, 2013 and effective as of the
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ARTICLE I — CORPORATE OFFICES

1.1 REGISTERED OFFICE
The registered office of FireEye, Inc. (the "Corporation") shall be fixed in the Corporation’s certificate of incorporation (the “Certificate of Incorporation”). References in these bylaws (these “Bylaws”) to the Certificate of Incorporation shall mean the Certificate of Incorporation of the Corporation, as amended from time to time, including the terms of any certificate of designations of any series of Preferred Stock.

1.2 OTHER OFFICES
The Corporation’s board of directors may at any time establish other offices at any place or places where the Corporation is qualified to do business.

ARTICLE II — MEETINGS OF STOCKHOLDERS

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

2.2 ANNUAL MEETING
The annual meeting of stockholders shall be held on such date, at such time, and at such place (if any) within or without the State of Delaware as shall be designated from time to time by the board of directors and stated in the Corporation’s notice of the annual meeting. At the annual meeting, directors shall be elected and any other proper business may be transacted.

2.3 SPECIAL MEETING
(i) Except as otherwise provided in the Certificate of Incorporation, a special meeting of the stockholders, other than a special meeting required by statute, may be called at any time only by (A) the board of directors, (B) the chairperson of the board of directors, (C) the chief executive officer or (D) the president (in the absence of a chief executive officer). A special meeting of the stockholders may not be called by any other person or persons. The board of directors may cancel, postpone or reschedule any previously scheduled special meeting at any time, before or after the notice for such meeting has been sent to the stockholders.
(ii) The notice of a special meeting shall include the purpose for which the meeting is called. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting by or at the direction of the board of directors, the chairperson of the board of directors, the chief executive officer or the president (in the absence of a chief executive officer). Nothing contained in this Section 2.3(ii) shall be construed as limiting, fixing or affecting the time when a meeting of stockholders called by action of the board of directors may be held.

2.4 ADVANCE NOTICE PROCEDURES

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

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

(b) To be in proper written form within the meaning of clause (C) of Section 2.4(i) above, a stockholder’s notice to the secretary must set forth as to each matter of business the stockholder intends to bring before the annual meeting: (1) a brief description of the business intended to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (2) the name and address, as they appear on the Corporation’s books, of the stockholder proposing such business and
any Stockholder Associated Person (as defined below), (3) the class and number of shares of the Corporation that are held of record or are beneficially owned by the stockholder or any Stockholder Associated Person and any derivative positions held or beneficially held by the stockholder or any Stockholder Associated Person, (4) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of such stockholder or any Stockholder Associated Person with respect to any securities of the Corporation, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit from share price changes for, or to increase or decrease the voting power of, such stockholder or any Stockholder Associated Person with respect to any securities of the Corporation, (5) any material interest of the stockholder or a Stockholder Associated Person in such business, and (6) a statement whether either such stockholder or any Stockholder Associated Person will deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation’s voting shares required under applicable law to carry the proposal (such information provided and statements made as required by clauses (1) through (6), a “Business Solicitation Statement”). In addition, to be in proper written form, a stockholder’s notice to the secretary must be supplemented not later than ten days following the record date for notice of the meeting to disclose the information contained in clauses (3) and (4) above as of the record date for notice of the meeting. For purposes of this Section 2.4, a “Stockholder Associated Person” of any stockholder shall mean (i) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder and on whose behalf the proposal or nomination, as the case may be, is being made, or (iii) any person controlling, controlled by or under common control with such person referred to in the preceding clauses (i) and (ii).

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

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

(b) To be in proper written form for purposes of clause (B) of Section 2.4(ii) above, such stockholder’s notice to the secretary must set forth:

(1) as to each person (a “nominee”) whom the stockholder proposes to nominate for election or re-election as a director: (A) the name, age, business address and residence address of the nominee, (B) the principal occupation or employment of the nominee, (C) the class and number of shares of the Corporation that are held of record or are beneficially owned by the nominee and any derivative positions held or beneficially held by the nominee, (D) whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of the nominee with respect to any securities of the Corporation, and a description of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit of share price changes for, or to increase or decrease the voting power of the nominee, (E) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder, (F) a written statement executed by the nominee acknowledging that as a director of the Corporation, the nominee will owe a fiduciary duty under Delaware law with respect to the Corporation and its stockholders, and (G) any other information relating to the nominee that would be required to be disclosed about such nominee if proxies were being solicited for the election or re-election of the nominee as a director, or that is otherwise required, in each case pursuant to Regulation 14A under the 1934 Act (including without limitation the nominee’s written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected or re-elected, as the case may be); and

(2) as to such stockholder giving notice, (A) the information required to be provided pursuant to clauses (2) through (5) of Section 2.4(i)(b) above, and the supplement referenced in the second sentence of Section 2.4(i)(b) above (except that the references to “business” in such clauses shall instead refer to nominations of directors for purposes of this paragraph), and (B) a statement whether either such stockholder or Stockholder Associated Person will deliver a proxy statement and form of proxy to holders of a number of the Corporation’s voting shares reasonably believed by such stockholder or Stockholder Associated Person to be necessary to elect or re-elect such nominee(s) (such information provided and statements made as required by clauses (A) and (B) above, a “Nominee Solicitation Statement”).

(c) At the request of the board of directors, any person nominated by a stockholder for election or re-election as a director must furnish to the secretary of the Corporation (1) that information required to be set forth in the stockholder’s notice of nomination of such person as a director as of a date subsequent to the date on which the notice of such person’s nomination was given and (2) such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director or audit committee financial expert of the Corporation under applicable law, securities exchange rule or regulation, or any publicly-disclosed corporate governance guideline or committee charter of the Corporation and (3) that could be material to a reasonable stockholder’s understanding of the independence, or lack thereof, of such nominee; in the absence of the furnishing of such information if requested, such stockholder’s nomination shall not be considered in proper form pursuant to this Section 2.4(ii).
(d) Without exception, no person shall be eligible for election or re-election as a director of the Corporation at an annual meeting of stockholders unless nominated in accordance with the provisions set forth in this Section 2.4(ii). In addition, a nominee shall not be eligible for election or re-election if a stockholder or Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Nominee Solicitation Statement applicable to such nominee or if the Nominee Solicitation Statement applicable to such nominee contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading. The chairperson of the annual meeting shall, if the facts warrant, determine and declare at the annual meeting that a nomination was not made in accordance with the provisions prescribed by these Bylaws, and if the chairperson should so determine, he or she shall so declare at the annual meeting, and the defective nomination shall be disregarded.

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

(a) For a special meeting of stockholders at which directors are to be elected or re-elected, nominations of persons for election or re-election to the board of directors shall be made only (1) by or at the direction of the board of directors or (2) by any stockholder of the Corporation who (A) is a stockholder of record at the time of the giving of the notice required by this Section 2.4(iii) and on the record date for the determination of stockholders entitled to vote at the special meeting and (B) delivers a timely written notice of the nomination to the secretary of the Corporation that includes the information set forth in Sections 2.4(ii)(b) and (ii)(c) above. To be timely, such notice must be received by the secretary at the principal executive offices of the Corporation not later than the close of business on the later of the 90th day prior to such special meeting or the tenth day following the day on which Public Announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected or re-elected at such meeting. A person shall not be eligible for election or re-election as a director at a special meeting unless the person is nominated (i) by or at the direction of the board of directors or (ii) by a stockholder in accordance with the notice procedures set forth in this Section 2.4(iii). In addition, a nominee shall not be eligible for election or re-election if a stockholder or Stockholder Associated Person, as applicable, takes action contrary to the representations made in the Nominee Solicitation Statement applicable to such nominee or if the Nominee Solicitation Statement applicable to such nominee contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein not misleading.

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

(iv) Other Requirements and Rights. In addition to the foregoing provisions of this Section 2.4, a stockholder must also comply with all applicable requirements of state law and of the 1934 Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.4. Nothing in this Section 2.4 shall be deemed to affect any rights of:

(a) a stockholder to request inclusion of proposals in the Corporation’s proxy statement pursuant to Rule 14a-8 (or any successor provision) under the 1934 Act; or
(b) the Corporation to omit a proposal from the Corporation’s proxy statement pursuant to Rule 14a-8 (or any successor provision) under the 1934 Act.

2.5 NOTICE OF STOCKHOLDERS’ MEETINGS

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

2.6 QUORUM

The holders of a majority of the stock issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. Where a separate vote by a class or series or classes or series is required, a majority of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter, except as otherwise provided by law, the Certificate of Incorporation or these Bylaws.

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

2.7 ADJOURNED MEETING; NOTICE

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

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

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

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

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

2.10 STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING
Subject to the rights of the holders of the shares of any series of Preferred Stock or any other class of stock or series thereof that have been expressly
granted the right to take action by written consent, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a
duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

2.11 RECORD DATES
In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the board
of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of
directors and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the board of directors so fixes a date, such
date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the board of directors determines, at the time it fixes
such record date, that a later date on or before the date of the meeting shall be the date for making such determination.
If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

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

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

2.12 PROXIES

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

2.13 LIST OF STOCKHOLDERS ENTITLED TO VOTE

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

2.14 INSPECTORS OF ELECTION

Before any meeting of stockholders, the board of directors shall appoint an inspector or inspectors of election to act at the meeting or its adjournment. The number of inspectors shall be either one (1) or three (3). If any person appointed as inspector fails to appear or fails or refuses to act, then the chairperson of the meeting may, and upon the request of any stockholder or a stockholder’s proxy shall, appoint a person to fill that vacancy.

Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed and designated shall (i) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each share, (ii) determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, (v) certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspector or inspectors’ count of all votes and ballots, (vi) determine when the polls shall close; (vii) determine the result; and (viii) do any other acts that may be proper to conduct the election or vote with fairness to all stockholders.

In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspector or inspectors may consider such information as is permitted by applicable law. If there are three (3) inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

ARTICLE III — DIRECTORS

3.1 POWERS

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

3.2 NUMBER OF DIRECTORS

The board of directors shall consist of one or more members, each of whom shall be a natural person. Unless the Certificate of Incorporation fixes the number of directors, the number of directors shall be determined from time to time solely by resolution of the board of directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director’s term of office expires.
3.3 ELECTION, QUALIFICATION AND TERM OF OFFICE OF DIRECTORS

Except as provided in Section 3.4 of these Bylaws, each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until such director’s successor is elected and qualified or until such director’s earlier death, resignation or removal. Directors need not be stockholders unless so required by the Certificate of Incorporation or these Bylaws. The Certificate of Incorporation or these Bylaws may prescribe other qualifications for directors. If so provided in the Certificate of Incorporation, the directors of the Corporation shall be divided into three classes.

3.4 RESIGNATION AND VACANCIES

Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation; provided, however, that if such notice is given by electronic transmission, such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the director. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. Acceptance of such resignation shall not be necessary to make it effective. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. Unless otherwise provided in the Certificate of Incorporation or these Bylaws, when one or more directors resign from the board of directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Unless otherwise provided in the Certificate of Incorporation or these Bylaws, newly created directorships resulting from any increase in the authorized number of directors, or any vacancies on the board of directors resulting from the death, resignation, retirement, disqualification, removal from office or other cause shall, unless otherwise required by law, be filled only by a majority of the directors then in office, even though less than a quorum of the board of directors, or by a sole remaining director. A person so elected by the directors then in office to fill a vacancy or newly created directorship shall hold office until his or her successor shall have been duly elected and qualified; provided, however, that if the directors are divided into classes, a person so elected by the directors then in office to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall have been duly elected and qualified.

3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE

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

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

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

3.7 SPECIAL MEETINGS; NOTICE

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

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

(i) delivered personally by hand, by courier or by telephone;
(ii) sent by United States first-class mail, postage prepaid;
(iii) sent by facsimile; or
(iv) sent by electronic mail,

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

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

3.8 QUORUM; VOTING

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

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

If the Certificate of Incorporation provides that one or more directors shall have more or less than one vote per director on any matter, every reference in these Bylaws to a majority or other proportion of the directors shall refer to a majority or other proportion of the votes of the directors.
3.9 BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof, may be taken without a meeting if all members of the board of directors or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board of directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

3.10 FEES AND COMPENSATION OF DIRECTORS

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the board of directors shall have the authority to fix the compensation of directors.

3.11 REMOVAL OF DIRECTORS

A director may be removed from office by the stockholders of the Corporation only for cause.

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

ARTICLE IV — COMMITTEES

4.1 COMMITTEES OF DIRECTORS

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

4.2 COMMITTEE MINUTES

Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.
4.3 MEETINGS AND ACTION OF COMMITTEES
Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

(i) Section 3.5 (place of meetings and meetings by telephone);
(ii) Section 3.6 (regular meetings);
(iii) Section 3.7 (special meetings; notice);
(iv) Section 3.8 (quorum; voting);
(v) Section 3.9 (action without a meeting); and
(vi) Section 7.5 (waiver of notice)

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

However:

(i) the time of regular meetings of committees may be determined by resolution of the committee;
(ii) special meetings of committees may also be called by resolution of the committee; and
(iii) notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The board of directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.

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

4.4 SUBCOMMITTEES

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

ARTICLE V — OFFICERS

5.1 OFFICERS

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

5.2 APPOINTMENT OF OFFICERS

The board of directors shall appoint the officers of the Corporation, except that, unless the board of directors shall determine otherwise, in addition to the authority of the board of directors, (i) the compensation committee of the board of directors (the “compensation committee”) shall also have the authority to appoint any vice presidents and (ii) the chief executive officer shall also have the authority to appoint any vice presidents that do not directly report to the chief executive officer. Each of the officers of the Corporation shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the board of directors, the compensation committee or the chief executive officer may from time to time determine.

5.3 SUBORDINATE OFFICERS

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

5.4 REMOVAL AND RESIGNATION OF OFFICERS

Any officer may be removed, either with or without cause, by (i) an affirmative vote of the majority of the board of directors at any regular or special meeting of the board of directors, (ii) an affirmative vote of the majority of the compensation committee at any regular or special meeting of the compensation committee, in the case of any vice presidents, or (iii) the chief executive officer, in the case of any vice presidents that do not directly report to the chief executive officer.

Any officer may resign at any time by giving written or electronic notice to the Corporation; provided, however, that if such notice is given by electronic transmission, such electronic transmission must either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the officer. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.5 VACANCIES IN OFFICES

Any vacancy occurring in any office of the Corporation shall be filled by the board of directors or as provided in Section 5.2 or Section 5.3, as applicable.
5.6 REPRESENTATION OF SHARES OF OTHER CORPORATIONS
Unless otherwise directed by the board of directors, the chief executive officer or any other person authorized by the board of directors or the chief executive officer is authorized to vote, represent and exercise on behalf of the Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of the Corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

5.7 AUTHORITY AND DUTIES OF OFFICERS
Except as otherwise provided in these Bylaws, the officers of the Corporation shall have such powers and duties in the management of the Company as may be designated from time to time by the board of directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the board of directors.

5.8 THE CHAIRPERSON OF THE BOARD
The chairperson of the board shall have the powers and duties customarily and usually associated with the office of the chairperson of the board. The chairperson of the board shall preside at meetings of the stockholders and of the board of directors.

5.9 THE VICE CHAIRPERSON OF THE BOARD
The vice chairperson of the board shall have the powers and duties customarily and usually associated with the office of the vice chairperson of the board. In the case of absence or disability of the chairperson of the board, the vice chairperson of the board shall perform the duties and exercise the powers of the chairperson of the board.

5.10 THE CHIEF EXECUTIVE OFFICER
The chief executive officer shall have, subject to the supervision, direction and control of the board of directors, ultimate authority for decisions relating to the supervision, direction and management of the affairs and the business of the Corporation customarily and usually associated with the position of chief executive officer, including, without limitation, all powers necessary to direct and control the organizational and reporting relationships within the Corporation. If at any time the office of the chairperson and vice chairperson of the board shall not be filled, or in the event of the temporary absence or disability of the chairperson of the board and the vice chairperson of the board, the chief executive officer shall perform the duties and exercise the powers of the chairperson of the board unless otherwise determined by the board of directors.

5.11 THE PRESIDENT
The president shall have, subject to the supervision, direction and control of the board of directors, the general powers and duties of supervision, direction and management of the affairs and business of the Corporation customarily and usually associated with the position of president. The president shall have such powers and perform such duties as may from time to time be assigned to him or her by the board of directors, the chairperson of the board or the chief executive officer. In the event of the absence or disability of the chief executive officer, the president shall perform the duties and exercise the powers of the chief executive officer unless otherwise determined by the board of directors.
5.12 THE VICE PRESIDENTS AND ASSISTANT VICE PRESIDENTS

Each vice president and assistant vice president shall have such powers and perform such duties as may from time to time be assigned to him or her by the board of directors, the chairperson of the board, the chief executive officer or the president.

5.13 THE SECRETARY AND ASSISTANT SECRETARIES

(i) The secretary shall attend meetings of the board of directors and meetings of the stockholders and record all votes and minutes of all such proceedings in a book or books kept for such purpose. The secretary shall have all such further powers and duties as are customarily and usually associated with the position of secretary or as may from time to time be assigned to him or her by the board of directors, the chairperson of the board, the chief executive officer or the president.

(ii) Each assistant secretary shall have such powers and perform such duties as may from time to time be assigned to him or her by the board of directors, the chairperson of the board, the chief executive officer, the president or the secretary. In the event of the absence, inability or refusal to act of the secretary, the assistant secretary (or if there shall be more than one, the assistant secretaries in the order determined by the board of directors) shall perform the duties and exercise the powers of the secretary.

5.14 THE CHIEF FINANCIAL OFFICER, THE TREASURER AND ASSISTANT TREASURERS

(i) The chief financial officer shall be responsible for maintaining the Corporation’s accounting records and statements, and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The chief financial officer shall also maintain adequate records of all assets, liabilities and transactions of the Corporation and shall assure that adequate audits thereof are currently and regularly made. The chief financial officer shall have all such further powers and perform all such further duties as are customarily and usually associated with the position of chief financial officer, or as may from time to time be assigned to him or her by the board of directors, the chairperson, the chief executive officer or the president. Unless a treasurer has been appointed separately in accordance with these bylaws, the chief financial officer shall also perform the duties of treasurer prescribed in paragraph (ii) below.

(ii) The treasurer shall have custody of the Corporation’s funds and securities, shall deposit or cause to be deposited moneys or other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by any duly authorized officer of the Corporation, and shall have such further powers and perform such further duties as may from time to time be assigned to him or her by the board of directors, the chief executive officer, or the president.

(iii) Each assistant treasurer shall have such powers and perform such duties as may from time to time be assigned to him or her by the board of directors, the chief executive officer, the president, the chief financial officer or the treasurer.
ARTICLE VI — STOCK

6.1 STOCK CERTIFICATES; PARTLY PAID SHARES

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

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

6.2 SPECIAL DESIGNATION ON CERTIFICATES

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

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

6.4 DIVIDENDS

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

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

6.5 TRANSFER OF STOCK

Transfers of record of shares of stock of the Corporation shall be made only upon its books by the holders thereof, in person or by an attorney duly authorized, and, if such stock is certificated, upon the surrender of a certificate or certificates for a like number of shares, properly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer; provided, however, that such succession, assignment or authority to transfer is not prohibited by the Certificate of Incorporation, these Bylaws, applicable law or contract.

6.6 STOCK TRANSFER AGREEMENTS

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

6.7 REGISTERED STOCKHOLDERS

The Corporation:

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

(ii) shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares; and
(iii) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII — MANNER OF GIVING NOTICE AND WAIVER

7.1 NOTICE OF STOCKHOLDERS’ MEETINGS

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

7.2 NOTICE BY ELECTRONIC TRANSMISSION

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

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

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

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

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

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

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

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

(iv) if by any other form of electronic transmission, when directed to the stockholder.
An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

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

7.3 NOTICE TO STOCKHOLDERS SHARING AN ADDRESS

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

7.4 NOTICE TO PERSON WITH WHOM COMMUNICATION IS UNLAWFUL

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

7.5 WAIVER OF NOTICE

Whenever notice is required to be given to stockholders, directors or other persons under any provision of the DGCL, the Certificate of Incorporation or these Bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders or the board of directors, as the case may be, need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Certificate of Incorporation or these Bylaws.
ARTICLE VIII — INDEMNIFICATION

8.1 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN THIRD PARTY PROCEEDINGS

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

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

Subject to the other provisions of this Article VIII, the Corporation shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or while a director or officer of the Corporation is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys’ fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

8.3 SUCCESSFUL DEFENSE

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

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

8.5 ADVANCED PAYMENT OF EXPENSES

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

8.6 LIMITATION ON INDEMNIFICATION

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

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

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

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

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

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

8.8 NON-EXCLUSIVITY OF RIGHTS

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

8.9 INSURANCE

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

8.10 SURVIVAL

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

Any amendment, alteration or repeal of this Article VIII shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to such amendment, alteration or repeal.

8.12 CERTAIN DEFINITIONS

For purposes of this Article VIII, references to the “Corporation” shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article VIII, references to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the Corporation” shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Corporation” as referred to in this Article VIII.

ARTICLE IX — GENERAL MATTERS

9.1 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS

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

9.2 FISCAL YEAR

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

9.3 SEAL

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

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term “person” includes both an entity and a natural person.

**ARTICLE X — AMENDMENTS**

These Bylaws may be adopted, amended or repealed by the stockholders entitled to vote; provided, however, that the affirmative vote of the holders of at least 66 2/3% of the total voting power of outstanding voting securities, voting together as a single class, shall be required for the stockholders of the Corporation to alter, amend or repeal, or adopt any bylaw inconsistent with, the following provisions of these Bylaws: Article II, Sections 3.1 (powers), 3.2 (number of directors), 3.4 (resignation and vacancies) and 3.11 (removal of directors) of Article III, Article VIII (indemnification) and this Article X (including, without limitation, any such Article or Section as renumbered as a result of any amendment, alteration, change, repeal, or adoption of any other Bylaw). The board of directors shall also have the power to adopt, amend or repeal bylaws; provided, however, that a bylaw amendment adopted by stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the board of directors.
SILICON VALLEY CA-I, LLC,
a Delaware limited liability company,

Landlord,

and

FIREYE, INC.,
a Delaware corporation,

Tenant
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EXHIBIT A – FLOOR PLAN DEPICTING THE PREMISES
EXHIBIT A-1 – SITE PLAN
EXHIBIT B – INITIAL ALTERATIONS
EXHIBIT B-1 – DEPICTION OF INITIAL ALTERATIONS
EXHIBIT C – COMMENCEMENT DATE MEMORANDUM
EXHIBIT D – RULES AND REGULATIONS
EXHIBIT E – EARLY POSSESSION AGREEMENT
EXHIBIT F – FORM OF LETTER OF CREDIT
EXHIBIT G – APPROVED SIGNAGE

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
BUILDING: Milpitas Business Park
1390 McCarthy Boulevard
Milpitas, California

LANDLORD: SILICON VALLEY CA-I, LLC,
a Delaware limited liability company

LANDLORD’S ADDRESS: c/o RREEF Management Company
3303 Octavius Drive, Suite 102
Santa Clara, California 95054

WIRE INSTRUCTIONS AND/OR ADDRESS FOR RENT PAYMENT: Silicon Valley CA-I, LLC
Dept. 2090
P.O. Box 39000
San Francisco, California 94139

LEASE REFERENCE DATE: January 15, 2008

TENANT: FIREEYE, INC.,
a Delaware corporation

TENANT’S NOTICE ADDRESS:
(a) As of beginning of Term:
1390 McCarthy Boulevard
Milpitas, California 95035

(b) Prior to beginning of Term (if different):
1360 Willow Road
Menlo Park, California 94025

PREMISES ADDRESS: 1390 McCarthy Boulevard
Milpitas, California 95035

PREMISES RENTABLE AREA: Approximately 16,892 sq. ft. (for outline of Premises see Exhibit A)

USE:
General office use and research and development, light assembly, manufacturing and storage of computer electronics.

COMMENCEMENT DATE: March 1, 2008

TERM OF LEASE: Approximately thirty-six (36) months beginning on the Commencement Date and ending on the Termination Date.

TERMINATION DATE: The last day of the thirty-sixth (36th) full calendar month after the Commencement Date, which Termination Date is estimated to be February 28, 2011.
ANNUAL RENT and MONTHLY INSTALLMENT OF RENT (Article 3):

<table>
<thead>
<tr>
<th>Months</th>
<th>Rentable Square Footage</th>
<th>Annual Rent Per Square Foot</th>
<th>Annual Rent</th>
<th>Monthly Installment of Rent</th>
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<tr>
<td>1</td>
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<td>$12.60</td>
<td>$212,839.20</td>
<td>$17,736.60</td>
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<tr>
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<td>$222,974.40</td>
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<td>25</td>
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<td>$233,109.60</td>
<td>$19,425.80</td>
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INITIAL ESTIMATED MONTHLY INSTALLMENT OF RENT ADJUSTMENTS (Article 4):

- TENANT’S PROPORTIONATE SHARE: 38.73%
- SECURITY DEPOSIT: $50,000.00 (In cash or Letter of Credit pursuant to Article 40 of this Lease).
- ASSIGNMENT/SUBLETTING FEE: $1,000.00
- PARKING: 3.7 unreserved parking spaces per 1,000 rentable square feet of the Premises at no charge during the Term or any extension thereof.
- TENANT’S SIC CODE: 3571
- AMORTIZATION RATE: N/A

The Reference Pages information is incorporated into and made a part of the Lease. In the event of any conflict between any Reference Pages information and the Lease, the Lease shall control. The Lease includes Exhibits A through G, all of which are made a part of the Lease.

IN WITNESS WHEREOF, Landlord and Tenant have entered into the Lease as of the Lease Reference Date set forth above.

**LANDLORD:**

SILICON VALLEY CA-I, LLC,  
a Delaware limited liability company

By: RREEF Management Company,  
a Delaware corporation, its Authorized Agent  
By: /s/ James H. Ida  
Name: James H. Ida  
Title: Vice Pres, Dist Mgr  
Dated: 1/24/08

**TENANT:**

FIREYE, INC.,  
a Delaware corporation

By: /s/ Ashar Aziz  
Name: Ashar Aziz  
Title: CEO  
Dated: 1/24/2008

By: /s/ Zane M. Taylor  
Name: Zane M. Taylor  
Title: V.P. Operations  
Dated: 1/24/2008
LEASE

By this Lease Landlord leases to Tenant and Tenant leases from Landlord the Premises in the Building as set forth and described on the Reference Pages. The Premises are depicted on the floor plan attached hereto as Exhibit A, and the Building is depicted on the site plan attached hereto as Exhibit A-1. The Reference Pages, including all terms defined thereon, are incorporated as part of this Lease.

1. USE AND RESTRICTIONS ON USE.

1.1 The Premises are to be used solely for the purposes set forth on the Reference Pages. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of the Building or injure, annoy, or disturb them, or allow the Premises to be used for any improper, immoral, unlawful, or objectionable purpose, or commit any waste. Tenant shall not do, permit or suffer in, on, or about the Premises the sale of any alcoholic liquor without the written consent of Landlord first obtained. Tenant shall comply with all federal, state and city laws, codes, ordinances, rules and regulations (collectively “Regulations”) applicable to the use of the Premises and its occupancy and shall promptly comply with all governmental orders and directions for the correction, prevention and abatement of any violations in the Building or appurtenant land, caused or permitted by, or resulting from the specific use by, Tenant, or in or upon, or in connection with, the Premises, all at Tenant’s sole expense. Tenant shall not do or permit anything to be done on or about the Premises or bring or keep anything into the Premises which will in any way increase the rate of, invalidate or prevent the procuring of any insurance protecting against loss or damage to the Building or any of its contents by fire or other casualty or against liability for damage to property or injury to persons in or about the Building or any part thereof. Except to the extent properly included in Expenses, Landlord shall be responsible for correcting any violations of Regulations in effect, as interpreted and enforced as of the date of this Lease, with respect to the parking area and ramps leading to the Building. Notwithstanding the foregoing, Landlord shall have the right to contest any alleged violation in good faith, including, without limitation, the right to apply for and obtain a waiver or deferral of compliance, the right to assert any and all defenses allowed by law and the right to appeal any decisions, judgments or rulings to the fullest extent permitted by Regulations. Landlord, after the exhaustion of any and all rights to appeal or contest, will make all repairs, additions, alterations or improvements necessary to comply with the terms of any final order or judgment.

1.2 Tenant shall not, and shall not direct, suffer or permit any of its agents, contractors, employees, licensees or invitees (collectively, the “Tenant Entities”) to at any time handle, use, manufacture, store or dispose of in or about the Premises or the Building any (collectively, “Hazardous Materials”) flammables, explosives, radioactive materials, hazardous wastes or materials, toxic wastes or materials, or other similar substances, petroleum products or derivatives or any substance subject to regulation by or under any federal, state and local laws and ordinances relating to the protection of the environment or the keeping, use or disposition of environmentally hazardous materials, substances, or wastes, presently in effect or hereafter adopted, all amendments to any of them, and all rules and regulations issued pursuant to any of such laws or ordinances (collectively, “Environmental Laws”), nor shall Tenant suffer or permit any Hazardous Materials to be used in any manner not fully in compliance with all Environmental Laws, in the Premises or the Building or appurtenant land or allow the environment to become contaminated with any Hazardous Materials. Notwithstanding the foregoing, Tenant may handle, store, use or dispose of products containing small quantities of Hazardous Materials (such as aerosol cans containing insecticides, toner for copiers, paints, paint remover and the like) to the extent customary and necessary for the use of the Premises for general office purposes; provided that Tenant shall always handle, store, use, and dispose of any such Hazardous Materials in a safe and lawful manner and never allow such Hazardous Materials to contaminate the Premises, Building and appurtenant land or the environment. Tenant shall protect, defend, indemnify and hold each and all of the Landlord Entities (as defined in Article 31) harmless from and against any and all loss, claims, liability or costs (including court costs and attorney’s fees) incurred by reason of any actual or asserted failure of Tenant to fully comply with all applicable Environmental Laws, or the presence, handling, use or disposition in or from the Premises of any Hazardous Materials by Tenant or any Tenant Entity (even though permissible under all applicable Environmental Laws or the provisions of this Lease), or by reason of any actual or asserted failure of Tenant to keep, observe, or perform any provision of this Section 1.2. Pursuant to California Health & Safety Code Section 25359.7, Landlord hereby notifies Tenant that Landlord knows or has reasonable cause to believe that a release of Hazardous Materials has come to be located on or beneath the property on which the Building lies. Further, to Landlord’s actual knowledge, there are no Hazardous Materials at the Building in violation of Environmental Laws. For purposes of this Section, “Landlord’s actual knowledge” shall be deemed to mean and limited to the current actual knowledge of the Property Manager for the Building, at the time of execution of this Lease and not any implied, imputed, or constructive knowledge of said individual or of Landlord or any parties related to or comprising Landlord and without any independent investigation or inquiry having been made or any implied duty to investigate or make any inquiries; it being understood and agreed that such individual shall have no personal liability in any manner whatsoever hereunder or otherwise related to the transactions contemplated hereby.

1.3 Tenant and the Tenant Entities will be entitled to the non-exclusive use of the common areas of the Building as they exist from time to time during the Term, including the parking facilities, subject to Landlord’s rules and regulations regarding such use. However, in no event will Tenant or the Tenant Entities park more vehicles in the parking facilities than Tenant’s Proportionate Share of the total parking spaces available for common use. The foregoing shall not be deemed to provide Tenant with an exclusive right to any parking spaces or any guaranty of the availability of any particular parking spaces or any specific number of parking spaces, except as set forth on the Reference Pages to this Lease.
2. TERM.

2.1 The Term of this Lease shall begin on the date ("Commencement Date") that Landlord shall tender possession of the Premises to Tenant, and shall terminate on the date as shown on the Reference Pages as the Termination Date based on the actual Commencement Date ("Termination Date"), unless sooner terminated by the provisions of this Lease. Tenant shall, at Landlord’s request, execute and deliver a memorandum agreement provided by Landlord in the form of Exhibit C attached hereto, setting forth the actual Commencement Date, Termination Date and, if necessary, a revised rent schedule. Should Tenant fail to do so within thirty (30) days after Landlord’s request, the information set forth in such memorandum provided by Landlord shall be conclusively presumed to be agreed and correct. Except to the extent caused or exacerbated by Tenant, or any of Tenant’s related parties, agents, licensees, employees, invitees, customers or contractors, as of the date Landlord delivers possession of the Premises to Tenant, or as a result of the Initial Alterations described in Exhibit B attached hereto, or other modifications to the Premises by or on behalf of Tenant, the base Building electrical, heating, ventilation and air conditioning, mechanical, plumbing and lighting (inclusive of ballasts) systems servicing the Premises shall be in good working condition and order, and the Premises shall be clean (including carpeting but subject to ordinary wear and tear) and free of debris and personal property of others. Tenant shall have thirty (30) days from the date Landlord delivers possession of the Premises to Tenant in which to discover and to notify Landlord, in writing, which, if any, of the above stated Building systems are not in good working order and satisfactory condition and repair and Landlord shall at its cost promptly effectuate the repair and correction thereof.

2.2 Tenant agrees that in the event of the inability of Landlord to deliver possession of the Premises on the Commencement Date set forth on the Reference Pages for any reason, Landlord shall not be liable for any damage resulting from such inability, but except to the extent such delay is the result of a Tenant Delay, Tenant shall not be liable for any rent until the Commencement Date. No such failure to give possession on the Commencement Date shall affect the other obligations of Tenant under this Lease, except that the actual Commencement Date shall be postponed until the date that Landlord delivers possession of the Premises to Tenant, except to the extent that such delay is arising from or related to the acts or omissions of Tenant or any Tenant Entities, including, without limitation as a result of: (a) Tenant’s failure to agree to plans and specifications and/or construction cost estimates or bids; (b) Tenant’s request for materials, finishes or installations other than Landlord’s standard except those, if any, that Landlord shall have expressly agreed to furnish without extension of time agreed by Landlord; (c) Tenant’s change in any plans or specifications; or, (d) performance or completion by a party employed by Tenant (each of the foregoing, a “Tenant Delay”). If any delay is the result of a Tenant Delay, the Commencement Date and the payment of rent under this Lease shall be accelerated by the number of days of such Tenant Delay.

2.3 Subject to the terms of this Section 2.3 and provided that this Lease and the Early Possession Agreement (as defined below) have been fully executed by all parties and Tenant has delivered all prepaid rental, the Security Deposit, and insurance certificates required hereunder, Landlord grants Tenant the right to enter the Premises, at Tenant’s sole risk, solely for the purpose of constructing the Initial Alterations, described in Exhibit B attached hereto, and installing telecommunications and data cabling, equipment, furnishings and other personally, but not for the permitted use specified in this Lease. Such possession prior to the Commencement Date shall be subject to all of the terms and conditions of this Lease, except that Tenant shall not be required to pay Monthly Installment of Rent or Tenant’s Proportionate Share of Expenses and Taxes with respect to the period of time prior to the Commencement Date during which Tenant occupies the Premises solely for such purposes. Tenant shall not be liable for any utilities or Building services (including, but not limited to, loading dock usage, parking or use of freight elevators) provided to Tenant during such period and during Tenant’s construction of the Initial Alterations. Notwithstanding the foregoing, if Tenant takes possession of the Premises before the Commencement Date for any purpose other than as expressly provided in this Section, such possession shall be subject to the terms and conditions of this Lease and Tenant shall pay Monthly Installment of Rent, Tenant’s Proportionate Share of Expenses and Taxes, and any other charges payable hereunder to Landlord for each day of possession before the Commencement Date. Said early possession shall not advance the Termination Date. As a condition to any early entry by Tenant pursuant to this Section 2.3, Tenant shall execute and deliver to Landlord an early possession agreement (the “Early Possession Agreement”) in the form attached hereto as Exhibit E, provided by Landlord, setting forth the actual date for early possession and the date for the commencement of payment of Monthly Installment of Rent.
3. RENT.

3.1 Tenant agrees to pay to Landlord the Annual Rent in effect from time to time by paying the Monthly Installment of Rent then in effect on or before the first day of each full calendar month during the Term, except that the first full month's rent shall be paid upon the execution of this Lease. The Monthly Installment of Rent in effect at any time shall be one-twelfth (1/12) of the Annual Rent in effect at such time. Rent for any period during the Term which is less than a full month shall be a prorated portion of the Monthly Installment of Rent based upon the number of days in such month. Said rent shall be paid to Landlord, without deduction or offset and without notice or demand, at the Rent Payment Address, as set forth on the Reference Pages, or to such other person or at such other place as Landlord may from time to time designate in writing. If an Event of Default occurs, Landlord may require by notice to Tenant that all subsequent rent payments be made by an automatic payment from Tenant’s bank account to Landlord’s account, without cost to Landlord. Tenant must implement such automatic payment system prior to the next scheduled rent payment or within ten (10) days after Landlord’s notice, whichever is later. Unless specified in this Lease to the contrary, all amounts and sums payable by Tenant to Landlord pursuant to this Lease shall be deemed additional rent.

3.2 Tenant recognizes that late payment of any rent or other sum due under this Lease will result in administrative expense to Landlord, the extent of which additional expense is extremely difficult and economically impractical to ascertain. Tenant therefore agrees that if rent or any other sum is not paid when due and payable pursuant to this Lease, a late charge shall be imposed in an amount equal to the greater of: (a) Fifty Dollars ($50.00), or (b) six percent (6%) of the unpaid rent or other payment; provided, however, that the foregoing late charge shall not apply to the first such late payment in any twelve (12) month period of the Term of this Lease or any extension thereto until following written notice to Tenant and the expiration of five (5) days thereafter without cure. The amount of the late charge to be paid by Tenant shall be reassessed and added to Tenant’s obligation for each successive month until paid. The provisions of this Section 3.2 in no way relieve Tenant of the obligation to pay rent or other payments on or before the date on which they are due, nor do the terms of this Section 3.2 in any way affect Landlord’s remedies pursuant to Article 19 of this Lease in the event said rent or other payment is unpaid after date due.

4. RENT ADJUSTMENTS.

4.1 For the purpose of this Article 4, the following terms are defined as follows:

4.1.1 Lease Year: Each fiscal year (as determined by Landlord from time to time) falling partly or wholly within the Term.

4.1.2 Expenses: All costs of operation, maintenance, repair, replacement and management of the Building (including the amount of any credits which Landlord may grant to particular tenants of the Building in lieu of providing any standard services or paying any standard costs described in this Section 4.1.2 for similar tenants), as determined in accordance with generally accepted accounting principles, including the following costs by way of illustration, but not limitation: water and sewer charges; insurance charges of or relating to all insurance policies and endorsements deemed by Landlord to be reasonably necessary or desirable and relating in any manner to the protection, preservation, or operation of the Building or any part thereof; utility costs, including, but not limited to, the cost of heat, light, power, steam, gas; waste disposal; the cost of janitorial services; the cost of security and alarm services (including any central station signaling system); costs of cleaning, repairing, replacing and maintaining the common areas, including parking and landscaping, window cleaning costs; labor costs; costs and expenses of managing the Building including management and/or administrative fees (provided, however, in no event shall the management fees for the Building exceed three percent (3%) of gross receipts for the Building); air conditioning maintenance costs (provided, however, that Tenant’s Proportionate Share of Expenses for said costs, excluding the costs associated with Tenant’s obligation to provide regular and customary preventative repair and maintenance, shall not exceed $3,000.00 per calendar year); elevator maintenance fees and supplies; material costs; equipment costs including the cost of maintenance, repair and service agreements and rental and leasing costs; purchase costs of equipment; current rental and leasing costs of items which would be capital items if purchased; tool costs; licenses, permits and inspection fees; wages and salaries; employee benefits and payroll taxes; accounting and legal fees; any sales, use or service taxes incurred in connection therewith. In addition, Landlord shall be entitled to recover, as additional rent (which, along with any other capital expenditures constituting Expenses, Landlord may either include in Expenses or cause to be billed to Tenant along with Expenses and Taxes but as a separate item), Tenant’s Proportionate Share of: (i) an allocable portion of the cost of capital improvement items which are reasonably calculated to reduce operating expenses; (ii) the cost of fire sprinklers and suppression systems and other life safety systems; and (iii) other capital expenses which are required under any Regulations which were not applicable to the Building at the time it was constructed; but the costs described in this sentence shall be amortized over the reasonable life of such expenditures in accordance with such reasonable life and amortization schedules as shall be determined by Landlord in accordance with generally accepted accounting principles, with interest on the unamortized amount at one percent (1%) in excess of the Wall Street Journal prime lending rate.
rate announced from time to time. Expenses shall not include depreciation or amortization of the Building or equipment in the Building except as provided herein, loan principal payments, costs of alterations of tenants’ premises, leasing commissions, interest expenses on long-term borrowings or advertising costs. In addition, Expenses shall not include the following: (a) attorney’s fees and other expenses incurred in connection with negotiations or disputes with prospective tenants or tenants or other occupants of the Building; (b) costs incurred by Landlord for the repair of damage to the Building, to the extent that Landlord is reimbursed for such costs by insurance proceeds, contractors warranties, guarantees, judgments or other third party sources; and, (c) any expenses for which Landlord has received actual reimbursement (other than through Expenses).

4.1.3 Taxes: Real estate taxes and any other taxes, charges and assessments which are levied with respect to the Building or the land appurtenant to the Building, or with respect to any improvements, fixtures and equipment or other property of Landlord, real or personal, located in the Building and used in connection with the operation of the Building and said land, any payments to any ground lessor in reimbursement of tax payments made by such lessor; and all fees, expenses and costs incurred by Landlord in investigating, protesting, contesting or in any way seeking to reduce or avoid increase in any assessments, levies or the tax rate pertaining to any Taxes to be paid by Landlord in any Lease Year. Taxes shall not include any corporate franchise, or estate, inheritance or net income tax, or tax imposed upon any transfer by Landlord of its interest in this Lease or the Building or any taxes to be paid by Tenant pursuant to Article 28.

4.2 Tenant shall pay as additional rent for each Lease Year Tenant’s Proportionate Share of Expenses and Taxes incurred for such Lease Year.

4.3 The annual determination of Expenses shall be made by Landlord and shall be binding upon Landlord and Tenant, subject to the provisions of this Section 4.3. Landlord shall use reasonable efforts to furnish the statement of actual Expenses on or before June 1 of the calendar year immediately following the calendar year to which the statement applies. During the Term, Tenant may review, at Tenant’s sole cost and expense, the books and records supporting such determination in an office of Landlord, or Landlord’s agent, during normal business hours, upon giving Landlord five (5) days advance written notice within sixty (60) days after receipt of such determination, but in no event more often than once in any one (1) year period, subject to execution of a confidentiality agreement acceptable to Landlord, and provided that if Tenant utilizes an independent accountant to perform such review it shall be one of national standing which is reasonably acceptable to Landlord, is not compensated on a contingency basis and is also subject to such confidentiality agreement. However, notwithstanding the foregoing, if Landlord and Tenant determine that Expenses for the Building for the year in question were less than stated by more than six percent (6%), Landlord, within thirty (30) days after its receipt of paid invoices therefor from Tenant, shall reimburse Tenant for the reasonable amounts paid by Tenant to third parties in connection with such review by Tenant, which amount shall not exceed $5,000.00. If Tenant fails to object to Landlord’s determination of Expenses within ninety (90) days after receipt, or if any such objection fails to state with specificity the reason for the objection, Tenant shall be deemed to have approved such determination and shall have no further right to object to or contest such determination. In the event that during all or any portion of any Lease Year or Base Year, the Building is not fully rented and occupied Landlord shall make an appropriate adjustment in occupancy-related Expenses for such year for the purpose of avoiding distortion of the amount of such Expenses to be attributed to Tenant by reason of variation in total occupancy of the Building, by employing consistent and sound accounting and management principles to determine Expenses that would have been paid or incurred by Landlord had the Building been at least ninety-five percent (95%) rented and occupied, and the amount so determined shall be deemed to have been Expenses for such Lease Year.

4.4 Prior to the actual determination thereof for a Lease Year, Landlord may from time to time estimate Tenant’s liability for Expenses and/or Taxes under Section 4.2, Article 6 and Article 28 for the Lease Year or portion thereof. Landlord will give Tenant written notification of the amount of such estimate and Tenant agrees that it will pay, by increase of its Monthly Installments of Rent due in such Lease Year, additional rent in the amount of such estimate. Any such increased rate of Monthly Installments of Rent pursuant to this Section 4.4 shall remain in effect until further written notification to Tenant pursuant thereto.

4.5 When the above mentioned actual determination of Tenant’s liability for Expenses and/or Taxes is made for any Lease Year and when Tenant is so notified in writing, then:

4.5.1 If the total additional rent Tenant actually paid pursuant to Section 4.3 on account of Expenses and/or Taxes for the Lease Year is less than Tenant’s liability for Expenses and/or Taxes, then Tenant shall pay such deficiency to Landlord as additional rent in one lump sum within thirty (30) days of receipt of Landlord’s bill therefor; and

4.5.2 If the total additional rent Tenant actually paid pursuant to Section 4.3 on account of Expenses and/or Taxes for the Lease Year is more than Tenant’s liability for Expenses and/or Taxes, then Landlord shall credit the difference against the next due payments to be made by Tenant under this Article 4, or, if this Lease has terminated, refund the difference in cash.

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4.6 If the Commencement Date is other than January 1 or if the Termination Date is other than December 31, Tenant’s liability for Expenses and Taxes for the Lease Year in which said Date occurs shall be prorated based upon a three hundred sixty-five (365) day year.

5. SECURITY DEPOSIT. Tenant shall deposit the Security Deposit with Landlord upon the execution of this Lease. Said sum shall be held by Landlord as security for the faithful performance by Tenant of all the terms, covenants and conditions of this Lease to be kept and performed by Tenant and not as an advance rental deposit or as a measure of Landlord’s damage in case of Tenant’s default. If Tenant defaults with respect to any provision of this Lease, Landlord may use any part of the Security Deposit for the payment of any rent or any other sum in default, or for the payment of any amount which Landlord may spend or become obligated to spend by reason of Tenant’s default, or to compensate Landlord for any other loss or damage which Landlord may suffer by reason of Tenant’s default. If any portion is so used, Tenant shall within five (5) days after written demand therefor, deposit with Landlord an amount sufficient to restore the Security Deposit to its original amount and Tenant’s failure to do so shall be a material breach of this Lease. Except to such extent, if any, as shall be required by law, Landlord shall not be required to keep the Security Deposit separate from its general funds, and Tenant shall not be entitled to interest on such deposit. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the Security Deposit or any balance thereof shall be returned to Tenant at such time after termination of this Lease when Landlord shall have determined that all of Tenant’s obligations under this Lease have been fulfilled. Notwithstanding anything to the contrary contained herein or in Article 23 hereof, Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, or any similar or successor Regulations or other laws now or hereinafter in effect as they affect the Security Deposit; except that with respect to all or any portion of the Security Deposit that Landlord has not applied pursuant to the terms hereof, Tenant shall not be deemed to have waived the priority claim of Tenant to the extent of and as set forth in the last sentence of Section 1950.7(b). Nothing herein shall be deemed to affect any waiver Tenant may have otherwise made of any such priority claim as set forth in any other applicable Regulations.

6. ALTERATIONS.

6.1 Except for those, if any, specifically provided for in Exhibit B to this Lease, Tenant shall not make or suffer to be made any alterations, additions, or improvements, including, but not limited to, the attachment of any fixtures or equipment in, on, or to the Premises or any part thereof or the making of any improvements as required by Article 7, without the prior written consent of Landlord. When applying for such consent, Tenant shall, if requested by Landlord, furnish complete plans and specifications for such alterations, additions and improvements. Landlord’s consent shall not be unreasonably withheld with respect to alterations which (i) are not structural in nature, (ii) are not visible from the exterior of the Building, (iii) do not affect or require modification of the Building’s electrical, mechanical, plumbing, HVAC or other systems, and (iv) in aggregate do not cost more than $5.00 per rentable square foot of that portion of the Premises affected by the alterations in question. In addition, Tenant shall have the right to perform, with prior written notice to but without Landlord’s consent, any alteration, addition, or improvement that satisfies all of the following criteria (a “Cosmetic Alteration”): (1) is of a cosmetic nature such as painting, wallpapering, hanging pictures and installing carpeting; (2) is not visible from the exterior of the Premises or Building; (3) will not affect the systems or structure of the Building; (4) costs less than $20,000.00 in the aggregate during any twelve (12) month period of the Term of this Lease, and (5) does not require work to be performed inside the walls or above the ceiling of the Premises. However, even though consent is not required, the performance of Cosmetic Alterations shall be subject to all of the other provisions of this Article 6 and Article 26 of this Lease.

6.2 In the event Landlord consents to the making of any such alteration, addition or improvement by Tenant, the same shall be made by using either Landlord’s contractor or a contractor reasonably approved by Landlord, in either event at Tenant’s sole cost and expense. If Tenant shall employ any contractor other than Landlord’s contractor and such other contractor or any subcontractor of such other contractor shall employ any non-union labor or supplier, Tenant shall be responsible for and hold Landlord harmless from any and all delays, damages and extra costs suffered by Landlord as a result of any dispute with any labor unions concerning the wages, hours, terms or conditions of the employment of any such labor. In any event Landlord may charge Tenant a construction management fee for any alteration (other than any Cosmetic Alteration that satisfies the criteria set forth in Section 6.1) not to exceed (i) five percent (5%) of the cost of such work for any work costing $100,000.00 or less in the aggregate, and (ii) to the extent the cost of such work exceeds $100,000.00 in the aggregate, three percent (3%) of the cost of any such work, to cover its overhead as it relates to such proposed work, plus third-party costs actually incurred by Landlord in connection with the proposed work and the design thereof, with all such amounts being due five (5) days after Landlord’s demand.
6.3 All alterations, additions or improvements proposed by Tenant shall be constructed in accordance with all Regulations, using Building standard materials where applicable, and Tenant shall, prior to construction, provide the additional insurance required under Article 11 in such case, and also all such assurances to Landlord as Landlord shall reasonably require to assure payment of the costs thereof, including but not limited to, notices of non-responsibility, waivers of lien, surety company performance bonds and funded construction escrows and to protect Landlord and the Building and appurtenant land against any loss from any mechanic’s, materialmen’s or other liens. Tenant shall pay in addition to any sums due pursuant to Article 4, any increase in real estate taxes attributable to any such alteration, addition or improvement for so long, during the Term, as such increase is ascertainable; at Landlord’s election said sums shall be paid in the same way as sums due under Article 4. If Landlord reasonably determines in its good faith prudent business judgment that the same is reasonably necessary, Landlord may, as a condition to its consent to any particular alterations or improvements, require Tenant to deposit with Landlord the amount reasonably estimated by Landlord as sufficient to cover the cost of removing such alterations or improvements and restoring the Premises, to the extent required under Section 26.2.

6.4 Notwithstanding anything to the contrary contained herein, so long as Tenant’s written request for consent for a proposed alteration or improvements contains the following statement in large, bold and capped font “PURSUANT TO ARTICLE 6 OF THE LEASE, IF LANDLORD CONSENTS TO THE SUBJECT ALTERATION, LANDLORD SHALL NOTIFY TENANT IN WRITING WHETHER OR NOT LANDLORD WILL REQUIRE SUCH ALTERATION TO BE REMOVED AT THE EXPIRATION OR EARLIER TERMINATION OF THE LEASE.”, at the time Landlord gives its consent for any alterations or improvements, if it so does, Tenant shall concurrently be notified whether or not Landlord will require that such alterations or improvements be removed upon the expiration or earlier termination of this Lease. Notwithstanding anything to the contrary contained in this Lease, at the expiration or earlier termination of this Lease and otherwise in accordance with Article 26 hereof, Tenant shall be required to remove all alterations or improvements made to the Premises except for any such alterations or improvements which Landlord expressly indicates or is deemed to have indicated shall not be required to be removed from the Premises by Tenant. If Tenant’s written notice strictly complies with the foregoing and if Landlord fails to so notify Tenant whether Tenant shall be required to remove the subject alterations or improvements at the expiration or earlier termination of this Lease, it shall be assumed that Landlord shall require the removal of the subject alterations or improvements.

7. REPAIR.

7.1 Landlord shall have no obligation to alter, remodel, improve, repair, decorate or paint the Premises, except as specified in Exhibit B if attached to this Lease except that Landlord shall repair and maintain the structural portions of the Building, the roof and the Building operating systems including the basic plumbing, air conditioning, heating and electrical systems installed or furnished by Landlord; provided, however, that the costs and expenses associated with the foregoing shall be a part of Expenses and subject to the terms and conditions of Article 4 of this Lease. By taking possession of the Premises, Tenant accepts them as being in good order, condition and repair and in the condition in which Landlord is obligated to deliver them subject to Section 2.1 above. It is hereby understood and agreed that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant, except as specifically set forth in this Lease.

7.2 Tenant shall, at all times during the Term, keep the Premises in good condition and repair excepting damage by fire, or other casualty, and in compliance with all applicable Regulations, promptly complying with all governmental orders and directives for the correction, prevention and abatement of any violations or nuisances in or upon, or connected with, the Premises, all at Tenant’s sole expense.

7.3 Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after written notice of the need of such repairs or maintenance is given to Landlord by Tenant.

7.4 Except as provided in Article 22, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant’s business arising from the making of any repairs, alterations or improvements in or to any portion of the Building or the Premises or to fixtures, appurtenances and equipment in the Building. Tenant hereby waives any and all rights under and benefits of subsection 1 of Section 1932 and Sections 1941 and 1942 of the California Civil Code, or any similar or successor Regulations or other laws now or hereinafter in effect.

8. LIENS. Tenant shall keep the Premises, the Building and appurtenant land and Tenant’s leasehold interest in the Premises free from any liens arising out of any services, work or materials performed, furnished, or contracted for by Tenant, or obligations incurred by Tenant. In the event that Tenant fails, within ten (10) days following the imposition of any such lien, to either cause the same to be released of record or provide Landlord with insurance against the same issued by a major title insurance company or such other protection against the same as Landlord shall accept (such failure to constitute an Event
of Default), Landlord shall have the right to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All such sums paid by Landlord and all expenses incurred by it in connection therewith shall be payable to it by Tenant within five (5) days of Landlord’s demand.

9. ASSIGNMENT AND SUBLETTING.

9.1 Tenant shall not have the right to assign or pledge this Lease or to sublet the whole or any part of the Premises whether voluntarily or by operation of law, or permit the use or occupancy of the Premises by anyone other than Tenant, and shall not make, suffer or permit such assignment, subleasing or occupancy without the prior written consent of Landlord, such consent not to be unreasonably withheld, and said restrictions shall be binding upon any and all assignees of this Lease and subtenants of the Premises. In the event Tenant desires to sublet, or permit such occupancy of, the Premises, or any portion thereof, or assigns this Lease, Tenant shall give written notice thereof to Landlord at least fifteen (15) business days but no more than one hundred twenty (120) days prior to the proposed commencement date of such subletting or assignment, which notice shall set forth the name of the proposed subtenant or assignee, the relevant terms of any sublease or assignment and copies of financial reports and other relevant financial information of the proposed subtenant or assignee.

9.2 Notwithstanding any assignment or subletting, permitted or otherwise, Tenant shall at all times remain directly, primarily and fully responsible and liable for the payment of the rent specified in this Lease and for compliance with all of its other obligations under the terms, provisions and covenants of this Lease. Upon the occurrence of an Event of Default, if the Premises or any part of them are then assigned or sublet, Landlord, in addition to any other remedies provided in this Lease or provided by law, may, at its option, collect directly from such assignee or subtenant all rents due and becoming due to Tenant under such assignment or sublease and apply such rent against any sums due to Landlord from Tenant under this Lease, and no such collection shall be construed to constitute a novation or release of Tenant from the further performance of Tenant’s obligations under this Lease.

9.3 In addition to Landlord’s right to approve of any subtenant or assignee, Landlord shall have the option, in its sole discretion, in the event of any proposed subletting or assignment, to terminate this Lease, or in the case of a proposed subletting of less than the entire Premises, to recapture the portion of the Premises to be sublet, as of the date the subletting or assignment is to be effective. The option shall be exercised, if at all, by Landlord giving Tenant written notice given by Landlord to Tenant within fifteen (15) business days following Landlord’s receipt of Tenant’s written notice as required above. However, if Tenant notifies Landlord, within five (5) days after receipt of Landlord’s termination notice, that Tenant is rescinding its proposed assignment or sublease, the termination notice shall be void and this Lease shall continue in full force and effect. If this Lease shall be terminated with respect to the entire Premises pursuant to this Section, the Term of this Lease shall end on the date stated in Tenant’s notice as the effective date of the sublease or assignment as if that date had been originally fixed in this Lease for the expiration of the Term. If Landlord recaptures under this Section only a portion of the Premises, the rent to be paid from time to time during the unexpired Term shall abate proportionately based on the proportion by which the approximate square footage of the remaining portion of the Premises shall be less than that of the Premises as of the date immediately prior to such recapture. Tenant shall, at Tenant’s own cost and expense, discharge in full any outstanding commission obligation which may be due and owing as a result of any proposed assignment or subletting, whether or not the Premises are recaptured pursuant to this Section 9.3 and rented by Landlord to the proposed tenant or any other tenant.

9.4 In the event that Tenant sells, sublets, assigns or transfers this Lease, Tenant shall pay to Landlord as additional rent an amount equal to fifty percent (50%) of any Increased Rent (as defined below), less the Costs Component (as defined below), when and as such Increased Rent is received by Tenant. As used in this Section, “Increased Rent” shall mean the excess of (i) all rent and other consideration which Tenant is entitled to receive by reason of any sale, sublease, assignment or other transfer of this Lease, over (ii) the rent otherwise payable by Tenant under this Lease at such time. For purposes of the foregoing, any consideration received by Tenant in form other than cash shall be valued at its fair market value as determined by Landlord in good faith. The “Costs Component” is that amount which, if paid monthly, would fully amortize on a straight-line basis, over the entire period for which Tenant is to receive Increased Rent, the reasonable costs incurred by Tenant for leasing commissions, attorneys’ fees and tenant improvements in connection with such sublease, assignment or other transfer.

9.5 Notwithstanding any other provision hereof, it shall be considered reasonable for Landlord to withhold its consent to any assignment of this Lease or sublease of any portion of the Premises if at the time of either Tenant’s notice of the proposed assignment or sublease or the proposed commencement date thereof, there shall exist any uncured default of Tenant or matter which will become a default of Tenant with passage of time unless cured, or if the proposed assignee or sublessee is an entity: (a) with which Landlord is already in negotiation; (b) is already an occupant of the Building unless Landlord is unable to provide the amount of space required by such occupant; (c) is a governmental agency; (d) is incompatible with the character of occupancy of the Building; (e) with which the payment for the sublease or assignment is
determined in whole or in part based upon its net income or profits; or (f) would subject the Premises to a use which would: (i) involve increased personnel or wear upon the Building; (ii) violate any exclusive right granted to another tenant of the Building; (iii) require any addition to or modification of the Premises or the Building in order to comply with building code or other governmental requirements; or, (iv) involve a violation of Section 1.2. Tenant expressly agrees that for the purposes of any statutory or other requirement of reasonableness on the part of Landlord, Landlord’s refusal to consent to any assignment or sublease for any of the reasons described in this Section 9.5, shall be conclusively deemed to be reasonable.

9.6 Upon any request to assign or sublet, Tenant will pay to Landlord the Assignment/Subletting Fee plus, on demand, a sum equal to all of Landlord’s costs, including reasonable attorney’s fees, incurred in investigating and considering any proposed or purported assignment or pledge of this Lease or sublease of any of the Premises (the “Review Reimbursement”), regardless of whether Landlord shall consent to, refuse consent, or determine that Landlord’s consent is not required for, such assignment, pledge or sublease. Except as otherwise expressly provided herein, the Review Reimbursement shall not exceed $1,000.00 (the “Cap”). Any purported sale, assignment, mortgage, transfer of this Lease or subletting which does not comply with the provisions of this Article 9 shall be void. If: (a) Tenant fails to execute Landlord’s standard form of consent without any changes to this Lease, without material changes to the consent and without material negotiation of the consent, and (b) Landlord shall notify Tenant that the Review Reimbursement shall exceed the Cap as a result of such changes and/or negotiation, and (c) Tenant elects to proceed with such changes and/or negotiation, then the Cap shall not apply and Tenant shall pay to Landlord the Assignment/Subletting Fee plus the Review Reimbursement in full. The foregoing shall in no event be deemed to be a right of Tenant to rescind its written notice to Landlord requesting consent to a transfer of this Lease or a sublease of all or a portion of the Premises as provided in Section 9.1. In the event that Tenant fails to notify Landlord of its election as provided in subsection (c) above within three (3) business days following Landlord’s notice toTenant of the excess described in subsection (b) above, then Tenant shall be deemed to have elected proceed with any such changes and/or negotiation and the Cap shall not apply.

9.7 If Tenant is a corporation, limited liability company, partnership or trust, any transfer or transfers of or change or changes within any twelve (12) month period in the number of the outstanding voting shares of the corporation or limited liability company, the general partnership interests in the partnership or the identity of the persons or entities controlling the activities of such partnership or trust resulting in the persons or entities owning or controlling a majority of such shares, partnership interests or activities of such partnership or trust at the beginning of such period no longer having such ownership or control shall be regarded as equivalent to an assignment of this Lease to the persons or entities acquiring such ownership or control and shall be subject to all the provisions of this Article 9 to the same extent and for all intents and purposes as though such an assignment

9.8 So long as Tenant is not entering into the Permitted Transfer (as defined below) for the purpose of avoiding or otherwise circumventing the remaining terms of this Article 9, Tenant may assign its entire interest under this Lease, without the consent of Landlord, to (a) an affiliate, subsidiary, or parent of Tenant, or a corporation, partnership or other legal entity wholly owned by Tenant (collectively, an “Affiliated Party”), or (b) a successor to Tenant by purchase, merger, consolidation or reorganization, provided that all of the following conditions are satisfied (each such transfer a “Permitted Transfer” and any such assignee or sublessee of a Permitted Transfer, a “Permitted Transferee”): (i) Tenant is not in default under this Lease; (ii) the Permitted Use does not allow the Premises to be used for retail purposes; (iii) Tenant shall give Landlord written notice at least thirty (30) days prior to the effective date of the proposed Permitted Transfer (provided that, if prohibited by applicable Regulations or contractual confidentiality provisions in connection with a proposed purchase, merger, consolidation or reorganization, then Tenant shall give Landlord written notice within ten (10) days after the effective date of the proposed purchase, merger, consolidation or reorganization); (iv) with respect to a proposed Permitted Transfer to an Affiliated Party, Tenant continues to have a net worth equal to or greater than Tenant’s net worth at the date of this Lease; and (v) with respect to a purchase, merger, consolidation or reorganization or any Permitted Transfer which results in Tenant ceasing to exist as a separate legal entity, (A) Tenant’s successor shall own all or substantially all of the assets of Tenant, and (B) Tenant’s successor shall have a net worth which is at least equal to the greater of Tenant’s net worth at the date of this Lease or Tenant’s net worth as of the day prior to the proposed purchase, merger, consolidation or reorganization. Tenant’s notice to Landlord shall include information and documentation showing that each of the above conditions has been satisfied. If requested by Landlord, Tenant’s successor shall sign a commercially reasonable form of assumption agreement. As used herein, (1) “parent” shall mean a company which owns a majority of Tenant’s voting equity; (2) “subsidiary” shall mean an entity wholly owned by Tenant or at least fifty-one percent (51%) of whose voting equity is owned by Tenant; and (3) “affiliate” shall mean an entity controlled, controlling or under common control with Tenant.

10. INDEMNIFICATION. None of the Landlord Entities shall be liable and Tenant hereby waives all claims against them for any damage to any property or any injury to any person in or about the Premises or the Building or from any cause whatsoever (including without limiting the foregoing, rain or water leakage of any character from the roof, windows, walls, basement, pipes, plumbing works or appliances, the Building not being in good condition or repair, gas, fire, oil, electricity or theft), except to the extent caused by or arising from the gross negligence or willful misconduct of Landlord or
its agents, employees or contractors. Tenant shall protect, indemnify and hold the Landlord Entities harmless from and against any and all loss, claims, liability or costs (including court costs and attorney’s fees) incurred by reason of (a) any damage to any property (including but not limited to property of any Landlord Entity) or any injury (including but not limited to death) to any person occurring in, on or about the Premises or the Building to the extent that such injury or damage shall be caused by or arise from any actual or alleged act, neglect, fault, or omission by or of Tenant or any Tenant Entity to meet any standards imposed by any duty with respect to the injury or damage; (b) the conduct or management of any work or thing whatsoever done by the Tenant in or about the Premises or from transactions of the Tenant concerning the Premises; (c) Tenant’s actual or asserted failure to comply with any and all Regulations applicable to the condition or use of the Premises or its occupancy; or (d) any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of the Tenant to be performed pursuant to this Lease. The provisions of this Article shall survive the termination of this Lease with respect to any claims or liability accruing prior to such termination.

11. INSURANCE.

11.1 Tenant shall keep in force throughout the Term: (a) a Commercial General Liability insurance policy or policies to protect the Landlord Entities against any liability to the public or to any invitee of Tenant or a Landlord Entity incidental to the use of or resulting from any accident occurring in or upon the Premises with a limit of not less than $1,000,000 per occurrence and not less than $2,000,000 in the annual aggregate, or such larger amount as Landlord may reasonably and prudently require from time to time, covering bodily injury and property damage liability and $1,000,000 products/completed operations aggregate; (b) Business Auto Liability covering owned, non-owned and hired vehicles with a limit of not less than $1,000,000 per accident; (c) Worker’s Compensation Insurance with limits as required by statute and Employers Liability with limits of $500,000 each accident, $500,000 disease policy limit, $500,000 disease—each employee; (d) All Risk or Special Form coverage protecting Tenant against loss of or damage to Tenant’s alterations, additions, improvements, carpeting, floor coverings, panelings, decorations, fixtures, inventory and other business personal property situated in or about the Premises to the full replacement value of the property so insured; and, (e) Business Interruption Insurance with limit of liability representing loss of at least approximately six (6) months of income.

11.2 The aforesaid policies shall (a) be provided at Tenant’s expense; (b) name the Landlord Entities as additional insureds (General Liability) and loss payee (Property—Special Form); (c) be issued by an insurance company with a minimum Best’s rating of “A-VII” during the Term; and (d) provide that said insurance shall not be canceled unless ten (10) business days prior written notice (ten calendar days for non-payment of premium) shall have been given to Landlord; a certificate of Liability insurance on ACORD Form 25 and a certificate of Property insurance on ACORD Form 28 shall be delivered to Landlord by Tenant upon the Commencement Date and at least thirty (30) days prior to each renewal of said insurance.

11.3 Whenever Tenant shall undertake any alterations, additions or improvements in, to or about the Premises (“Work”) the aforesaid insurance protection must extend to and include injuries to persons and damage to property arising in connection with such Work, without limitation including liability under any applicable structural work act, and such other insurance as Landlord shall require; and the policies of or certificates evidencing such insurance must be delivered to Landlord prior to the commencement of any such Work.

12. WAIVER OF SUBROGATION. So long as their respective insurers so permit, Tenant and Landlord hereby mutually waive their respective rights of recovery against each other for any loss insured (or required to be insured pursuant to this Lease) by fire, extended coverage, All Risks or other insurance now or hereafter existing for the benefit of the respective party but only to the extent of the net insurance proceeds payable under such policies. Each party shall obtain any special endorsements required by their insurer to evidence compliance with the aforementioned waiver.

13. SERVICES AND UTILITIES. Tenant shall pay for all water, gas, heat, light, power, telephone, sewer, sprinkler system charges and other utilities and services used on or from the Premises, together with any taxes, penalties, and surcharges or the like pertaining thereto and any maintenance charges for utilities. Tenant shall furnish all electric light bulbs, tubes and ballasts, battery packs for emergency lighting and fire extinguishers. If any such services are not separately metered to Tenant, Tenant shall pay such proportion of all charges jointly metered with other premises as determined reasonably and in good faith by Landlord. Any such charges paid by Landlord and assessed against Tenant shall be payable to Landlord within thirty (30) days of demand and shall be additional rent hereunder. Tenant will not, without the written consent of Landlord, contract with a utility provider to service the Premises with any utility, including, but not limited to, telecommunications, electricity, water, sewer or gas, which is not previously providing such service to other tenants in the Building. Landlord shall in no event be liable for any interruption or failure of utility services on or to the Premises.

14. HOLDING OVER. Tenant shall pay Landlord for each day Tenant retains possession of the Premises or part of them after termination of this Lease by lapse of time or otherwise at the rate (“Holdover Rate”) which shall be the greater of
(a) One Hundred and Fifty Percent (150%) of the amount of the Annual Rent for the last period prior to the date of such termination plus Tenant’s Proportionate Share of Expenses and Taxes under Article 4; and (b) One Hundred and Fifteen Percent (115%) of the then market rental value of the Premises as determined by Landlord assuming a new lease of the Premises of the then usual duration and other terms, in either case, prorated on a daily basis, and also pay all damages sustained by Landlord by reason of such retention. If Landlord gives notice to Tenant of Landlord’s election to such effect, such holding over shall constitute renewal of this Lease for a period from month to month at the Holdover Rate, but if the Landlord does not so elect, no such renewal shall result notwithstanding acceptance by Landlord of any sums due hereunder after such termination; and instead, a tenancy at sufferance at the Holdover Rate shall be deemed to have been created. In any event, no provision of this Article 14 shall be deemed to waive Landlord’s right of reentry or any other right under this Lease or at law.

15. SUBORDINATION. Without the necessity of any additional document being executed by Tenant for the purpose of effecting a subordination, this Lease shall be subject and subordinate at all times to ground or underlying leases and to the lien of any mortgages or deeds of trust now or hereafter placed on, against or affecting the Building, Landlord’s interest or estate in the Building, or any ground or underlying lease; provided, however, that if the lessor, mortgagee, trustee, or holder of any such mortgage or deed of trust elects to have Tenant’s interest in this Lease be superior to any such instrument, then, by notice to Tenant, this Lease shall be deemed superior, whether this Lease was executed before or after said instrument. Notwithstanding the foregoing, Tenant covenants and agrees to execute and deliver within ten (10) days of Landlord’s request such further instruments evidencing such subordination or superiority of this Lease as may be required by Landlord.

16. RULES AND REGULATIONS. Tenant shall faithfully observe and comply with all the rules and regulations as set forth in Exhibit D to this Lease and all reasonable and non-discriminatory modifications of and additions to them from time to time put into effect by Landlord. Landlord shall not be responsible to Tenant for the non-performance by any other tenant or occupant of the Building of any such rules and regulations.

17. REENTRY BY LANDLORD.

17.1 Landlord reserves and shall at all reasonable times and upon reasonable notice, have the right to re-enter the Premises to inspect the same, to show said Premises to prospective purchasers, mortgagees or tenants (during the last six (6) months of the Term), and to alter, improve or repair the Premises and any portion of the Building, without abatement of rent, and may for that purpose erect, use and maintain scaffolding, pipes, conduits and other necessary structures and open any wall, ceiling or floor in and through the Building and Premises where reasonably required by the character of the work to be performed, provided entrance to the Premises shall not be blocked thereby, and further provided that the business of Tenant shall not be interfered with unreasonably. Landlord shall have the right at any time to change the arrangement and/or locations of entrances, or passageways, doors and doorways, and corridors, windows, elevators, stairs, toilets or other public parts of the Building and to change the name, number or designation by which the Building is commonly known. In the event that Landlord damages any portion of any wall or wall covering, ceiling, or floor or floor covering within the Premises, Landlord shall repair or replace the damaged portion to match the original as nearly as commercially reasonable but shall not be required to repair or replace more than the portion actually damaged. Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant’s business, any loss of occupany or quiet enjoyment of the Premises, and any other loss occasioned by any action of Landlord authorized by this Article 17.

17.2 For each of the aforesaid purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in the Premises, excluding Tenant’s vaults and safes or special security areas (designated in advance), and Landlord shall have the right to use any and all means which Landlord may deem proper to open said doors in an emergency to obtain entry to any portion of the Premises. As to any portion to which access cannot be had by means of a key or keys in Landlord’s possession, Landlord is authorized to gain access by such means as Landlord shall elect and the cost of repairing any damage occurring in doing so shall be borne by Tenant and paid to Landlord within five (5) days of Landlord’s demand.

18. DEFAULT.

18.1 Except as otherwise provided in Article 20, the following events shall be deemed to be Events of Default under this Lease:

18.1.1 Tenant shall fail to pay when due any sum of money becoming due to be paid to Landlord under this Lease, whether such sum be any installment of the rent reserved by this Lease, any other amount treated as additional rent under this Lease, or any other payment or reimbursement to Landlord required by this Lease, whether or not treated as additional rent under this Lease, and such failure shall continue for a period of five (5) days after written notice that such payment was not made when due, but if any such notice shall be given, for the twelve (12) month period commencing with the date of such notice, the failure to pay within five (5) days after due any additional sum of money becoming due to be paid
to Landlord under this Lease during such period shall be an Event of Default, without notice. The notice required pursuant to this Section 18.1.1 shall replace rather than supplement any statutory notice required under California Code of Civil Procedure Section 1161 or any similar or successor statute.

18.1.2 Tenant shall fail to comply with any term, provision or covenant of this Lease which is not provided for in another Section of this Article and shall not cure such failure within twenty (20) days (forthwith, if the failure involves a hazardous condition) after written notice of such failure to Tenant provided, however, that such failure shall not be an event of default if such failure could not reasonably be cured during such twenty (20) day period, Tenant has commenced the cure within such twenty (20) day period and thereafter is diligently pursuing such cure to completion, but the total aggregate cure period shall not exceed ninety (90) days.

18.1.3 Tenant shall fail to vacate the Premises immediately upon termination of this Lease, by lapse of time or otherwise, or upon termination of Tenant’s right to possession only.

18.1.4 Tenant shall become insolvent, admit in writing its inability to pay its debts generally as they become due, file a petition in bankruptcy or a petition to take advantage of any insolvency statute, make an assignment for the benefit of creditors, make a transfer in fraud of creditors, apply for or consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or file a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws, as now in effect or hereafter amended, or any other applicable law or statute of the United States or any state thereof.

18.1.5 A court of competent jurisdiction shall enter an order, judgment or decree adjudicating Tenant bankrupt, or appointing a receiver of Tenant, or of the whole or any substantial part of its property, without the consent of Tenant, or approving a petition filed against Tenant seeking reorganization or arrangement of Tenant under the bankruptcy laws of the United States, as now in effect or hereafter amended, or any state thereof, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof.

19. REMEDIES.

19.1 Upon the occurrence of any Event or Events of Default under this Lease, whether enumerated in Article 18 or not, Landlord shall have the option to pursue any one or more of the following remedies without any notice (except as expressly prescribed herein) or demand whatsoever (and without limiting the generality of the foregoing, Tenant hereby specifically waives notice and demand for payment of rent or other obligations and waives any and all other notices or demand requirements imposed by applicable law):

19.1.1 Terminate this Lease and Tenant’s right to possession of the Premises and recover from Tenant an award of damages equal to the sum of the following:

19.1.1.1 The Worth at the Time of Award of the unpaid rent which had been earned at the time of termination;

19.1.1.2 The Worth at the Time of Award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rent loss that Tenant affirmatively proves could have been reasonably avoided;

19.1.1.3 The Worth at the Time of Award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rent loss that Tenant affirmatively proves could be reasonably avoided;

19.1.1.4 Any other amount necessary to compensate Landlord for all the detriment either proximately caused by Tenant’s failure to perform Tenant’s obligations under this Lease or which in the ordinary course of things would be likely to result therefrom; and

19.1.1.5 All such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time under applicable law.

The “Worth at the Time of Award” of the amounts referred to in parts 19.1.1.1 and 19.1.1.2 above, shall be computed by allowing interest at the lesser of a per annum rate equal to: (i) the greatest per annum rate of interest permitted from time to time under applicable law, or (ii) the Prime Rate plus 5%. For purposes hereof, the “Prime Rate” shall be the per annum interest rate publicly announced as its prime or base rate by a federally insured bank selected by Landlord in the State of California. The “Worth at the Time of Award” of the amount referred to in part 19.1.1.3, above, shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus 1%;
19.1.2 Employ the remedy described in California Civil Code § 1951.4 (Landlord may continue this Lease in effect after Tenant’s breach and abandonment and recover rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations); or

19.1.3 Notwithstanding Landlord’s exercise of the remedy described in California Civil Code § 1951.4 in respect of an Event or Events of Default, at such time thereafter as Landlord may elect in writing, to terminate this Lease and Tenant’s right to possession of the Premises and recover an award of damages as provided above in Section 19.1.1.

19.2 The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord’s knowledge of such preceding breach at the time of acceptance of such rent. No waiver by Landlord of any breach hereof shall be effective unless such waiver is in writing and signed by Landlord.

19.3 TENANT HEREBY WAIVES ANY AND ALL RIGHTS CONFERRED BY SECTION 3275 OF THE CIVIL CODE OF CALIFORNIA AND BY SECTIONS 1174 (c) AND 1179 OF THE CODE OF CIVIL PROCEDURE OF CALIFORNIA AND ANY AND ALL OTHER REGULATIONS AND RULES OF LAW FROM TIME TO TIME IN EFFECT DURING THE TERM PROVIDING THAT TENANT SHALL HAVE ANY RIGHT TO REDEEM, REINSTATE OR RESTORE THIS LEASE FOLLOWING ITS TERMINATION BY REASON OF TENANT’S BREACH. TENANT ALSO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATING TO THIS LEASE.

19.4 No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing by agreement, applicable law or in equity. In addition to other remedies provided in this Lease, Landlord shall be entitled, to the extent permitted by applicable law, to injunctive relief, or to a decree compelling performance of any of the covenants, agreements, conditions or provisions of this Lease, or to any other remedy allowed to Landlord at law or in equity. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an Event of Default shall not be deemed or construed to constitute a waiver of such Event of Default.

19.5 This Article 19 shall be enforceable to the maximum extent such enforcement is not prohibited by applicable law, and the unenforceability of any portion thereof shall not thereby render unenforceable any other portion.

19.6 If more than two (2) Events of Default occur during the Term or any renewal thereof, Tenant’s renewal options, expansion options, purchase options and rights of first offer and/or refusal, if any are provided for in this Lease, shall be null and void.

19.7 If on account of any breach or default by Tenant in Tenant’s obligations under the terms and conditions of this Lease, it shall become necessary or appropriate for Landlord to employ or consult with an attorney or collection agency concerning or to enforce or defend any of Landlord’s rights or remedies arising under this Lease or to collect any sums due from Tenant, Tenant agrees to pay all costs and fees so incurred by Landlord, including, without limitation, reasonable attorneys’ fees and costs. TENANT EXPRESSLY WAIVES ANY RIGHT TO: (A) TRIAL BY JURY; AND (B) SERVICE OF ANY NOTICE REQUIRED BY ANY PRESENT OR FUTURE LAW OR ORDINANCE APPLICABLE TO LANDLORDS OR TENANTS BUT NOT REQUIRED BY THE TERMS OF THIS LEASE.

19.8 Upon the occurrence of an Event of Default, Landlord may (but shall not be obligated to) cure such default at Tenant’s sole expense. Without limiting the generality of the foregoing, Landlord may, at Landlord’s option, enter into and upon the Premises if Landlord determines in its sole discretion that Tenant is not acting within a commercially reasonable time to maintain, repair or replace anything for which Tenant is responsible under this Lease or to otherwise effect compliance with its obligations under this Lease and correct the same, without being deemed in any manner guilty of trespass, eviction or forcible entry and detainer and without incurring any liability for any damage or interruption of Tenant’s business resulting therefrom and Tenant agrees to reimburse Landlord within five (5) days of Landlord’s demand as additional rent, for any expenses which Landlord may incur in thus effecting compliance with Tenant’s obligations under this Lease, plus interest from the date of expenditure by Landlord at the Wall Street Journal prime rate.
20. TENANT’S BANKRUPTCY OR INSOLVENCY.

20.1 If at any time and for so long as Tenant shall be subjected to the provisions of the United States Bankruptcy Code or other law of the United States or any state thereof for the protection of debtors as in effect at such time (each a “Debtor’s Law”):

20.1.1 Tenant, Tenant as debtor-in-possession, and any trustee or receiver of Tenant’s assets (each a “Tenant’s Representative”) shall have no greater right to assume or assign this Lease or any interest in this Lease, or to sublease any of the Premises than accorded to Tenant in Article 9, except to the extent Landlord shall be required to permit such assumption, assignment or sublease by the provisions of such Debtor’s Law. Without limitation of the generality of the foregoing, any right of any Tenant’s Representative to assume or assign this Lease or to sublease any of the Premises shall be subject to the conditions that:

20.1.1.1 Such Debtor’s Law shall provide to Tenant’s Representative a right of assumption of this Lease which Tenant’s Representative shall have timely exercised and Tenant’s Representative shall have fully cured any default of Tenant under this Lease.

20.1.1.2 Tenant’s Representative or the proposed assignee, as the case shall be, shall have deposited with Landlord as security for the timely payment of rent an amount equal to the larger of: (a) three (3) months’ rent and other monetary charges accruing under this Lease; and (b) any sum specified in Article 5; and shall have provided Landlord with adequate other assurance of the future performance of the obligations of the Tenant under this Lease. Without limitation, such assurances shall include, at least, in the case of assumption of this Lease, demonstration to the satisfaction of the Landlord that Tenant’s Representative has and will continue to have sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that Tenant’s Representative will have sufficient funds to fulfill the obligations of Tenant under this Lease; and, in the case of assignment, submission of current financial statements of the proposed assignee, audited by an independent certified public accountant reasonably acceptable to Landlord and showing a net worth and working capital in amounts determined by Landlord to be sufficient to assure the future performance by such assignee of all of the Tenant’s obligations under this Lease.

20.1.1.3 The assumption or any contemplated assignment of this Lease or subleasing any part of the Premises, as shall be the case, will not breach any provision in any other lease, mortgage, financing agreement or other agreement by which Landlord is bound.

20.1.1.4 Landlord shall have, or would have had absent the Debtor’s Law, no right under Article 9 to refuse consent to the proposed assignment or sublease by reason of the identity or nature of the proposed assignee or sublessee or the proposed use of the Premises concerned.

21. QUIET ENJOYMENT. Landlord represents and warrants that it has full right and authority to enter into this Lease and that Tenant, while paying the rental and performing its other covenants and agreements contained in this Lease, shall peaceably and quietly have, hold and enjoy the Premises for the Term without hindrance or molestation from Landlord subject to the terms and provisions of this Lease. Landlord shall not be liable for any interference or disturbance by other tenants or third persons, nor shall Tenant be released from any of the obligations of this Lease because of such interference or disturbance.

22. CASUALTY.

22.1 In the event the Premises or the Building are damaged by fire or other cause and in Landlord’s reasonable estimation such damage can be materially restored within two hundred seventy (270) days following the date of the casualty, Landlord shall forthwith repair the same and this Lease shall remain in full force and effect, except that Tenant shall be entitled to a proportionate abatement in rent from the date of such damage. Such abatement of rent shall be made pro rata in accordance with the extent to which the damage and the making of such repairs shall interfere with the use and occupancy by Tenant of the Premises from time to time. Within forty-five (45) days from the date of such damage, Landlord shall notify Tenant, in writing, of Landlord’s determination shall be binding on Tenant. For purposes of this Lease, the Building or Premises shall be deemed “materially restored” if they are in such condition as would not prevent or materially interfere with Tenant’s use of the Premises for the purpose for which it was being used immediately before such damage.

22.2 If such repairs cannot, in Landlord’s reasonable estimation, be made within two hundred seventy (270) days following the date of the casualty, Landlord and Tenant shall each have the option of giving the other, at any time within thirty (30) days after Landlord’s notice of estimated restoration time, notice terminating this Lease as of the date of such
damage. In the event of the giving of such notice, this Lease shall expire and all interest of the Tenant in the Premises shall terminate as of the date of such damage as if such date had been originally fixed in this Lease for the expiration of the Term. In the event that neither Landlord nor Tenant exercises its option to terminate this Lease, then Landlord shall repair or restore such damage, this Lease continuing in full force and effect, and the rent hereunder shall be proportionately abated as provided in Section 22.1.

22.3 Landlord shall not be required to repair or replace any damage or loss by or from fire or other cause to any panelings, decorations, partitions, additions, railings, ceilings, floor coverings, office fixtures or any other property or improvements installed on the Premises by, or belonging to, Tenant. Any insurance which may be carried by Landlord or Tenant against loss or damage to the Building or Premises shall be for the sole benefit of the party carrying such insurance and under its sole control.

22.4 In the event that Landlord should fail to complete such repairs and material restoration within sixty (60) days after the date estimated by Landlord therefor as extended by this Section 22.4, Tenant may at its option and as its sole remedy terminate this Lease by delivering written notice to Landlord, within fifteen (15) days after the expiration of said period of time, whereupon this Lease shall end on the date of such notice or such later date fixed in such notice as if the date of such notice was the date originally fixed in this Lease for the expiration of the Term; provided, however, that if construction is delayed because of changes, deletions or additions in construction requested by Tenant, strikes, lockouts, casualties, Acts of God, war, material or labor shortages, government regulation or control or other causes beyond the reasonable control of Landlord, the period for restoration, repair or rebuilding shall be extended for the amount of time Landlord is so delayed.

22.5 Notwithstanding anything to the contrary contained in this Article: (a) Landlord shall not have any obligation whatsoever to repair, reconstruct, or restore the Premises when the damages resulting from any casualty covered by the provisions of this Article 22 occur during the last twelve (12) months of the Term or any extension thereof, but if Landlord determines not to repair such damages Landlord shall notify Tenant and if such damages shall render any material portion of the Premises untenable Tenant shall have the right to terminate this Lease by notice to Landlord within fifteen (15) days after receipt of Landlord’s notice; and (b) in the event the holder of any indebtedness secured by a mortgage or deed of trust covering the Premises or Building requires that any insurance proceeds be applied to such indebtedness, then Landlord shall have the right to terminate this Lease by delivering written notice of termination to Tenant within fifteen (15) days after such requirement is made by any such holder, whereupon this Lease shall end on the date of such damage as if the date of such damage were the date originally fixed in this Lease for the expiration of the Term. Tenant shall have the right to terminate this Lease if: (a) a substantial portion of the Premises has been damaged by fire or other casualty and such damage cannot reasonably be repaired (as reasonably determined by Landlord) within sixty (60) days after Landlord’s receipt of all required permits to restore the Premises; (b) there is less than twelve (12) months of the Term remaining on the date of such casualty; (c) the casualty was not caused by the negligence or willful misconduct of Tenant or any Tenant Entity; and (d) Tenant provides Landlord with written notice of its intent to terminate within thirty (30) days after the date of the fire or other casualty.

22.6 In the event of any damage or destruction to the Building or Premises by any peril covered by the provisions of this Article 22, it shall be Tenant’s responsibility to properly secure the Premises and upon notice from Landlord to remove forthwith, at its sole cost and expense, such portion of all of the property belonging to Tenant or its licensees from such portion or all of the Building or Premises as Landlord shall request.

22.7 Tenant hereby waives any and all rights under and benefits of Sections 1932(2) and 1933(4) of the California Civil Code, or any similar or successor Regulations or other laws now or hereinafter in effect.

23. EMINENT DOMAIN. If all or any substantial part of the Premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, or conveyance in lieu of such appropriation, either party to this Lease shall have the right, at its option, of giving the other, at any time within thirty (30) days after such taking, notice terminating this Lease, except that Tenant may only terminate this Lease by reason of taking or appropriation, if such taking or appropriation shall be so substantial as to materially interfere with Tenant’s use and occupancy of the Premises. If neither party to this Lease shall so elect to terminate this Lease, the rental thereafter to be paid shall be adjusted on a fair and equitable basis under the circumstances. In addition to the rights of Landlord above, if any substantial part of the Building shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain or conveyance in lieu thereof, and regardless of whether the Premises or any part thereof are so taken or appropriated, Landlord shall have the right, at its sole option, to terminate this Lease. Landlord shall be entitled to any and all income, rent, award, or any interest whatsoever in or upon any such sum, which may be paid or made in connection with any such public or quasi-public use or purpose, and Tenant hereby assigns to Landlord any interest it may have in or claim to all or any part of such sums, other than any separate award which may be made with respect to Tenant’s trade fixtures and moving expenses; Tenant shall make
no claim for the value of any unexpired Term. Tenant hereby waives any and all rights under and benefits of Section 1265.130 of the California Code of Civil Procedure, or any similar or successor Regulations or other laws now or hereinafter in effect.

24. SALE BY LANDLORD. In event of a sale or conveyance by Landlord of the Building, the same shall operate to release Landlord from any future liability upon any of the covenants or conditions, expressed or implied, contained in this Lease in favor of Tenant, and in such event Tenant agrees to look solely to the responsibility of the successor in interest of Landlord in and to this Lease. Except as set forth in this Article 24, this Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee. If any security has been given by Tenant to secure the faithful performance of any of the covenants of this Lease, Landlord may transfer or deliver said security, as such, to Landlord’s successor in interest and thereupon Landlord shall be discharged from any further liability with regard to said security.

25. ESTOPPEL CERTIFICATES. Within ten (10) business days following any written request which Landlord may make from time to time, Tenant shall execute and deliver to Landlord or mortgagee or prospective mortgagee a sworn statement certifying: (a) the date of commencement of this Lease; (b) the fact that this Lease is unmodified and in full force and effect (or, if there have been modifications to this Lease, that this Lease is in full force and effect, as modified, and stating the date and nature of such modifications); (c) the date to which the rent and other sums payable under this Lease have been paid; (d) the fact that there are no current defaults under this Lease by either Landlord or Tenant except as specified in Tenant’s statement; and (e) such other matters as may be reasonably requested by Landlord. Landlord and Tenant intend that any statement delivered pursuant to this Article 25 may be relied upon by any mortgagee, beneficiar or purchaser, and Tenant shall be liable for all loss, cost or expense resulting from the failure of any sale or funding of any loan caused by any material misstatement contained in such estoppel certificate. Tenant irrevocably agrees that if Tenant fails to execute and deliver such certificate within such ten (10) business day period Landlord or Landlord’s beneficiary or agent may execute and deliver such certificate on Tenant’s behalf, and that such certificate shall be fully binding on Tenant.

26. SURRENDER OF PREMISES.

26.1 Tenant shall arrange to meet Landlord for two (2) joint inspections of the Premises, the first to occur at least thirty (30) days (but no more than sixty (60) days) before the last day of the Term, and the second to occur not later than forty-eight (48) hours after Tenant has vacated the Premises. In the event of Tenant’s failure to arrange such joint inspections and/or participate in either such inspection, Landlord’s inspection at or after Tenant’s vacating the Premises shall be conclusively deemed correct for purposes of determining Tenant’s responsibility for repairs and restoration.

26.2 All alterations, additions, and improvements in, on, or to the Premises made or installed by or for Tenant, including, without limitation, carpeting (collectively, “Alterations”), shall be and remain the property of Tenant during the Term. Upon the expiration or sooner termination of the Term, all Alterations shall become a part of the realty and shall belong to Landlord without compensation, and title shall pass to Landlord under this Lease as by a bill of sale. At the end of the Term or any renewal of the Term or other sooner termination of this Lease, Tenant will peaceably deliver up to Landlord possession of the Premises, together with all Alterations by whomsoever made, in the same condition received or first installed, broom clean and free of all debris, excepting only ordinary wear and tear and damage by fire or other casualty. Notwithstanding the foregoing, and subject to Section 6.4 above, if Landlord elects by notice given to Tenant at least thirty (30) days prior to expiration of the Term, Tenant shall, at Tenant’s sole cost, remove any Alterations, excluding carpeting, so designated by Landlord’s notice, and repair any damage caused by such removal. Tenant must, at Tenant’s sole cost, remove upon termination of this Lease, any and all of Tenant’s furniture, furnishings, equipment, movable partitions of less than full height from floor to ceiling and other trade fixtures and personal property, as well as all data/telecommunications cabling and wiring installed by or on behalf of Tenant, whether inside walls, under any raised floor or above any ceiling (collectively, “Personalty”). Personalty not so removed shall be deemed abandoned by the Tenant and title to the same shall thereupon pass to Landlord under this Lease as by a bill of sale, but Tenant shall remain responsible for the cost of removal and disposal of such Personalty, as well as any damage caused by such removal.

26.3 All obligations of Tenant under this Lease not fully performed as of the expiration or earlier termination of the Term shall survive the expiration or earlier termination of the Term. Upon the expiration or earlier termination of the Term, Tenant shall pay to Landlord the amount, as estimated by Landlord, necessary to repair and restore the Premises as provided in this Lease and/or to discharge Tenant’s obligation for unpaid amounts due or to become due to Landlord. All such amounts shall be used and held by Landlord for payment of such obligations of Tenant, with Tenant being liable for any additional costs upon demand by Landlord, or with any excess to be returned to Tenant after all such obligations have been determined and satisfied. Any otherwise unused Security Deposit shall be credited against the amount payable by Tenant under this Lease.
27. NOTICES. Any notice or document required or permitted to be delivered under this Lease shall be addressed to the intended recipient, by fully prepaid registered or certified United States Mail return receipt requested, or by reputable independent contract delivery service furnishing a written record of attempted or actual delivery, and shall be deemed to be delivered when tendered for delivery to the addressee at its address set forth on the Reference Pages, or at such other address as it has then last specified by written notice delivered in accordance with this Article 27, or if to Tenant at either its aforesaid address or its last known registered office or home of a general partner or individual owner, whether or not actually accepted or received by the addressee. Any such notice or document may also be personally delivered if a receipt is signed by and received from, the individual, if any, named in Tenant’s Notice Address.

28. TAXES PAYABLE BY TENANT. In addition to rent and other charges to be paid by Tenant under this Lease, Tenant shall reimburse to Landlord, upon demand, any and all taxes payable by Landlord (other than net income taxes) whether or not now customary or within the contemplation of the parties to this Lease: (a) upon, allocable to, or measured by or on the gross or net rent payable under this Lease, including without limitation any gross income tax or excise tax levied by the State, any political subdivision thereof, or the Federal Government with respect to the receipt of such rent; (b) upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy of the Premises or any portion thereof, including any sales, use or service tax imposed as a result thereof; (c) upon or measured by the Tenant’s gross receipts or payroll or the value of Tenant’s equipment, fixtures, and other personal property of Tenant or leasehold improvements, alterations or additions located in the Premises; or (d) upon this transaction or any document to which Tenant is a party creating or transferring any interest of Tenant in this Lease or the Premises. In addition to the foregoing, Tenant agrees to pay, before delinquency, any and all taxes levied or assessed against Tenant and which become payable during the term hereof upon Tenant’s equipment, furniture, fixtures and other personal property of Tenant located in the Premises.

29. RELOCATION OF TENANT. Landlord, at its sole expense, on at least sixty (60) days prior written notice, may require Tenant to move from the Premises to other space of comparable size and decor in order to permit Landlord to consolidate the space leased to Tenant with other adjoining spaces leased or to be leased to another tenant. In the event of any such relocation, Landlord will pay all expenses of preparing and decorating the new premises so that they will be substantially similar to the premises from which Tenant is moving, and Landlord will also pay the expense of moving Tenant’s furniture and equipment to the relocated premises. In such event this Lease and each and all of the terms and covenants and conditions hereof shall remain in full force and effect and thereupon be deemed applicable to such new space except that revised Reference Pages and a revised Exhibit A shall become part of this Lease and shall reflect the location of the new premises. [INTENTIONALLY OMITTED.]

30. PARKING.

30.1 During the initial Term of this Lease, Tenant agrees to lease from Landlord and Landlord agrees to lease to Tenant, the number and type of parking passes as set forth on the Reference Pages of this Lease. This right to park in the Building’s parking facilities (the “Parking Facility”) shall be on an unreserved, nonexclusive, first come, first served basis, for passenger-size automobiles and is subject to the following terms and conditions:

30.1.1 Tenant shall at all times abide by and shall cause each of Tenant’s employees, agents, customers, visitors, invitees, licensees, contractors, assignees and subtenants (collectively, “Tenant’s Parties”) to abide by any rules and regulations (“Rules”) for use of the Parking Facility that Landlord or Landlord’s garage operator reasonably establishes from time to time, and otherwise agrees to use the Parking Facility in a safe and lawful manner. Landlord reserves the right to adopt, modify and enforce the Rules governing the use of the Parking Facility from time to time including any key-card, sticker or other identification or entrance system and hours of operation. Landlord may refuse to permit any person who violates such Rules to park in the Parking Facility, and any violation of the Rules shall subject the car to removal from the Parking Facility.

30.1.2 Unless specified to the contrary above, the parking spaces hereunder shall be provided on a non-designated “first-come, first-served” basis. Landlord reserves the right to assign specific spaces, and to reserve spaces for visitors, small cars, disabled persons or for other tenants or guests, and Tenant shall not park and shall not allow Tenant’s Parties to park in any such assigned or reserved spaces. Tenant may validate visitor parking by such method as Landlord may approve, at the validation rate from time to time generally applicable to visitor parking. Tenant acknowledges that the Parking Facility may be closed entirely or in part in order to make repairs or perform maintenance services, or to alter, modify, re-stripe or renovate the Parking Facility, or if required by casualty, strike, condemnation, act of God, governmental law or requirement or other reason beyond the operator’s reasonable control.

30.1.3 Tenant acknowledges that to the fullest extent permitted by law, Landlord shall have no liability for any damage to property or other items located in the parking areas of the Project (including without limitation, any loss or
damage to tenant’s automobile or the contents thereof due to theft, vandalism or accident), nor for any personal injuries or death arising out of the use of the Parking Facility by Tenant or any Tenant’s Parties, whether or not such loss or damage results from Landlord’s active negligence or negligent omission. The limitation on Landlord’s liability under the preceding sentence shall not apply however to loss or damage arising directly from Landlord’s willful misconduct. Without limiting the foregoing, if Landlord arranges for the parking areas to be operated by an independent contractor not affiliated with Landlord, Tenant acknowledges that Landlord shall have no liability for claims arising through acts or omissions of such independent contractor. Tenant and Tenant’s Parties each hereby voluntarily releases, discharges, waives and relinquishes any and all actions or causes of action for personal injury or property damage occurring to Tenant or any of Tenant’s Parties arising as a result of parking in the Parking Facility, or any activities incidental thereto, wherever or however the same may occur, and further agrees that Landlord will not prosecute any claim for personal injury or property damage against Landlord or any of its officers, agents, servants or employees for any said causes of action and in all events, Tenant agrees to look first to its insurance carrier and to require that Tenant’s Parties look first to their respective insurance carriers for payment of any losses sustained in connection with any use of the Parking Facility. Tenant hereby waives on behalf of its insurance carriers all rights of subrogation against Landlord or any Landlord Entities.

30.1.4 Tenant’s right to park as described in this Article and this Lease is exclusive to Tenant and to any Permitted Transferee and shall not pass to any assignee or sublessee without the express written consent of Landlord, which consent shall not be denied unreasonably.

30.1.5 In the event any surcharge or regulatory fee is at any time imposed by any governmental authority with reference to parking, Tenant shall (commencing after two (2) weeks’ notice to Tenant) pay, per parking pass, such surcharge or regulatory fee to Landlord in advance on the first day of each calendar month concurrently with the monthly installment of rent due under this Lease. Landlord will enforce any surcharge or fee in an equitable manner amongst the Building tenants.

30.2 If Tenant violates any of the terms and conditions of this Article, the operator of the Parking Facility shall have the right to remove from the Parking Facility any vehicles hereunder which shall have been involved or shall have been owned or driven by parties involved in causing such violation, without liability therefor whatsoever. In addition, Landlord shall have the right to cancel Tenant’s right to use the Parking Facility pursuant to this Article upon ten (10) days’ written notice, unless within such ten (10) day period, Tenant cures such default. If Tenant violates any of the terms and conditions of this Article, and fails to cure such default within the applicable cure period set forth above, then Tenant’s right to use the Parking Facility shall toll (and Tenant shall be prohibited from using the Parking Facility during such period of any such Tenant default) until Tenant has cured, to Landlord’s satisfaction, such default. Provided, however, that if such default occurs by one or more individual(s) more than three (3) times in any consecutive twelve (12) month period, then Landlord shall have the right, in its sole discretion, to terminate the parking rights of any such individual(s) to use the Parking Facility. Tenant shall use its best efforts to enforce such prohibition if the same is instituted. Such cancellation right shall be cumulative and in addition to any other rights or remedies available to Landlord at law or equity, or provided under this Lease.

31. DEFINED TERMS AND HEADINGS. The Article headings shown in this Lease are for convenience of reference and shall in no way define, increase, limit or describe the scope or intent of any provision of this Lease. Any indemnification or insurance of Landlord shall apply to and inure to the benefit of all the following “Landlord Entities”, being Landlord, Landlord’s investment manager, and the trustees, boards of directors, officers, general partners, beneficiaries, stockholders, employees and agents of each of them. Any option granted to Landlord shall also include or be exercisable by Landlord’s trustee, beneficiary, agents and employees, as the case may be. In any case where this Lease is signed by more than one person, the obligations under this Lease shall be joint and several. The terms “Tenant” and “Landlord” or any pronoun used in place thereof shall indicate and include the masculine or feminine, the singular or plural number, individuals, firms or corporations, and their and each of their respective successors, executors, administrators and permitted assigns, according to the context hereof. The term “rentable area” shall mean the rentable area of the Premises or the Building as calculated by the Landlord on the basis of the plans and specifications of the Building including a proportionate share of any common areas. Tenant hereby accepts and agrees to be bound by the figures for the rentable square footage of the Premises and Tenant’s Proportionate Share shown on the Reference Pages; however, Landlord may adjust either or both figures if there is manifest error, addition or subtraction to the Building or any business park or complex of which the Building is a part, remeasurement or other circumstance reasonably justifying adjustment. The term “Building” refers to the structure in which the Premises are located and the common areas (parking lots, sidewalks, landscaping, etc.) appurtenant thereto. If the Building is part of a larger complex of structures, the term “Building” may include the entire complex, where appropriate (such as shared Expenses or Taxes) and subject to Landlord’s reasonable discretion.
32. TENANT’S AUTHORITY.

32.1 If Tenant signs as a corporation, partnership, trust or other legal entity each of the persons executing this Lease on behalf of Tenant represents and warrants that Tenant has been and is qualified to do business in the state in which the Building is located, that the entity has full right and authority to enter into this Lease, and that all persons signing on behalf of the entity were authorized to do so by appropriate actions. Tenant agrees to deliver to Landlord, simultaneously with the delivery of this Lease, a corporate resolution, proof of due authorization by partners, opinion of counsel or other appropriate documentation reasonably acceptable to Landlord evidencing the due authorization of Tenant to enter into this Lease.

32.2 Tenant hereby represents and warrants that neither Tenant, nor any persons or entities holding any legal or beneficial interest whatsoever in Tenant, are (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury (“OFAC”); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: “List of Specially Designated Nationals and Blocked Persons.” If the foregoing representation is untrue at any time during the Term, an Event of Default will be deemed to have occurred, without the necessity of notice to Tenant.

33. FINANCIAL STATEMENTS AND CREDIT REPORTS. At Landlord’s request, Tenant shall deliver to Landlord a copy, certified by an officer of Tenant as being a true and correct copy, of Tenant’s most recent audited financial statement, or, if unaudited, certified by Tenant’s chief financial officer as being true, complete and correct in all material respects. Tenant hereby authorizes Landlord to obtain one or more credit reports on Tenant at any time, and shall execute such further authorizations as Landlord may reasonably require in order to obtain a credit report.

34. COMMISSIONS. Each of the parties represents and warrants to the other that it has not dealt with any broker or finder in connection with this Lease, except as described on the Reference Pages.

35. TIME AND APPLICABLE LAW. Time is of the essence of this Lease and all of its provisions. This Lease shall in all respects be governed by the laws of the state in which the Building is located.

36. SUCCESSORS AND ASSIGNS. Subject to the provisions of Article 9, the terms, covenants and conditions contained in this Lease shall be binding upon and inure to the benefit of the heirs, successors, executors, administrators and assigns of the parties to this Lease.

37. ENTIRE AGREEMENT. This Lease, together with its exhibits, contains all agreements of the parties to this Lease and supersedes any previous negotiations. There have been no representations made by the Landlord or any of its representatives or understandings made between the parties other than those set forth in this Lease and its exhibits. This Lease may not be modified except by a written instrument duly executed by the parties to this Lease.

38. EXAMINATION NOT OPTION. Submission of this Lease shall not be deemed to be a reservation of the Premises. Landlord shall not be bound by this Lease until it has received a copy of this Lease duly executed by Tenant and has delivered to Tenant a copy of this Lease duly executed by Landlord, and until such delivery Landlord reserves the right to exhibit and lease the Premises to other prospective tenants. Notwithstanding anything contained in this Lease to the contrary, Landlord may withhold delivery of possession of the Premises from Tenant until such time as Tenant has paid to Landlord any security deposit required by Article 5, the first month’s rent as set forth in Article 3 and any sum owed pursuant to this Lease.

39. RECORDATION. Tenant shall not record or register this Lease or a short form memorandum hereof without the prior written consent of Landlord, and then shall pay all charges and taxes incident to such recording or registration.

40. LETTER OF CREDIT. In lieu of providing cash as a security deposit, at Tenant’s option, concurrent with Tenant’s execution and delivery of this Lease to Landlord, Tenant shall deliver to Landlord, as collateral for the full performance by Tenant of all of its obligations under this Lease and for all losses and damages Landlord may suffer as a result of Tenant’s failure to comply with one or more provisions of this Lease, including, but not limited to, any post lease termination damages under section 1951.2 of the California Civil Code, an Irrevocable Standby Letter of Credit (the “Letter of Credit”) in the amount of Fifty Thousand Dollars ($50,000.00). The following terms and conditions shall apply to the Letter of Credit:

40.1 The Letter of Credit shall be in favor of Landlord, shall be issued by Silicon Valley Bank, or a bank reasonably acceptable to Landlord with a Standard & Poor’s rating of “A” or better, shall comply with all of the terms and conditions of this Article and shall otherwise be in the form attached hereto as Exhibit F.
40.2 The Letter of Credit or any replacement Letter of Credit shall be irrevocable for the term thereof and shall automatically renew on a year to year basis until a period ending not earlier than two months subsequent to the Termination Date (the “LOC Expiration Date”) without any action whatsoever on the part of Landlord; provided that the issuing bank shall have the right not to renew the Letter of Credit by giving written notice to Landlord not less than sixty (60) days prior to the expiration of the then current term of the Letter of Credit that it does not intend to renew the Letter of Credit. Tenant understands that the election by the issuing bank not to renew the Letter of Credit shall not, in any event, diminish the obligation of Tenant to deposit the Security Deposit or maintain such an irrevocable Letter of Credit in favor of Landlord through the LOC Expiration Date.

40.3 Landlord, or its then managing agent, upon Tenant’s failure to comply with one or more provisions of this Lease, or as otherwise specifically agreed by Landlord and Tenant pursuant to this Lease or any amendment hereof, without prejudice to any other remedy provided in this Lease or by Regulations, shall have the right from time to time to make one or more draws on the Letter of Credit and use all or part of the proceeds in accordance with Article 40.4 below. In addition, if Tenant fails to furnish a renewal or replacement letter of credit complying with all of the provisions of this Article 40 at least sixty (60) days prior to the stated expiration date of the Letter of Credit then held by Landlord, Landlord may draw upon such Letter of Credit and hold the proceeds thereof (and such proceeds need not be segregated) in accordance with the terms of this Article 40. Funds may be drawn down on the Letter of Credit upon presentation to the issuing bank of Landlord’s (or Landlord’s then managing agent’s) certification set forth in Exhibit F.

40.4 Tenant acknowledges and agrees (and the Letter of Credit shall so state) that the Letter of Credit shall be honored by the issuing bank without inquiry as to the truth of the statements set forth in such draw request and regardless of whether the Tenant disputes the content of such statement. The proceeds of the Letter of Credit shall constitute Landlord’s sole and separate property (and not Tenant’s property or the property of Tenant’s bankruptcy estate) and Landlord may immediately upon any draw (and without notice to Tenant) apply or offset the proceeds of the Letter of Credit: (a) against any rent or other amounts payable by Tenant under this Lease that is not paid when due; (b) against all losses and damages that Landlord has suffered or that Landlord reasonably estimates that it may suffer as a result of Tenant’s failure to comply with one or more provisions of this Lease, including any damages arising under Section 1951.2 of the California Civil Code following termination of this Lease; (c) against any costs incurred by Landlord in connection with this Lease (including attorneys’ fees); and (d) against any other amount that Landlord may spend or become obligated to spend by reason of Tenant’s default. Provided Tenant has performed all of its obligations under this Lease, Landlord agrees to pay to Tenant within sixty (60) days after the LOC Expiration Date the amount of any proceeds of the Letter of Credit received by Landlord and not applied as allowed above; provided, that if prior to the LOC Expiration Date a voluntary petition is filed by Tenant or any guarantor, or an involuntary petition is filed against Tenant or any Guarantor by any of Tenant’s or guarantor’s creditors, under the Federal Bankruptcy Code, then Landlord shall not be obligated to make such payment in the amount of the unused Letter of Credit proceeds until either all preference issues relating to payments under this Lease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed, in each case pursuant to a final court order not subject to appeal or any stay pending appeal.

40.5 If, as result of any application or use by Landlord of all or any part of the Letter of Credit, the amount of the Letter of Credit shall be less than the amount set forth in this Article 40, Tenant shall, within five (5) days thereafter, provide Landlord with additional letter(s) of credit in an amount equal to the deficiency (a replacement letter of credit in the total amount required pursuant to this Article 40), and any such additional (or replacement) letter of credit shall comply with all of the provisions of this Article 40, and if Tenant fails to comply with the foregoing, notwithstanding anything to the contrary contained in this Lease, the same shall constitute an incurable Event of Default by Tenant. Tenant further covenants and warrants that it will neither assign nor encumber the Letter of Credit or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

40.6 Landlord may, at any time and without notice to Tenant and without first obtaining Tenant’s consent thereto, transfer all or any portion of its interest in and to the Letter of Credit to another party, person or entity, including Landlord’s mortgagee and/or to have the Letter of Credit reissued in the name of Landlord’s mortgagee. If Landlord transfers its interest in the Building and transfers the Letter of Credit (or any proceeds thereof then held by Landlord) in whole or in part to the transferee, Landlord shall, without any further agreement between the parties hereto, thereupon be released by Tenant from all liability therefor. The provisions hereof shall apply to every transfer or assignment of all or any part of the Letter of Credit to a new landlord. In connection with any such transfer of the Letter of Credit by Landlord, Tenant shall, at Tenant’s sole cost and expense, execute and submit to the issuer of the Letter of Credit such applications, documents and instruments as may be necessary to effectuate such transfer. Tenant shall be responsible for paying the issuer’s transfer and
processing fees in connection with any transfer of the Letter of Credit and, if Landlord advances any such fees (without having any obligation to do so), Tenant shall reimburse Landlord for any such transfer or processing fees within ten (10) days after Landlord’s written request therefor.

40.7 If the Letter of Credit expires earlier than the LOC Expiration Date, or the issuing bank notifies Landlord that it shall not renew the Letter of Credit, Landlord shall accept a renewal thereof or substitute letter credit (such renewal or substitute Letter of Credit to be in effect not later than sixty (60) days prior to the expiration thereof), irrevocable and automatically renewable through the LOC Expiration Date upon the same terms as the expiring Letter of Credit or upon such other terms as may be acceptable to Landlord. However, if (a) the Letter of Credit is not timely renewed, or (b) a substitute Letter of Credit, complying with all of the terms and conditions of this paragraph is not timely received, Landlord may present such Letter of Credit to the issuing bank, and the entire sum so obtained shall be paid to Landlord, to be held by Landlord in accordance with Article 5 of this Lease. Notwithstanding the foregoing, Tenant shall be entitled to receive from Tenant all attorneys’ fees and costs incurred in connection with the review of any proposed substitute Letter of Credit pursuant to this Section.

40.8 Landlord and Tenant (a) acknowledge and agree that in no event or circumstance shall the Letter of Credit or any renewal thereof or substitute thereof or any proceeds thereof be deemed to be or treated as a “security deposit” under any applicable Regulation applicable to security deposits in the commercial context including Section 1950.7 of the California Civil Code, as such section now exist or as may be hereafter amended or succeeded (“Security Deposit Laws”), (b) acknowledge and agree that the Letter of Credit (including any renewal thereof or substitute thereof or any proceeds thereof) is not intended to serve as a security deposit, and the Security Deposit Laws shall have no applicability or relevancy thereto, and (c) waive any and all rights, duties and obligations either party may now or, in the future, will have relating to or arising from the Security Deposit Laws. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code and all other provisions of Regulations, now or hereafter in effect, which (i) establish the time frame by which Landlord must refund a security deposit under a lease, and/or (ii) provide that Landlord may claim from the security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums specified above in this Section 40.8 and/or those sums reasonably necessary to compensate Landlord for any loss or damage caused by Tenant’s breach of this Lease or the acts or omission of Tenant or any other Tenant Entities, including any damages Landlord suffers following termination of this Lease.

41. OPTION TO RENEW. Provided this Lease is in full force and effect and Tenant is not in default under any of the other terms and conditions of this Lease beyond any applicable cure periods and Tenant occupies the entirety of the Building located at 1390 McCarthy Boulevard (also known as 890 Tasman Drive) at the time of notification or commencement, Tenant shall have one (1) option to renew (the “Renewal Option”) this Lease for a term of five (5) years (the “Renewal Term”), for the entirety of the Building being leased by Tenant as of the date the Renewal Term is to commence, or (b) if Tenant does not occupy the entirety of the Building at the time of notification or commencement, then Tenant shall have one (1) Renewal Option for a Renewal Term that shall be co-terminous with the then-current term of the adjacent tenant occupying the Building. Any Renewal Term shall be on the same terms and conditions set forth in the Lease, except as modified by the terms, covenants and conditions as set forth below:

41.1 If Tenant elects to exercise the Renewal Option, then Tenant shall provide Landlord with written notice no earlier than the date which is three hundred and sixty five (365) days prior to the expiration of the Term of this Lease but no later than the date which is one hundred eighty (180) days prior to the expiration of the Term of this Lease. If Tenant fails to provide such notice, Tenant shall have no further or additional right to extend or renew the Term of this Lease.

41.2 The Annual Rent and Monthly Installment of Rent in effect at the expiration of the then current Term of this Lease shall be increased to reflect the Prevailing Market (defined below) rate as of the date the Renewal Term is to commence, taking into account the specific provisions of this Lease which will remain constant. Landlord shall advise Tenant of the new Annual Rent and Monthly Installment of Rent for the Premises no later than thirty (30) days after receipt of Tenant’s written request therefor. Said request shall be made no earlier than thirty (30) days prior to the first date on which Tenant may exercise its Renewal Option under this Article 41. If Tenant and Landlord are unable to agree on the Prevailing Market for the Renewal Term not later than sixty (60) days prior to the expiration of the Term, then Landlord and Tenant shall each appoint a qualified MAI appraiser doing business in the area, in turn those two independent MAI appraisers shall appoint a third MAI appraiser and the majority shall decide upon the fair market rental for the Premises as of the expiration of the Term. Landlord and Tenant shall equally share in the expense of this appraisal except that in the event the Annual Rent and Monthly Installment of Rent is found to be within five percent (5%) of the original rate quoted by Landlord, then Tenant shall bear the full cost of all the appraisal process.

41.3 This Renewal Option is not transferable; the parties hereto acknowledge and agree that they intend that the aforesaid option to renew the Lease shall be “personal” to Tenant and any Permitted Transferee (as defined in Section 9.8 of this Lease) as set forth above and that in no event will any assignee or sublessee have any rights to exercise the aforesaid option to renew.
41.4 If the Renewal Option is validly exercised or if Tenant fails to validly exercise the Renewal Option, Tenant shall have no further right to extend the term of this Lease.

41.5 For purposes of this Renewal Option, “Prevailing Market” shall mean the arms length fair market annual rental rate per rentable square foot under renewal leases and amendments entered into on or about the date on which the Prevailing Market is being determined hereunder for space comparable to the Premises in the Building and buildings comparable to the Building in the same rental market in the Milpitas, California area as of the date the Renewal Term is to commence, taking into account the specific provisions of this Lease which will remain constant. The determination of Prevailing Market shall take into account any material economic differences between the terms of this Lease and any comparison lease or amendment, such as rent abatements, construction costs and other concessions and the manner, if any, in which the landlord under any such lease is reimbursed for operating expenses and taxes. The determination of Prevailing Market shall also take into consideration any reasonably anticipated changes in the Prevailing Market rate from the time such Prevailing Market rate is being determined and the time such Prevailing Market rate will become effective under this Lease.

42. SIGNAGE. During the Term, Tenant shall be entitled to install its own signage at the front door and one (1) door located at the back of the Premises at a location acceptable to Landlord and in accordance with the Building’s Approved Signage, as attached in Exhibit G to this Lease, and otherwise in accordance with the terms of this Lease. Such signage will be designed and constructed at Tenant’s sole cost and expense. All signs shall be in compliance with applicable Regulations, including those of the City of Milpitas, and shall be subject to Landlord’s approval and approval of any public authorities having jurisdiction. Tenant shall be responsible for any electrical energy used in connection with its signs, repairs and maintenance necessary to maintain the signs in their original condition. All of Tenant’s signage shall at all times remain the property of Tenant and Tenant must remove such signage at the expiration or earlier termination of this Lease. Tenant shall repair any damage caused in the removal of its signage and restore the Premises and/or the Building to its condition prior to the installation of such signage.

43. MONUMENT SIGN.

43.1 Tenant shall have the right to have its name listed on the monument sign for the Building inset from the corner of Tasman and McCarthy Boulevards (the “Monument Sign”), subject to the terms of this Article 43. The design, size and color of Tenant’s signage with Tenant’s name to be included on the Monument Sign, and the manner in which it is attached to the Monument Sign, shall comply with all applicable Regulations and shall be subject to the approval of Landlord and any applicable governmental authorities. Landlord reserves the right to withhold consent to any sign that, in the sole judgment of Landlord, is not harmonious with the design standards of the Building and Monument Sign. Landlord shall have the right to require that all names on the Monument Sign be of the same size and style. Tenant must obtain Landlord’s written consent to any proposed signage and lettering prior to its fabrication and installation. Tenant’s right to place its name on the Monument Sign, and the location of Tenant’s name on the Monument Sign, shall be subject to the existing rights of existing tenants in the Building, and the location of Tenant’s name on the Monument Sign shall be further subject to Landlord’s reasonable approval. To obtain Landlord’s consent, Tenant shall submit design drawings to Landlord showing the type and sizes of all lettering; the colors, finishes and types of materials used; and (if applicable and Landlord consents in its sole discretion) any provisions for illumination. Although the Monument Sign will be maintained by Landlord, Tenant shall pay its proportionate share of the cost of any maintenance and repair associated with the Monument Sign. In the event that additional names are listed on the Monument Sign, all future costs of maintenance and repair shall be prorated between Tenant and the other parties that are listed on such Monument Sign.

43.2 Tenant’s name on the Monument Sign shall be designed, constructed, installed, insured, maintained, repaired and removed from the Monument Sign all at Tenant’s sole risk, cost and expense. Tenant, at its cost, shall be responsible for the maintenance, repair or replacement of Tenant’s signage on the Monument Sign, which shall be maintained in a manner reasonably satisfactory to Landlord.

43.3 Upon the expiration or earlier termination of this Lease, or if during the Term (and any extensions thereof) Tenant is in default under the terms of this Lease after the expiration of applicable cure periods then Tenant’s rights granted herein will terminate and Landlord may remove Tenant’s name from the Monument Sign at Tenant’s sole cost and expense and restore the Monument Sign to the condition it was in prior to installation of Tenant’s signage thereon, ordinary wear and tear excepted. The cost of such removal and restoration shall be payable as additional rent within five (5) days of Landlord’s demand.

43.4 The rights provided in this Article shall be non-transferable unless otherwise agreed by Landlord in writing in its sole discretion.
44. ROOF SPACE FOR DISH/ANTENNA.

44.1 Tenant shall have the right to lease space on the roof of the Building for the purpose of installing (in accordance with Section 6 of the Lease), operating and maintaining a 24 inch high dish/antenna or other communication device approved by the Landlord (the “Dish/Antenna”). The exact location of the space on the roof to be leased by Tenant shall be designated by Landlord and shall not exceed approximately 20 inches by 24 inches (the “Roof Space”). Landlord shall not charge any rent for the Dish/Antenna during the Term or a renewal thereof. Landlord reserves the right to relocate the Roof Space as reasonably necessary during the Term. Landlord’s designation shall take into account Tenant’s use of the Dish/Antenna. Notwithstanding the foregoing, Tenant’s right to install the Dish/Antenna shall be subject to the approval rights of Landlord and Landlord’s architect and/or engineer with respect to the plans and specifications of the Dish/Antenna, the manner in which the Dish/Antenna is attached to the roof of the Building and the manner in which any cables are run to and from the Dish/Antenna. The precise specifications and a general description of the Dish/Antenna along with all documents Landlord reasonably requires to review the installation of the Dish/Antenna (the “Plans and Specifications”) shall be submitted to Landlord for Landlord’s written approval no later than 20 days before Tenant commences to install the Dish/Antenna. Tenant shall be solely responsible for obtaining all necessary governmental and regulatory approvals and the cost of installing, operating, maintaining and removing the Dish/Antenna. Tenant shall notify Landlord upon completion of the installation of the Dish/Antenna. If Landlord determines that the Dish/Antenna equipment does not comply with the approved Plans and Specifications, that the Building has been damaged during installation of the Dish/Antenna or that the installation was defective, Landlord shall notify Tenant of any noncompliance or detected problems and Tenant immediately shall cure the defects. If the Tenant fails to immediately cure the defects, Tenant shall pay to Landlord upon demand the cost, as reasonably determined by Landlord, of correcting any defects and repairing any damage to the Building caused by such installation. If at any time Landlord, in its sole discretion, deems it necessary, Tenant shall provide and install, at Tenant’s sole cost and expense, appropriate aesthetic screening, reasonably satisfactory to Landlord, for the Dish/Antenna (the “Aesthetic Screening”).

44.2 Landlord agrees that Tenant, upon reasonable prior written notice to Landlord, shall have access to the roof of the Building and the Roof Space for the purpose of maintaining, repairing and removing the Dish/Antenna, the appurtenances and the Aesthetic Screening, if any, all of which shall be performed by Tenant or Tenant’s authorized representative or contractors, which shall be approved by Landlord, at Tenant’s sole cost and risk. It is agreed, however, that only authorized engineers, employees or properly authorized contractors of Tenant, FCC (defined below) inspectors, or persons under their direct supervision will be permitted to have access to the roof of the Building and the Roof Space. Tenant further agrees to exercise firm control over the people requiring access to the roof of the Building and the Roof Space in order to keep to a minimum the number of people having access to the roof of the Building and the Roof Space and the frequency of their visits. It is further understood and agreed that the installation, maintenance, operation and removal of the Dish/Antenna, the appurtenances and the Aesthetic Screening, if any, is not permitted to damage the Building or the roof thereof, or interfere with the use of the Building and roof by Landlord. Tenant agrees to be responsible for any damage caused to the roof or any other part of the Building, which may be caused by Tenant or any Tenant Entity.

44.3 Tenant agrees to install and maintain only equipment of types and frequencies which will not cause unreasonable interference to Landlord or any other tenant of the Building. In the event Tenant’s equipment causes such interference, Tenant will change the frequency on which it transmits and/or receives and take any other steps necessary to eliminate the interference. If said interference cannot be eliminated within a reasonable period of time, in the judgment of Landlord, then Tenant agrees to remove the Dish/Antenna from the Roof Space. Tenant shall, at its sole cost and expense, and at its sole risk, operate and maintain the Dish/Antenna in a good and workmanlike manner, and in compliance with all Building, electric, communication, and safety codes, ordinances, standards, regulations and requirements, now in effect or hereafter promulgated, of the Federal Government, including, without limitation, the Federal Communications Commission (the “FCC”), the Federal Aviation Administration (“FAA”) or any successor agency of either the FCC or FAA having jurisdiction over radio or telecommunications, and of the state, city and county in which the Building is located. Under this Lease, the Landlord and its agents assume no responsibility for the licensing, operation and/or maintenance of Tenant’s equipment. Tenant has the responsibility of carrying out the terms of its FCC license in all respects. The Dish/Antenna shall be connected to Landlord’s power supply in strict compliance with all applicable Building, electrical, fire and safety codes. Neither Landlord nor any Landlord Entity shall be liable to Tenant for any stoppages or shortages of electrical power furnished to the Dish/Antenna or the Roof Space because of any act, omission or requirement of the public utility serving the Building, or the act or omission of any other tenant, invitee or licensee or their respective agents, employees or contractors, or for any other cause beyond the reasonable control of Landlord, and Tenant shall not be entitled to any rental abatement for any such stoppage or shortage of electrical power. Neither Landlord nor any Landlord Entity shall have any responsibility or liability for the conduct or safety of any of Tenant’s representatives, repair, maintenance and engineering personnel while in or on any part of the Building or the Roof Space.
44.4 The Dish/Antenna, the appurtenances and the Aesthetic Screening, if any, shall remain the personal property of Tenant, and shall be removed by Tenant at its own expense at the expiration or earlier termination of this Lease or Tenant’s right to possession hereunder. Tenant shall repair any damage caused by such removal, including the patching of any holes to match, as closely as possible, the color surrounding the area where the equipment and appurtenances were attached. Tenant agrees to maintain all of the Tenant’s equipment placed on or about the roof or in any other part of the Building in proper operating condition and maintain same in satisfactory condition as to appearance and safety in Landlord’s sole discretion. Such maintenance and operation shall be performed in a manner to avoid any interference with any other tenants or Landlord. Tenant agrees that at all times during the Term, it will keep the roof of the Building and the Roof Space free of all trash or waste materials produced by Tenant or Tenant’s agents, employees or contractors.

44.5 In light of the specialized nature of the Dish/Antenna, Tenant shall be permitted to utilize the services of its choice for operation, removal and repair of the Dish/Antenna, the appurtenances and the Aesthetic Screening, if any, subject to the reasonable approval of Landlord. Notwithstanding the foregoing, Tenant must provide Landlord with prior written notice of any such removal or repair and coordinate such work with Landlord in order to avoid voiding or otherwise adversely affecting any warranties granted to Landlord with respect to the roof. If necessary, Tenant, at its sole cost and expense, shall retain any contractor having a then existing warranty in effect on the roof to perform such work (to the extent that it involves the roof), or, at Tenant’s option, to perform such work in conjunction with Tenant’s contractor. In the event the Landlord contemplates roof repairs that could affect Tenant’s Dish/Antenna, or which may result in an interruption of the Tenant’s telecommunication service, Landlord shall formally notify Tenant at least thirty (30) days in advance (except in cases of an emergency) prior to the commencement of such contemplated work in order to allow Tenant to make other arrangements for such service.

44.6 Tenant shall not allow any provider of telecommunication, video, data or related services (“Communication Services”) to locate any equipment on the roof of the Building or in the Roof Space for any purpose whatsoever, nor may Tenant use the Roof Space and/or Dish/Antenna to provide Communication Services to an unaffiliated tenant, occupant or licensee of another building, or to facilitate the provision of Communication Services on behalf of another Communication Services provider to an unaffiliated tenant, occupant or licensee of the Building or any other building. Tenant specifically acknowledges and agrees that the terms and conditions of Article 10 of this Lease shall apply with full force and effect to the Roof Space and any other portions of the roof accessed or utilized by Tenant, its representatives, agents, employees or contractors.

44.7 If Tenant defaults under any of the terms and conditions of this Section or this Lease, and Tenant fails to cure said default within the time allowed by Article 18 of this Lease, Landlord shall be permitted to exercise all remedies provided under the terms of this Lease, including removing the Dish/Antenna, the appurtenances and the Aesthetic Screening, if any, and restoring the Building and the Roof Space to the condition that existed prior to the installation of the Dish/Antenna, the appurtenances and the Aesthetic Screening, if any. If Landlord removes the Dish/Antenna, the appurtenances and the Aesthetic Screening, if any, as a result of an uncured default, Tenant shall be liable for all costs and expenses Landlord incurs in removing the Dish/Antenna, the appurtenances and the Aesthetic Screening, if any, and repairing any damage to the Building, the roof of the Building and the Roof Space caused by the installation, operation or maintenance of the Dish/Antenna, the appurtenances, and the Aesthetic Screening, if any. Tenant’s rights pursuant to this Article 44 are personal to the named Tenant under this Lease and are not transferable.

45. LIMITATION OF LANDLORD’S LIABILITY. Redress for any claim against Landlord under this Lease shall be limited to and enforceable only against and to the extent of Landlord’s interest in the Building. The obligations of Landlord under this Lease are not intended to be and shall not be personally binding on, nor shall any resort be had to the private properties of, any of its or its investment manager’s trustees, directors, officers, partners, beneficiaries, members, stockholders, employees, or agents, and in no case shall Landlord be liable to Tenant hereunder for any lost profits, damage to business, or any form of special, indirect or consequential damages.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the Lease Reference Date set forth in the Reference Pages of this Lease.

LANDLORD:

SILICON VALLEY CA-I, LLC,
a Delaware limited liability company

By: RREEF Management Company,
a Delaware corporation, its Authorized Agent

By: /s/ James H. Ida
Name: James H. Ida
Title: Vice Pres, Dist Mgr
Dated: 1/24/08

TENANT:

FIREEYE, INC.,
a Delaware corporation

By: /s/ Ashar Aziz
Name: ASHAR AZIZ
Title: CEO
Dated: 1/24/08

By: /s/ Zane M. Taylor
Name: Zane M. Taylor
Title: V.P. Operations
Dated: 1/24/2008
EXHIBIT A – FLOOR PLAN DEPICTING THE PREMISES
attached to and made a part of the Lease bearing the
Lease Reference Date of January 15, 2008 between
SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and
FIREEYE, INC., a Delaware corporation, as Tenant

1390 McCarthy Boulevard, Milpitas

Exhibit A is intended only to show the general layout of the Premises as of the beginning of the Term of this Lease. It does not in any way supersede any of Landlord’s rights set forth in Article 17 of the Lease with respect to arrangements and/or locations of public parts of the Building and changes in such arrangements and/or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate.
Exhibit A-1 is intended only to show the general layout of the Building and/or the project of which the Building is a part as of the beginning of the Term of the Lease. It does not in any way supersede any of Landlord’s rights set forth in Article 17 of the Lease with respect to arrangements and/or locations of public parts of the Building and changes in such arrangements and/or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate, and the location and number of parking spaces should be taken as approximate.
EXHIBIT B – INITIAL ALTERATIONS
attached to and made a part of the Lease bearing the
Lease Reference Date of January 15, 2008 between
SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and
FIREEYE, INC., a Delaware corporation, as Tenant
1390 McCarthy Boulevard, Milpitas

I. Landlord Work:

1. Landlord, at its sole cost and expense (subject to the terms and provisions of Section 1.2 below) shall perform improvements to the Premises in accordance
with the following work list (the “Work List”) using Building standard methods, materials and finishes. The improvements to be performed in accordance
with the Work List are hereinafter referred to as the “Landlord Work”. Landlord shall enter into a direct contract for the Landlord Work with a general
contractor selected by Landlord. In addition, Landlord shall have the right to select and/or approve of any subcontractors used in connection with the
Landlord Work.

WORK LIST

A. Remove the oven in the lab area located within the Premises;
B. Remove all pre-existing cabling and telecommunication wiring located within the Premises;
C. Extend the electrical room wall to enclose the electrical transformer and panel supplying power to Tenant’s Premises, as depicted in Exhibit B-1;
   and,
D. Install an EMon DMon device to separately monitor the adjacent premises as well as exterior electrical usage.

2. All other work and upgrades, subject to Landlord’s approval, shall be at Tenant’s sole cost and expense, plus any applicable state sales or use tax thereon,
payable upon demand as additional rent. Tenant shall be responsible for any Tenant Delay in completion of the Premises resulting from any such other work
and upgrades requested or performed by Tenant.

3. Landlord’s supervision or performance of any work for or on behalf of Tenant shall not be deemed to be a representation by Landlord that such work
complies with applicable insurance requirements, building codes, ordinances, laws or regulations or that the improvements constructed will be adequate for
Tenant’s use.

4. Tenant hereby acknowledges and agrees that the Landlord Work may be performed by Landlord prior to or after the Commencement Date and Landlord’s
performance of such Landlord Work shall in no event affect the Commencement Date nor render Landlord liable for any damages or other claims by Tenant
or be deemed a constructive eviction of Tenant of the Premises or entitle Tenant to any credit, abatement or adjustment of rent or other sums payable under
the Lease.

II. Initial Alterations:

1. Tenant, following the delivery of the Premises by Landlord and the full and final execution and delivery of the Lease to which this Exhibit B is attached
and all prepaid rental, the Security Deposit and insurance certificates required under the Lease, shall have the right to perform alterations and improvements
in the Premises (the “Initial Alterations”). Notwithstanding the foregoing, Tenant and its contractors shall not have the right to perform Initial Alterations in
the Premises unless and until Tenant has complied with all of the terms and conditions of Article 6 of the Lease, including, without limitation, approval by
Landlord of the final plans for the Initial Alterations and the contractors to be retained by Tenant to perform such Initial Alterations. Tenant shall be
responsible for all elements of the design of Tenant’s plans (including, without limitation, compliance with law, functionality of design, the structural
integrity of the design, the configuration of the premises and the placement of Tenant’s furniture, appliances and equipment), and Landlord’s approval of
Tenant’s plans shall in no event relieve Tenant of the responsibility for such design. Tenant shall be entitled to select its own general contractor to perform
the Initial Alterations, subject to Landlord’s approval which approval shall not be unreasonably withheld. The parties agree that Landlord’s approval of the
general contractor to perform the Initial Alterations shall not be considered to be unreasonably withheld if any such general contractor (a) does not have trade
references reasonably acceptable to Landlord, (b) does not maintain insurance as required pursuant to the terms of the Lease, (c) does not have the ability to
be bonded for the work in an amount of no less than one hundred fifty percent (150%) of the total estimated cost of the Initial Alterations, (d) does not provide
current financial statements reasonably acceptable to Landlord, or (e) is not licensed as a contractor in the state/municipality in which the Premises is
located. Tenant acknowledges the foregoing is not intended to be an exclusive list of the reasons why Landlord may reasonably withhold its consent to a
general contractor.

B-1
2. Provided Tenant is not in default, Landlord agrees to contribute the sum of $111,487.20, that is, $6.60 per rentable square foot of the Premises, (the “Allowance”) toward the cost of performing the Initial Alterations in preparation of Tenant’s occupancy of the Premises. The Allowance may only be used for the cost of preparing design and construction documents and mechanical and electrical plans for the Initial Alterations, but only to the extent set forth in Section 4 below, for hard costs in connection with the Initial Alterations and, subject to Landlord’s prior approval, for the installation of network and data cabling. The Allowance shall be paid to Tenant or, at Landlord’s option, to the order of the general contractor that performed the Initial Alterations, within thirty (30) days following receipt by Landlord of (a) receipted bills covering all labor and materials expended and used in the Initial Alterations; (b) a sworn contractor’s affidavit from the general contractor and a request to disburse from Tenant containing an approval by Tenant of the work done; (c) full and final waivers of lien; (d) as-built plans of the Initial Alterations; and (e) the certification of Tenant and its architect that the Initial Alterations have been installed in a good and workmanlike manner in accordance with the approved plans, and in accordance with applicable laws, codes and ordinances. The Allowance shall be disbursed in the amount reflected on the receipted bills meeting the requirements above. Notwithstanding anything herein to the contrary, Landlord shall not be obligated to disburse any portion of the Allowance during the continuance of an uncured default under the Lease, and Landlord’s obligation to disburse shall only resume when and if such default is cured.

3. In no event shall the Allowance be used for the purchase of equipment, furniture or other items of personal property of Tenant. If Tenant does not submit a request for payment of the entire Allowance to Landlord in accordance with the provisions contained in this Exhibit B by June 30, 2008, any unused amount shall accrue to the sole benefit of Landlord, it being understood that Tenant shall not be entitled to any credit, abatement or other concession in connection therewith. Tenant shall be responsible for all applicable state sales or use taxes, if any, payable in connection with the Initial Alterations and/or Allowance. Landlord shall be entitled to charge a construction management fee for Landlord’s oversight of any alterations and work performed by Tenant in preparation of its occupancy of the Premises in an amount equal to three percent (3%) of the total cost of said work; provided, however, said construction management fee shall not apply to the Initial Alterations depicted in Exhibit B-1, attached hereto.

4. In addition to the above described Allowance, Landlord, provided Tenant is not in default, agrees to provide Tenant with a preliminary space plan (the “Space Plan”), permit Tenant to make comments to the Space Plan, and to make one (1) revision to said Space Plan. If any meetings are required in connection with the Space Plan, the cost for such meetings shall be included in the Allowance. Tenant acknowledges and agrees that it shall not be entitled to any credit, offset, abatement or payment with respect to any services provided by Landlord in connection with the Space Plan pursuant to this Section 4.

5. Tenant agrees to accept the Premises in its “as-is” condition and configuration, it being agreed that Landlord shall not be required to perform any work or, except as provided above with respect to the Landlord Work, Restroom Compliance Work Allowance and the Allowance, incur any costs in connection with the construction or demolition of any improvements in the Premises.

III. Miscellaneous:

1. This Exhibit B shall not be deemed applicable to any additional space added to the Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the original Premises or any additions to the Premises in the event of a renewal or extension of the original Term of the Lease, whether by any options under the Lease or otherwise, unless expressly so provided in the Lease or any amendment or supplement to the Lease.

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EXHIBIT B-1 – DEPICTION OF INITIAL ALTERATIONS

attached to and made a part of the Lease bearing the
Lease Reference Date of January 15, 2008 between
SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and
FIREEYE, INC., a Delaware corporation, as Tenant

1390 McCarthy Boulevard, Milpitas

B-3
EXHIBIT C -- COMMENCEMENT DATE MEMORANDUM

attached to and made a part of the Lease bearing the
Lease Reference Date of January 15, 2003 between
SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and
FIREEYE, INC., a Delaware corporation, as Tenant

1390 McCarthy Boulevard, Milpitas

COMMENCEMENT DATE MEMORANDUM

THIS MEMORANDUM, made as of __________, 20__, by and between SILICON VALLEY CA-I, LLC, a Delaware limited liability company ("Landlord") and FIREEYE, INC., a Delaware corporation ("Tenant").

Recitals:

A. Landlord and Tenant are parties to that certain Lease, dated for reference January 15, 2003 (the "Lease") for certain premises (the "Premises") consisting of approximately 16,892 square feet at the building commonly known as Milpitas Business Park.

B. Tenant is in possession of the Premises and the Term of the Lease has commenced.

C. Landlord and Tenant desire to enter into this Memorandum confirming the Commencement Date, the Termination Date and other matters under the Lease.

NOW, THEREFORE, Landlord and Tenant agree as follows:

1. The actual Commencement Date is __________.

2. The actual Termination Date is __________.

3. The schedule of the Annual Rent and the Monthly Installment of Rent set forth on the Reference Pages is deleted in its entirety, and the following is substituted therefor:

[insert rent schedule]

4. Capitalized terms not defined herein shall have the same meaning as set forth in the Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

LANDLORD:

SILICON VALLEY CA-I, LLC,
a Delaware limited liability company

By: RRSP Management Company,
a Delaware corporation, its Authorized Agent

TENANT:

FIREEYE, INC.,
a Delaware corporation

By: DO NOT SIGN

Name: __________
Title: __________
Dated: __________, 2007
1. No sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside or inside (which may be visible from the exterior) of the Building without the prior written consent of the Landlord. Landlord shall have the right to remove, at Tenant’s expense and without notice, any sign installed or displayed in violation of this rule. All approved signs or lettering on doors and walls shall be printed, painted, affixed or inscribed at Tenant’s expense by a vendor designated or approved by Landlord. In addition, Landlord reserves the right to change from time to time the format of the signs or lettering and to require previously approved signs or lettering to be appropriately altered.

2. If Landlord objects in writing to any curtains, blinds, shades or screens attached to or hung in or used in connection with any window or door of the Premises, Tenant shall immediately discontinue such use. No awning shall be permitted on any part of the Premises. Tenant shall not place anything or allow anything to be placed against or near any glass partitions or doors or windows which may appear unsightly, in the opinion of Landlord, from outside the Premises.

3. Tenant shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators, or stairways of the Building. No tenant and no employee or invitee of any tenant shall go upon the roof of the Building.

4. Any directory of the Building, if provided, will be exclusively for the display of the name and location of tenants only and Landlord reserves the right to exclude any other names.

5. Tenant shall be responsible for providing janitorial service for the Premises at its sole cost and expense, and Tenant hereby acknowledges that Landlord shall have no obligation whatsoever to provide janitorial service to the Premises. The janitorial services shall be performed by Tenant’s employees or a bonded union janitorial contractor, which contractor (if applicable) shall be reasonably approved by Landlord. Tenant shall comply with all rules and regulations which Landlord may reasonably establish for the proper functioning and protection of any common systems of the Building. Landlord shall not in any way be responsible to any Tenant for any loss of property on the Premises, however occurring, or for any damage to any Tenant’s property by the janitor or any other employee or any other person.

6. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed. No foreign substance of any kind whatsoever shall be thrown into any of them, and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.

7. Tenant shall store all its trash and garbage within its Premises. Tenant shall not place in any trash box or receptacle any material which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with directions issued from time to time by Landlord. Tenant will comply with any and all recycling procedures designated by Landlord.

8. Landlord will furnish Tenant two (2) keys free of charge to each door in the Premises that has a passage way lock. Landlord may charge Tenant a reasonable amount for any additional keys, and Tenant shall not make or have made additional keys on its own. Tenant shall not alter any lock or install a new or additional lock or bolt on any door of its Premises. Notwithstanding the above, Tenant will have access to and will be able to make at its expense, key cards for the front entry and all other entries to the Premises. Tenant, upon the termination of its tenancy, shall deliver to Landlord the keys of all doors which have been furnished to Tenant, and in the event of loss of any keys so furnished, shall pay Landlord therefor.

9. If Tenant requires telephone, data, burglar alarm or similar service, the cost of purchasing, installing and maintaining such service shall be borne solely by Tenant. No boring or cutting for wires will be allowed without the prior written consent of Landlord.

10. Tenant shall not place a load upon any floor which exceeds the load per square foot which such floor was designed to carry and which is allowed by law. Heavy objects shall stand on such platforms as determined by Landlord to be necessary.
to properly distribute the weight. Business machines and mechanical equipment belonging to Tenant which cause noise or vibration that may be transmitted to the structure of the Building or to any space in the Building to such a degree as to be objectionable to Landlord or to any tenants shall be placed and maintained by Tenant, at Tenant’s expense, on vibration eliminators or other devices sufficient to eliminate the noise or vibration. Landlord will not be responsible for loss of or damage to any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant.

11. Landlord shall in all cases retain the right to control and prevent access to the Building of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation or interests of the Building and its tenants, provided that nothing contained in this rule shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities. Landlord shall not be liable for damages for any error with regard to the admission to or exclusion from the Building of any person.

12. Tenant shall not use any method of heating or air conditioning other than that supplied or approved in writing by Landlord.

13. Tenant shall not waste electricity, water or air conditioning. Tenant shall keep corridor doors closed. Tenant shall close and lock the doors of its Premises and entirely shut off all water faucets or other water apparatus and electricity, gas or air outlets before Tenant and its employees leave the Premises. Tenant shall be responsible for any damage or injuries sustained by other tenants or occupants of the Building or by Landlord for non compliance with this rule.

14. Tenant shall not install any radio or television antenna, satellite dish, loudspeaker or other device on the roof or exterior walls of the Building without Landlord’s prior written consent, which consent may be withheld in Landlord’s sole discretion, and which consent may in any event be conditioned upon Tenant’s execution of Landlord’s standard form of license agreement. Tenant shall be responsible for any interference caused by such installation.

15. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork, plaster, or dry wall (except for pictures, tackboards and similar office uses) or in any way deface the Premises. Tenant shall not cut or bore holes for wires. Tenant shall not affix any floor covering to the floor of the Premises in any manner except as approved by Landlord. Tenant shall repair any damage resulting from noncompliance with this rule.

16. Tenant shall not install, maintain or operate upon the Premises any vending machine without Landlord’s prior written consent, except that Tenant may install food and drink vending machines solely for the convenience of its employees.

17. No cooking shall be done or permitted by any tenant on the Premises, except that Underwriters’ Laboratory approved microwave ovens or equipment for brewing coffee, tea, hot chocolate and similar beverages shall be permitted provided that such equipment and use is in accordance with all applicable Regulations.

18. Tenant shall not use any hand trucks except those equipped with the rubber tires and side guards, and may use such other material-handling equipment as Landlord may approve. Tenant shall not bring any other vehicles of any kind into the Building. Forklifts which operate on asphalt areas shall only use tires that do not damage the asphalt.

19. Tenant shall not permit any motor vehicles to be washed or mechanical work or maintenance of motor vehicles to be performed in any parking lot.

20. Tenant shall not use the name of the Building or any photograph or likeness of the Building in connection with or in promoting or advertising Tenant’s business, except that Tenant may include the Building name in Tenant’s address. Landlord shall have the right, exercisable without notice and without liability to any tenant, to change the name and address of the Building.

21. Tenant shall not permit smoking or carrying of lighted cigarettes or cigars other than in areas designated by Landlord as smoking areas.

22. Canvassing, soliciting, distribution of handbills or any other written material in the Building is prohibited and each tenant shall cooperate to prevent the same. No tenant shall solicit business from other tenants or permit the sale of any good or merchandise in the Building without the written consent of Landlord.

23. Tenant shall not permit any animals other than service animals, e.g. seeing-eye dogs, to be brought or kept in or about the Premises or any common area of the Building.
24. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of any premises in the Building. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant or tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant or tenants, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.

25. Landlord reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for safety and security, for care and cleanliness of the Building and for the preservation of good order in and about the Building. Tenant agrees to abide by all such rules and regulations herein stated and any additional rules and regulations which are adopted. Tenant shall be responsible for the observance of all of the foregoing rules by Tenant’s employees, agents, clients, customers, invitees and guests.
EXHIBIT E — EARLY POSSESSION AGREEMENT

attached to and made a part of the Lease bearing the
Lease Reference Date of January 15, 2008 between
SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and
FIREEYE, INC., a Delaware corporation, as Tenant

1390 McCarthy Boulevard, Milpitas

EARLY POSSESSION AGREEMENT

Reference is made to that Lease dated January 15, 2008, between SILICON VALLEY CA-I, LLC, a Delaware limited liability company (“Landlord”) and FIREEYE, INC., a Delaware corporation (“Tenant”), for the premises located in the City of Milpitas, County of Santa Clara, State of California, commonly known as Milpitas Business Park.

It is hereby agreed that, notwithstanding anything to the contrary contained in the Lease but subject to the terms of Section 2.3 of the Lease, Tenant may occupy the Premises on . The first Monthly Installment of Rent is due on .

Landlord and Tenant agree that all the terms and conditions of the above referenced Lease are in full force and effect as of the date of Tenant’s possession of the Premises prior to the Commencement Date pursuant to Section 2.3 other than the payment of rent.

LANDLORD:
SILICON VALLEY CA-I, LLC,
a Delaware limited liability company

By: RREEF Management Company, a Delaware corporation, its Authorized Agent

By: ________________________________

Name: DO NOT SIGN
Title: ______________
Dated: ______________

TENANT:
FIREEYE, INC,
a Delaware corporation

By: ________________________________

Name: DO NOT SIGN
Title: ______________
Dated: ______________
EXHIBIT F — FORM OF LETTER OF CREDIT

attached to and made a part of the Lease bearing the Lease Reference Date of January 15, 2008 between

SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and
FIREEYE, INC., a Delaware corporation, as Tenant

1390 McCarthy Boulevard, Milpitas

[Name of Financial Institution]

Irrevocable Standby Letter of Credit
No. _____________________________

Issuance Date: _____________________________
Expiration Date: _____________________________

Applicant: _____________________________

Beneficiary

SILICON VALLEY CA-I, LLC, a Delaware limited liability company
C/O RREEF Management Company
3303 Octavius Drive, Suite 102
Santa Clara, California 95054
Attention: Property Manager

Ladies/Gentlemen:

We hereby establish our Irrevocable Standby Letter of Credit in your favor for the account of the above referenced Applicant in the amount of Fifty Thousand Dollars ($50,000.00) available for payment at sight by your draft drawn on us when accompanied by the following documents:

1. The original of this Irrevocable Standby Letter of Credit and any amendments thereto.

2. Beneficiary’s dated statement purportedly signed by an authorized signatory reading: “This draw in the amount of U.S. Dollars ($ ) represents funds due and owing to us pursuant to the terms of that certain lease by and between SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as landlord, and FIREEYE, INC., a Delaware corporation, as tenant, and/or any amendment to the lease or any other agreement between such parties related to the lease.”

It is a condition of this Irrevocable Standby Letter of Credit that it will be considered automatically extended without amendment for a one year period upon the expiration date set forth above and upon each anniversary thereof, we notify you in writing, by certified mail return receipt requested or by overnight courier service, that we elect not to so renew this Irrevocable Standby Letter of Credit. A copy of any such notice shall also be sent, in the same manner, to: RREEF Management Company, 875 North Michigan Avenue, 41st Floor, Chicago, Ill. 60611-1901, Attention: Ms. Mary Finley. In addition to the foregoing, we understand and agree that you may draw upon this Irrevocable Standby Letter of Credit in accordance with 1 and 2 above in the event that we elect not to renew this Irrevocable Standby Letter of Credit and, in addition, you provide us with a dated statement purportedly signed by an authorized signatory of Beneficiary stating that the Applicant has failed to provide you with an acceptable substitute irrevocable standby letter of credit in accordance with the terms of the above referenced lease. We further agree that: (a) upon receipt of the documentation required herein, we will honor your draws against this Irrevocable Standby Letter of Credit without inquiry into the accuracy of Beneficiary’s signed statement and regardless of whether Applicant disputes the content of such statement; (b) this Irrevocable Standby Letter of Credit shall permit partial draws and, in the event you elect to draw upon less than the full stated amount hereof, the stated amount of this Irrevocable Standby Letter of Credit shall be automatically reduced by the amount of such partial draw; and (c) you may transfer your interest in this Irrevocable Standby Letter of Credit from time to time and more than one time without our approval so long as you comply with the terms hereof. In the event of a transfer, we reserve the right to require reasonable evidence of such transfer as a condition to any draw hereunder.

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This Irrevocable Standby Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 revision) ICC Publication No. 500.

We hereby engage with you to honor drafts and documents drawn under and in compliance with the terms of this Irrevocable Standby Letter of Credit.

All communications to us with respect to this Irrevocable Standby Letter of Credit must be addressed to our office located at to the attention of  .

Very truly yours,


[name]

[title]

F-2
EXHIBIT G — APPROVED SIGNAGE

attached to and made a part of the Lease bearing the Lease Reference Date of January 15, 2008 between SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and FIREEYE, INC., a Delaware corporation, as Tenant

1390 McCarthy Boulevard, Milpitas
THIS FIRST AMENDMENT (this “Amendment”) is made and entered into as of April 28, 2010, by and between SILICON VALLEY CA-1, LLC, a Delaware limited liability company (“Landlord”), and FIREEYE, INC., a Delaware corporation (“Tenant”).

RECITALS

A. Landlord and Tenant are parties to that certain Lease dated January 15, 2008 (the “Lease”). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 16,892 rentable square feet (the “Premises”) of the building located at 1390 McCarthy Boulevard, Milpitas, California 95035 (the “Building”). The Building is part of the project commonly known as Milpitas Business Park.

B. The Lease by its terms shall expire on February 28, 2011 (“Prior Termination Date”), and the parties desire to extend the Term of the Lease, all on the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Extension.** The Term of the Lease is hereby extended for a period of fifty-four (54) months and shall expire on August 31, 2015 (“Extended Termination Date”), unless sooner terminated in accordance with the terms of the Lease. That portion of the Term commencing the day immediately following the Prior Termination Date (“Extension Date”) and ending on the Extended Termination Date shall be referred to herein as the “Extended Term”.

2. **Monthly Installment of Rent and Annual Rent.** Notwithstanding anything to the contrary contained in the Lease, effective retroactively as of March 1, 2010 (the “Effective Date”), the schedule of Monthly Installment of Rent and Annual Rent payable with respect to the Premises during the remainder of the current Term and the Extended Term is the following:

<table>
<thead>
<tr>
<th>Period</th>
<th>Rentable Square Footage</th>
<th>Monthly Rate Per Square Foot</th>
<th>Annual Rent</th>
<th>Monthly Installment of Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/1/10 – 2/28/11</td>
<td>16,892</td>
<td>$0.89</td>
<td>$180,406.56</td>
<td>$15,033.88</td>
</tr>
<tr>
<td>3/1/11 – 2/29/12</td>
<td>16,892</td>
<td>$0.92</td>
<td>$186,487.68</td>
<td>$15,540.64</td>
</tr>
<tr>
<td>3/1/12 – 2/28/13</td>
<td>16,892</td>
<td>$0.94</td>
<td>$190,541.76</td>
<td>$15,878.48</td>
</tr>
<tr>
<td>3/1/13 – 2/28/14</td>
<td>16,892</td>
<td>$0.97</td>
<td>$196,622.88</td>
<td>$16,385.24</td>
</tr>
<tr>
<td>3/1/14 – 8/31/15</td>
<td>16,892</td>
<td>$1.00</td>
<td>$202,704.00</td>
<td>$16,892.00</td>
</tr>
</tbody>
</table>

All such Monthly Installment of Rent and Annual Rent shall be payable by Tenant in accordance with the terms of the Lease, as amended hereby. Notwithstanding anything in the Lease, as amended hereby, to the contrary, so long as Tenant is not in default under the Lease, as amended hereby, Tenant shall be entitled to an abatement of Monthly Installment of Rent in the amount of $15,033.88 per month for the period commencing retroactively on the Effective Date and continuing through August 31, 2010. The maximum total amount of Monthly Installment of Rent abated with respect to the Premises in accordance with the foregoing shall equal $90,203.28 (the
"Abated Monthly Installment of Rent"). If Tenant defaults under the Lease, as amended hereby, at any time during the remainder of the current Term and the Extended Term and fails to cure such default within any applicable cure period under the Lease, as amended hereby, then all unamortized Abated Monthly Installment of Rent (i.e. based upon the amortization of the Abated Monthly Installment of Rent in equal monthly amounts, without interest, during the period commencing on the Effective Date and ending on the Extended Termination Date) shall immediately become due and payable. Only Monthly Installment of Rent shall be abated pursuant to this Section, as more particularly described herein, and Tenant’s Proportionate Share of Expenses and Taxes and all other costs and charges specified in the Lease, as amended hereby, shall remain as due and payable pursuant to the provisions of the Lease, as amended hereby.

3. Additional Security Deposit. No additional Security Deposit shall be required in connection with this Amendment.

4. Expenses and Taxes. During the remainder of the current Term and the Extended Term, Tenant shall pay for all additional rent payable under the Lease, including Tenant’s Proportionate Share of Expenses and Taxes, in accordance with the terms of the Lease, as amended hereby.

5. Improvements to Premises.

5.1 Condition of Premises. Tenant is in possession of the Premises and accepts the same “as is” without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements, except as may be expressly provided otherwise in this Amendment. Tenant hereby acknowledges that Landlord has fulfilled its obligations with respect to the Allowance and performing the Landlord Work described in Exhibit “B” of the Lease.

5.2 Responsibility for Improvements to Premises. Tenant may perform improvements to the Premises in accordance with Exhibit A attached hereto and Tenant shall be entitled to an improvement allowance in connection with such work as more fully described in Exhibit A.

6. Other Pertinent Provisions. Landlord and Tenant agree that, effective as of the date of this Amendment (unless different effective date(s) is/are specifically referenced in this Section), the Lease shall be amended in the following additional respects:

6.1 Landlord’s Address for Notices. Landlord’s Address set forth in the Reference Pages of the Lease is hereby deleted in its entirety and replaced by the following:

“c/o RREEF
2185 North California Boulevard, Suite 285
Walnut Creek, California 94596
Attention: Asset Manager”

6.2 Option to Renew. All references to the “Term” set forth in Article 41 of the Lease are hereby amended to refer to the Extended Term, as defined herein.
This Amendment, including Exhibit A (Tenant Alterations) attached hereto, sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Under no circumstances shall Tenant be entitled to any rent abatement, improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Amendment.

Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.

Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.

The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

Tenant hereby represents to Landlord that Tenant has dealt with no broker in connection with this Amendment other than Colliers International Inc. Tenant agrees to indemnify and hold Landlord, its members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents harmless from all claims of any other brokers claiming to have represented Tenant in connection with this Amendment. Landlord hereby represents to Tenant that Landlord has dealt with no broker in connection with this Amendment other than CB Richard Ellis. Landlord agrees to indemnify and hold Tenant harmless from all claims of any other brokers claiming to have represented Landlord in connection with this Amendment.

Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting. Tenant hereby represents and warrants that neither Tenant, nor any persons or entities holding any legal or beneficial interest whatsoever in Tenant, are (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury (“OFAC”); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: “List of Specially Designated Nationals and Blocked Persons.” If the foregoing representation is untrue at any time during the remainder of the current Term and the Extended Term, an Event of Default under the Lease will be deemed to have occurred, without the necessity of notice to Tenant.
Redress for any claim against Landlord under the Lease and this Amendment shall be limited to and enforceable only against and to the extent of Landlord’s interest in the Building. The obligations of Landlord under the Lease are not intended to and shall not be personally binding on, nor shall any resort be had to the private properties of, any of its trustees or board of directors and officers, as the case may be, its investment manager, the general partners thereof, or any beneficiaries, stockholders, employees, or agents of Landlord or the investment manager, and in no case shall Landlord be liable to Tenant hereunder for any lost profits, damage to business, or any form of special, indirect or consequential damage.

IN WITNESS WHEREOF, Landlord and Tenant have entered into and executed this Amendment as of the date first written above.

LANDLORD:

SILICON VALLEY CA-I, LLC,
a Delaware limited liability company

By: RREEF America L.L.C.,
a Delaware limited liability company,
its Investment Advisor

By: /s/ James H. Ida

Name: James H. Ida
Title: Vice President
Dated: 5/6, 2010

TENANT:

FIREEYE, INC.,
a Delaware corporation

By: /s/ Ashar Aziz

Name: ASHAR AZIZ
Title: CEO
Dated: 5/3, 2010
1. Tenant, following the full and final execution and delivery of the Amendment to which this Exhibit A is attached, shall have the right to perform alterations and improvements in the Premises (the “Tenant Alterations”). Notwithstanding the foregoing, Tenant and its contractors shall not have the right to perform the Tenant Alterations in the Premises unless and until Tenant has complied with all of the terms and conditions of Article 6 of the Lease, including, without limitation, approval by Landlord of the final plans for the Tenant Alterations and the contractors to be retained by Tenant to perform such Tenant Alterations. Notwithstanding the foregoing, Landlord has approved the plans for the Tenant Alterations shown on Schedule 1 attached hereto (the “Plans”). Tenant shall be responsible for all elements of the design of Tenant’s plans (including, without limitation, compliance with law, functionality of design, the structural integrity of the design, the configuration of the Premises and the placement of Tenant’s furniture, appliances and equipment), and Landlord’s approval of Tenant’s plans shall in no event relieve Tenant of the responsibility for such design. In addition to the foregoing, Tenant shall be solely liable for all costs and expenses associated with or otherwise caused by Tenant’s performance and installment of the Tenant Alterations (including, without limitation, any legal compliance requirements arising outside of the Premises). Landlord’s approval of the contractors to perform the Tenant Alterations shall not be unreasonably withheld. The parties agree that Landlord’s approval of the general contractor to perform the Tenant Alterations shall not be considered to be unreasonably withheld if any such general contractor (a) does not have trade references reasonably acceptable to Landlord, (b) does not maintain insurance as required pursuant to the terms of the Lease, or (c) is not licensed as a contractor in the state/municipality in which the Premises is located. Tenant acknowledges the foregoing is not intended to be an exclusive list of the reasons why Landlord may reasonably withhold its consent to a general contractor.

2. Provided Tenant is not in default, Landlord agrees to contribute the sum of $90,000.00 (the “Allowance”) toward the cost of performing the Tenant Alterations. The Allowance may only be used for the cost of preparing design and construction documents and mechanical and electrical plans for the Tenant Alterations, for hard costs in connection with the Tenant Alterations and, following full payment of the cost of the Tenant Alterations, any Excess ADA Costs (as defined in Section 4 below). The Allowance shall be paid to Tenant or, at Landlord’s option, to the order of the general contractor that performed the Tenant Alterations; (b) a sworn contractor’s affidavit from the general contractor and a request to disburse from Tenant containing an approval by Tenant of the work done; and (c) full and final waivers of lien. The Allowance shall be disbursed in the amount reflected on the receipted bills meeting the requirements above. Notwithstanding anything herein to the contrary, Landlord shall not be obligated to disburse any portion of the Allowance during the continuance of an uncured default under the Lease, and Landlord’s obligation to disburse shall only resume when and if such default is cured.

3. In no event shall the Allowance be used for the purchase of equipment, furniture or other items of personal property of Tenant. If Tenant does not submit a request for payment of the entire Allowance to Landlord in accordance with the provisions contained in this Exhibit A by August 31, 2010, any unused amount shall accrue to the sole benefit of Landlord, it being understood that Tenant shall not be entitled to any credit, abatement or other concession in connection therewith. Tenant shall be responsible for all applicable state sales or use taxes, if any, payable in connection with the Tenant Alterations and/or
Allowance. Landlord shall be entitled to deduct from the Allowance a construction management fee for Landlord’s oversight of the Tenant Alterations in an amount equal to five percent (5%) of the total cost of the Tenant Alterations.

4. Provided Tenant is not in default, Landlord agrees to contribute an additional sum of up to $10,000.00 (the “ADA Allowance”) toward the cost of performing any upgrades or modifications to the Premises that are required by Title III of the Americans with Disabilities Act and/or similar handicapped access provisions of applicable building codes in effect and as applied as of the date of the Amendment in connection with the Tenant Alterations shown in the Plans (the “ADA Work”). The ADA Allowance may only be used for the cost of preparing design and construction documents and mechanical and electrical plans for the ADA Work and for hard costs in connection with the ADA Work. Landlord shall disburse the ADA Allowance to Tenant subject to and in accordance with the provisions applicable to the disbursement of the Allowance described in this Exhibit A. Landlord shall be entitled to deduct from the ADA Allowance a construction management fee for Landlord’s oversight of the ADA Work in an amount equal to five percent (5%) of the total cost of the ADA Work. Tenant shall be responsible for the cost of the ADA Work, plus any applicable state sales or use tax, if any, to the extent that it exceeds the ADA Allowance required to be disbursed by Landlord hereunder (the “Excess ADA Costs”), subject to timely application of any excess portion of the Allowance as provided in Section 2 above. Any portion of the ADA Allowance which exceeds the cost of the ADA Work or is otherwise remaining after August 31, 2010 shall accrue to the sole benefit of Landlord, it being agreed that Tenant shall not be entitled to any credit, offset, abatement or payment with respect thereto.

5. Tenant agrees to accept the Premises in its “as-is” condition and configuration, it being agreed that Landlord shall not be required to perform any work, other than the ADA Work or, except as provided above with respect to the Allowance and the Maximum Amount, incur any costs in connection with the construction or demolition of any improvements in the Premises.

6. This Exhibit A shall not be deemed applicable to any additional space added to the Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the original Premises or any additions to the Premises in the event of a renewal or extension of the original Term of the Lease, whether by any options under the Lease or otherwise, unless expressly so provided in the Lease or any amendment or supplement to the Lease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
SECOND AMENDMENT

THIS SECOND AMENDMENT (the “Amendment”) is made and entered into as of the 5th day of December, 2011, by and between SILICON VALLEY CA-I, LLC, a Delaware limited liability company (“Landlord”), and FIREEYE, INC., a Delaware corporation (“Tenant”).

RECITALS

A. Landlord and Tenant are parties to that certain lease dated January 15, 2008 (the “Original Lease”), which Original Lease has been previously amended by that certain First Amendment dated April 28, 2010 (collectively, the “Lease”). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 16,892 rentable square feet (the “Original Premises”) of the building located at 1390 McCarthy Boulevard, Milpitas, California 95035 (the “1390 Building”). The Building is part of the project commonly known as Tasman Technology Park (formerly known as Milpitas Business Park) (the “Project”).

B. Tenant has requested that additional space containing approximately 5,259 rentable square feet described as Suite 2 of the Building located at 1371 McCarthy Boulevard, Milpitas, California 95035 (the “1371 Building”) as shown on Exhibit A hereto (the “Temporary Space”) be added to the Original Premises on a temporary basis and that the Lease be appropriately amended and Landlord is willing to do the same on the following terms and conditions. The 1371 Building is a part of the Project. The 1390 Building and 1371 Building are sometimes referred to collectively as the “Building” and references in the Lease to the Building shall be deemed to include the 1371 Building.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Expansion and Effective Date.

1.1 For the period commencing on December 9, 2011 (the “Temporary Space Effective Date”) and ending on the Temporary Space Termination Date (as defined below), the Premises, as defined in the Lease, is temporarily increased from 16,892 rentable square feet to 22,151 rentable square feet by the addition of the Temporary Space, and during the Temporary Space Term (as defined below), the Original Premises and the Temporary Space, collectively, shall be deemed the Premises, as defined in the Lease.

1.2 The Term for the Temporary Space (the “Temporary Space Term”) shall commence on the Temporary Space Effective Date and end on January 8, 2012, unless sooner terminated pursuant to the terms of the Lease (the “Temporary Space Termination Date”) (as the same may be further extended as provided in this Section 1.2) unless sooner terminated in accordance with the terms of the Lease; provided that the Temporary Space Term shall automatically renew for consecutive periods of one (1) month each until terminated by either party in accordance with the provisions of Section 7 below with at least thirty (30) days’ advance written notice of termination delivered to the other party; provided, however, in no event shall the Expansion Space Term be renewed beyond August 31, 2015. The Temporary Space is subject to all the terms and conditions of the Lease except as expressly modified herein and except that Tenant shall not be entitled to receive any allowances, abatement or other financial concession granted with respect to the Original Premises unless such concessions are expressly provided for herein with respect to the Temporary Space.

1
2. **Monthly Installment of Rent.** In addition to Tenant’s obligation to pay Monthly Installment of Rent for the Original Premises, for the first three (3) months of the Temporary Space Term Tenant shall pay Landlord the sum of $0.00 per month as Monthly Installment of Rent for the Temporary Space, and then commencing on the first (1st) day of the fourth (4th) month of the Temporary Space Term, during the remainder of the Temporary Space Term Tenant shall pay Landlord the sum of $4,680.51 per month as Monthly Installment of Rent for the Temporary Space, with each such installment payable on or before the first day of each month during the period beginning on the Temporary Space Effective Date and ending on the Temporary Space Termination Date, prorated for any partial month within the Temporary Space Term.

   All such Monthly Installment of Rent, shall be payable by Tenant in accordance with the terms of the Lease. Notwithstanding the foregoing, in the event that Landlord and Tenant have entered into either an amendment to the Lease or a new Lease for certain premises containing approximately 51,600 rentable square feet described as 800 Tasman Drive, Milpitas, California 95035 (the “800 Tasman Agreement”) on or before the last day of the third month of the Temporary Space Term, Tenant shall have no obligation to pay Monthly Installment of Rent for the Temporary Space during the period commencing on the first day of the fourth month of the Temporary Space Term and ending on the commencement date of the 800 Tasman Agreement.

3. **Additional Security Deposit.** No additional Security Deposit shall be required in connection with this Amendment.

4. **Tenant’s Proportionate Share.** For the period commencing with the Temporary Space Effective Date and ending on the Temporary Space Termination Date, Tenant shall pay Tenant’s Proportionate Share of Expenses and Taxes for the Temporary Space in the same manner that Tenant pays Tenant’s Proportionate Share of Expenses and Taxes for the Original Premises as provided in Article 4 of the Original Lease. During such period, Tenant’s Proportionate Share for the Temporary Space is 17.43% of the 1371 Building. As of the date of this Amendment, Landlord’s estimate of Tenant’s Proportionate Share of Expenses and Taxes for the Temporary Space during the Temporary Space Term is $1977.38 per month, which amount shall be subject to adjustment pursuant to Article 4 of the Original Lease.

5. **Improvements to Temporary Space.**
   
   5.1 **Condition of Temporary Space.** Tenant has inspected the Temporary Space and agrees to accept the same “as-is” without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements. Tenant shall vacate the Temporary Space on or prior to the Temporary Space Termination Date and deliver up the Temporary Space to Landlord in as good condition as the Temporary Space was delivered to Tenant, ordinary wear and tear excepted.

   5.2 **Responsibility for Improvements to Temporary Space.** Any construction, alterations or improvements to the Temporary Space shall be performed by Tenant at its sole cost and expense using contractors selected by Tenant and approved by Landlord and shall be governed in all respects by the provisions of Article 6 of the Original Lease. In any and all events, the Temporary Space Effective Date shall not be postponed or delayed if the initial improvements to the Temporary Space are incomplete on the Temporary Space Effective Date for any reason whatsoever. Any delay in the completion of initial improvements to the Temporary Space shall not subject Landlord to any liability for any loss or damage resulting therefrom.

6. **Early Access to Temporary Space.** During any period that Tenant shall be permitted to enter the Temporary Space prior to the Temporary Space Effective Date (e.g., to perform alterations or
improvements, if any), Tenant shall comply with all terms and provisions of the Lease, except those provisions requiring payment of Monthly Installment of Rent or Tenant’s Proportionate Share of Expenses and Taxes as to the Temporary Space. If Tenant takes possession of the Temporary Space prior to the Temporary Space Effective Date for any reason whatsoever (other than the performance of work in the Temporary Space with Landlord’s prior approval), such possession shall be subject to all the terms and conditions of the Lease and this Amendment, and Tenant shall pay Tenant’s Proportionate Share of Expenses and Taxes as applicable to the Temporary Space to Landlord on a per diem basis for each day of occupancy prior to the Temporary Space Effective Date.

7. **Mutual Termination Option.** At any time during the Temporary Space Term, as same may be extended pursuant to Section 1.2 above, Landlord and Tenant each shall have the right to terminate this Lease, with respect to the Temporary Space only (“Temporary Space Termination Option”), for any reason by providing at least thirty (30) days prior written notice to the other party, in which event, this Lease shall be deemed terminated with respect to the Temporary Space as of the date of termination (“Accelerated Temporary Space Termination Date”) specified in such notice and Tenant shall vacate the Temporary Space on or prior to the Accelerated Temporary Space Termination Date and deliver up the Temporary Space to Landlord in as good condition as the Temporary Space was delivered to Tenant, ordinary wear and tear excepted. If either party exercises the Temporary Space Termination Option as provided for herein, Tenant shall remain liable for all obligations relating to the Temporary Space up to and including the Accelerated Temporary Space Termination Date, including, without limitation, the payment of all rent and other sums due under the Lease with respect to the Temporary Space up to and including the Accelerated Temporary Space Termination Date even though billings for such may occur subsequent to the Accelerated Temporary Space Termination Date. In no event shall the termination of the Lease with respect to the Temporary Space as provided herein affect any of the rights or obligations of the parties under the Lease with respect to the Original Premises or be deemed a termination of the Lease with respect to any portion of the Original Premises.

8. **No Extension or Expansion Options.** The parties hereto acknowledge and agree that any option or other rights contained in the Lease which entitle Tenant to extend the term of the Lease or expand the Premises shall apply only to the Original Premises and shall not be applicable to the Temporary Space in any manner.

9. **Holdover.** If Tenant should holdover in the Temporary Space after expiration or earlier termination of the Temporary Space Term, any remedies available to Landlord as a consequence of such holdover contained in Article 14 of the Original Lease or otherwise shall be applicable, but only with respect to the Temporary Space and shall not be deemed applicable to the Original Premises unless and until Tenant holds over in the Original Premises after expiration or earlier termination of the Term.

10. **Other Pertinent Provisions.** Landlord and Tenant agree that, effective as of the date of this Amendment (unless different effective date(s) is/are specifically referenced in this Section), the Lease shall be amended in the following additional respects:

10.1 **Janitorial Services.** Tenant shall be responsible for providing janitorial service for the Temporary Space at its sole cost and expense, and Tenant hereby acknowledges that Landlord shall have no obligation whatsoever to provide janitorial service to the Temporary Space. The janitorial services shall be performed by Tenant’s employees or a bonded union janitorial contractor, which contractor (if applicable) shall be reasonably approved by Landlord.
10.2 **Landlord’s Address for Rent Payment.** Landlord’s Address for Rent Payment set forth in the Reference Pages of the Original Lease is hereby deleted in its entirety and replaced with the following:

“Silicon Valley CA-I, LLC
08.M10003 – Milpitas-1371 McCarthy-JV
P.O. Box 9047
Addison, Texas 75001-9047”

10.3 **Monument Sign.** During the Temporary Space Term only, Tenant shall have the right to have its name listed on the monument sign for the Building inset from McCarthy Boulevard (the “Temporary Monument Sign”) in accordance with the provisions of Article 43 of the Original Lease. Upon the expiration or earlier termination of the Temporary Space Term, or if Tenant is in default under the terms of the Lease, as amended hereby, after the expiration of applicable notice and cure periods, the Temporary Monument Sign will be removed at Tenant’s sole cost and expense in accordance with Section 43.3 of the Original Lease.

11. **Miscellaneous.**

11.1 This Amendment, including Exhibit A (Outline and Location of Temporary Space) attached hereto, sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Under no circumstances shall Tenant be entitled to any rent abatement, improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Amendment.

11.2 Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control. The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

11.3 Tenant shall reasonably comply with Landlord’s recycle policy for the Building, including, without limitation, Tenant shall sort and separate its trash into separate recycling containers as required by law or which may be furnished by Landlord and located in the Premises. Tenant shall comply with all laws regarding the collection, sorting, separation, and recycling of garbage, waste products, trash and other refuse at the Building. Landlord reserves the right to refuse to collect or accept from Tenant any trash that is not separated and sorted as required by law or pursuant to Landlord’s recycling policy, and to require Tenant to arrange for such collection at Tenant’s cost, utilizing a contractor reasonably satisfactory to Landlord.

11.4 Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.

11.5 Tenant hereby represents to Landlord that Tenant has dealt with no broker in connection with this Amendment. Tenant agrees to indemnify and hold Landlord and the Landlord Entities harmless from all claims of any brokers claiming to have represented Tenant in connection with this Amendment.
11.6 Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting. Tenant hereby represents and warrants that neither Tenant, nor any persons or entities holding any legal or beneficial interest whatsoever in Tenant, are (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury (“OFAC”); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: “List of Specially Designated Nationals and Blocked Persons.” If the foregoing representation is untrue at any time during the Term, an Event of Default under the Lease will be deemed to have occurred, without the necessity of notice to Tenant.

11.7 Redress for any claim against Landlord under the Lease and this Amendment shall be limited to and enforceable only against and to the extent of Landlord’s interest in the Building. The obligations of Landlord under the Lease are not intended to and shall not be personally binding on, nor shall any resort be had to the private properties of, any of its trustees or board of directors and officers, as the case may be, its investment manager, the general partners thereof, or any beneficiaries, stockholders, employees, or agents of Landlord or the investment manager, and in no case shall Landlord be liable to Tenant hereunder for any lost profits, damage to business, or any form of special, indirect or consequential damage.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

LANDLORD:

SILICON VALLEY CA-I, LLC,
a Delaware limited liability company

By: SVCA JV LLC,
a Delaware limited liability company its Manager

By: /s/ Mike Walker
Name: MIKE WALKER
Title: V.P.
Dated: 12/7/11

TENANT:

FIREYE, INC.,
a Delaware corporation

By: /s/ Michael J. Sheridan
Name: Michael J. Sheridan
Title: CFO
Dated: 12/7/11
EXHIBIT A

OUTLINE AND LOCATION OF TEMPORARY SPACE

attached to and made a part of the Amendment dated as of December 5, 2011, between
SILICON VALLEY CA-1, LLC, a Delaware limited liability company, as Landlord and
FIREFLY, INC., a Delaware corporation, as Tenant

Exhibit A is intended only to show the general layout of the Temporary Space as of the beginning of the Temporary Space Effective Date. It does not in any way supersede any of Landlord’s rights set forth in the Lease with respect to arrangements and/or locations of public parts of the Building and changes in such arrangements and/or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate.
THIRD AMENDMENT

THIS THIRD AMENDMENT (this “Amendment”) is made and entered into as of February 21, 2012, by and between SILICON VALLEY CA-I, LLC, a Delaware limited liability company (“Landlord”), and FIREYE, INC., a Delaware corporation (“Tenant”).

RECITALS

A. Landlord and Tenant are parties to that certain lease dated January 15, 2008 (the “Original Lease”), which Original Lease has been previously amended by that certain First Amendment dated April 28, 2010 (the “First Amendment”) and that certain Second Amendment (the “Second Amendment”) dated December 5, 2011 (collectively, the “Lease”). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 22,151 rentable square feet comprised of (i) approximately 16,892 rentable square feet (the “Original Premises”) of the building located at 1390 McCarthy Boulevard, Milpitas, California (the “1390 Building”), and (ii) approximately 5,259 rentable square feet described as Suite 2 (the “Original Temporary Space”) of the building located at 1371 McCarthy Boulevard, Milpitas, California (the “1371 Building”). The 1390 Building and the 1371 Building are part of the project commonly known as Tasman Technology Center (formerly known as Milpitas Business Park) (the “Project”).

B. Tenant has requested that additional space containing approximately 45,106 rentable square feet of the building in the Project that is located at 1440 McCarthy Boulevard, Milpitas, California (the “1440 Building”), as shown on Exhibit A hereto (the “Expansion Space”), be added to the Premises, that additional space containing approximately 29,657 rentable square feet described as Suite 2 of the building in the Project that is located at 1455 McCarthy Boulevard, Milpitas, California (the “1455 Building”), as shown on Exhibit E hereto (the “Additional Temporary Space”), be added to the Temporary Space on a temporary basis, and that the Lease be appropriately amended. Landlord is willing to do all of the foregoing on the following terms and conditions.

C. The Term of the Lease shall expire by its terms on August 31, 2015 (the “Prior Termination Date”), and the Temporary Space Term shall expire by its terms on March 8, 2012 (the “Prior Temporary Space Termination Date”) and the parties desire to extend the Term of the Lease and the Temporary Space Term, all on the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Expansion.
    1.1 Expansion Space. Effective as of the Expansion Space Effective Date (defined below), the Premises (exclusive of the Temporary Space), as defined in the Lease, is increased from approximately 16,892 rentable square feet in the 1390 Building to approximately 61,998 rentable square feet in the 1390 Building and the 1440 Building by the addition of the Expansion Space, and from and after the Expansion Space Effective Date, the
Original Premises and the Expansion Space, collectively, shall be deemed the “Premises”, as defined in the Lease and referred to in this Amendment, and the “Building”, as defined in the Lease and as referred to in this Amendment, shall be deemed to include the 1440 Building.

The Term for the Expansion Space shall commence on the Expansion Space Effective Date and end on the Second Extended Termination Date (defined below). The Expansion Space is subject to all the terms and conditions of the Lease except as expressly modified herein and except that Tenant shall not be entitled to receive any allowances, abatements or other financial concessions granted with respect to the Original Premises unless such concessions are expressly provided for herein with respect to the Expansion Space.

1.1.1 The “Expansion Space Effective Date” shall be the date upon which the Tenant Alterations (as defined in Exhibit B attached hereto) in the Expansion Space have been substantially completed; provided, however, that if Landlord shall be delayed in substantially completing the Tenant Alterations in the Expansion Space as a result of the occurrence of a Tenant Delay (defined below), then, for purposes of determining the Expansion Space Effective Date, the date of substantial completion shall be deemed to be the day that said Tenant Alterations would have been substantially completed absent any such Tenant Delay(s). A “Tenant Delay” means any act or omission of Tenant or any Tenant Entity that actually delays substantial completion of the Tenant Alterations, including, without limitation, the following: (i) Tenant’s failure to furnish information or approvals within any time period specified in the Lease or this Amendment, including the failure to prepare or approve preliminary or final plans by any applicable due date; (ii) Tenant’s selection of equipment or materials that have long lead times after first being informed by Landlord that the selection may result in a delay; (iii) changes requested or made by Tenant to previously approved plans and specifications; (iv) the performance of work in the Expansion Space by Tenant or Tenant’s contractor(s) during the performance of the Tenant Alterations; or (v) if the performance of any portion of the Tenant Alterations depends on the prior or simultaneous performance of work by Tenant, a delay by Tenant or Tenant’s contractor(s) in the completion of such work.

1.1.2 The Expansion Space shall be deemed to be substantially completed on the date that Landlord reasonably determines that all Tenant Alterations in the Expansion Space have been performed (or would have been performed absent any Tenant Delays), other than any details of construction, mechanical adjustment or any other matter, the noncompletion of which does not materially interfere with Tenant’s use of the Expansion Space. The adjustment of the Expansion Space Effective Date and, accordingly, the postponement of Tenant’s obligation to pay rent on the Expansion Space shall be Tenant’s sole remedy and shall constitute full settlement of all claims that Tenant might otherwise have against Landlord by reason of the Expansion Space not being ready for occupancy by Tenant on the Target Expansion Space Effective Date. If the Expansion Space Effective Date has not occurred on or before August 1, 2012 (the “Outside Completion Date”), Tenant shall be entitled to a rent abatement following the Expansion Space Effective Date of $1,127.65 for every day in the period beginning on the Outside Completion Date and ending on the Expansion Space Effective Date.
Landlord and Tenant acknowledge and agree that: (i) the determination of the Expansion Space Effective Date shall take into consideration the effect of any Tenant Delays by Tenant; and (ii) the Outside Completion Date shall be postponed by the number of days the such date is delayed due to strikes, lockouts, casualties, Acts of God, war, material or labor shortages, government regulation or control or other causes beyond the reasonable control of Landlord.

1.1.3 In addition to the postponement, if any, of the Expansion Space Effective Date as a result of the applicability of Section 1.1 of this Amendment, the Expansion Space Effective Date shall be delayed to the extent that Landlord fails to deliver possession of the Expansion Space for any other reason (other than Tenant Delays), including but not limited to, holding over by prior occupants. Any such delay in the Expansion Space Effective Date shall not subject Landlord to any liability for any loss or damage resulting therefrom.

1.1.4 Upon Landlord’s request, Tenant shall execute and return to Landlord, within ten (10) business days after receipt thereof by Tenant, an Expansion Space Effective Date Memorandum, in the form of Exhibit D attached hereto, but Tenant’s failure or refusal to do so shall not negate Tenant’s acceptance of the Expansion Space or affect determination of the Expansion Space Effective Date.

2. **Extension.** The Term of the Lease for the Original Premises and the Expansion Space is hereby extended and shall expire on the last day of the sixty-fourth (64th) full calendar month following the Expansion Space Effective Date ("Second Extended Termination Date"), which is estimated to be August 31, 2017, unless the Term is sooner terminated in accordance with the terms of the Lease. That portion of the Term commencing the day immediately following the Prior Termination Date ("Second Extension Date") and ending on the Second Extended Termination Date shall be referred to herein as the “Second Extended Term”. The portion of the Term commencing on the Expansion Space Effective Date and ending on the Second Extended Termination Date is hereinafter referred to as the “New Term”.

3. **Monthly Installment of Rent.**

3.1 **Original Premises Through Prior Termination Date.** Monthly Installment of Rent, Tenant’s Proportionate Share of Expenses and Taxes and all other charges under the Lease shall be payable as provided therein with respect to the Original Premises through and including the Prior Termination Date.
3.2 **Original Premises From and After Second Extension Date.** As of the Second Extension Date, the schedule of Monthly Installment of Rent and Annual Rent payable with respect to the Original Premises during the Second Extended Term is the following:

<table>
<thead>
<tr>
<th>Period of Second Extended Term</th>
<th>Rentable Square Footage</th>
<th>Annual Rate Per Square Foot</th>
<th>Annual Rent</th>
<th>Monthly Installment of Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/1/15 – 4/30/16</td>
<td>16,892</td>
<td>$9.84</td>
<td>$166,217.28</td>
<td>$13,851.44</td>
</tr>
<tr>
<td>5/1/16 – 4/30/17</td>
<td>16,892</td>
<td>$10.13</td>
<td>$171,115.96</td>
<td>$14,259.66</td>
</tr>
<tr>
<td>5/1/17 – 8/31/17</td>
<td>16,892</td>
<td>$10.43</td>
<td>$176,183.56</td>
<td>$14,681.96</td>
</tr>
</tbody>
</table>

All such Monthly Installment of Rent and Annual Rent shall be payable by Tenant in accordance with the terms of the Lease, as amended hereby. Landlord and Tenant acknowledge that the foregoing schedule is based on the assumption that the Expansion Space Effective Date is the Target Expansion Space Effective Date, it being the intent of Landlord and Tenant that solely during the Second Extended Term, the Monthly Installment of Rent rate and Annual Rent rate per rentable square foot for the Original Premises shall always be the same as the Monthly Installment of Rent rate and Annual Rent rate per rentable square foot for the Expansion Space. If the Expansion Space Effective Date is other than the Target Expansion Space Effective Date, the schedule set forth above with respect to the payment of any Monthly Installments of Rent for the Original Premises shall be appropriately adjusted on a per diem basis to reflect the actual Expansion Space Effective Date, and the actual Expansion Space Effective Date shall be set forth in the Expansion Space Effective Date Memorandum described in Section 1.1.4 above.

3.3 **Expansion Space During New Term.** As of the Expansion Space Effective Date, the schedule of Monthly Installment of Rent and Annual Rent payable with respect to the Expansion Space during the New Term is the following:

<table>
<thead>
<tr>
<th>Months of New Term</th>
<th>Rentable Square Footage</th>
<th>Annual Rate Per Square Foot</th>
<th>Annual Rent</th>
<th>Monthly Installment of Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Months 1 – 12</td>
<td>45,106</td>
<td>$9.00</td>
<td>$405,954.00</td>
<td>$33,829.50</td>
</tr>
<tr>
<td>Months 13 – 24</td>
<td>45,106</td>
<td>$9.28</td>
<td>$418,583.68</td>
<td>$34,881.97</td>
</tr>
<tr>
<td>Months 25 – 36</td>
<td>45,106</td>
<td>$9.55</td>
<td>$430,762.30</td>
<td>$35,896.86</td>
</tr>
<tr>
<td>Months 37 – 48</td>
<td>45,106</td>
<td>$9.84</td>
<td>$443,843.04</td>
<td>$36,986.92</td>
</tr>
<tr>
<td>Months 49 – 60</td>
<td>45,106</td>
<td>$10.13</td>
<td>$456,923.78</td>
<td>$38,076.98</td>
</tr>
<tr>
<td>Months 60 – 64</td>
<td>45,106</td>
<td>$10.43</td>
<td>$470,455.58</td>
<td>$39,204.63</td>
</tr>
</tbody>
</table>

All such Monthly Installment of Rent and Annual Rent shall be payable by Tenant in accordance with the terms of the Lease, as amended hereby; provided that concurrent with Tenant’s execution and delivery of this Amendment, Tenant shall pay the sum of $28,489.80, representing (a) the Monthly Installment of Rent payable for the Expansion Space for the second (2nd) full calendar month following the Expansion Space Effective Date in an amount equal to $20,745.00, and (b) the estimated Tenant’s Proportionate Share of Expenses and Taxes payable for the Expansion Space for the first (1st) full calendar month following the Expansion Space Effective Date in an amount equal to $7,744.80.

3.4 **Abated Rent.** Notwithstanding anything in the Lease to the contrary, so long as Tenant is not in default under the Lease, as amended hereby, beyond any applicable notice and cure periods, Tenant shall be entitled to an abatement of Monthly Installment of Rent solely with respect to the Expansion Space, in the amount of (a) $33,829.50 for the first
(1) full calendar month following the Expansion Space Effective Date; (b) $13,084.50 per month for the second (2nd) through the twelfth (12th) full calendar months following the Expansion Space Effective Date; (c) $34,881.97 for the thirteenth (13th) full calendar month following the Expansion Space Effective Date; and (d) $35,896.86 for the twenty-fifth (25th) full calendar month following the Expansion Space Effective Date. The maximum total amount of Monthly Installment of Rent abated with respect to the Expansion Space in accordance with the foregoing shall equal $248,537.83 (the "Abated Monthly Installment of Rent"). In addition to the foregoing, so long as Tenant is not in default under the Lease, as amended hereby, beyond applicable notice and cure periods, Tenant shall be entitled to an abatement of a portion of Tenant’s Proportionate Share of Expenses and Taxes solely with respect to the Expansion Space such that the Expansion Space shall be deemed to be 27,660 rentable square feet solely for purposes of calculating Tenant’s Proportionate Share of Expenses and Taxes for the Expansion Space (estimated to be $4,884.88 per month) for the first twelve (12) full calendar months following the Expansion Space Effective Date (the "Abated Additional Rent"). The Abated Monthly Installment of Rent and Abated Additional Rent are collectively referred to herein as the "Abated Rent", and the first (1st) through the thirteenth (13th) full calendar months in which Tenant is entitled to Abated Rent in accordance with the foregoing shall be referred to herein as the "Initial Rent Abatement Period". If Tenant defaults under the Lease, as amended hereby, at any time during the Initial Rent Abatement Period and fails to cure such default within any applicable cure period under the Lease, then Tenant shall no longer be entitled to receive Abated Rent, Tenant shall be required to pay the full amount of Monthly Installment of Rent and Tenant’s Proportionate Share of Expenses and Taxes for the remainder of the Term, as amended hereby, and the Abated Rent for the period of time preceding Tenant’s default shall immediately become due and payable. Only the Abated Rent for the Expansion Space shall be abated pursuant to this Section, as more particularly described herein, and Monthly Installment of Rent and Tenant’s Proportionate Share of Expenses and Taxes for the Original Premises and all other rent and other costs and charges payable under the Lease, as amended hereby, shall remain as due and payable pursuant to the provisions of the Lease, as amended hereby.


4.1 Landlord and Tenant hereby acknowledge and agree that Landlord currently holds a Security Deposit in the amount of $50,000.00 pursuant to the terms of Article 5 of the Original Lease (the "Security Deposit"). Within five (5) business days following Tenant’s execution and delivery of this Amendment to Landlord, Tenant shall either (i) pay to Landlord by wire transfer of immediately available funds to an account designated by Landlord the sum of $311,005.86 (the "Additional Security Deposit") which is added to and becomes part of the Security Deposit held by Landlord as security for payment of rent and the performance of the other terms and conditions of the Lease by Tenant or (ii) deliver to Landlord, as collateral for the full performance by Tenant of all of its obligations under the Lease, as amended hereby, and for all losses and damages Landlord may suffer as a result of Tenant’s failure to comply with one or more provisions of the Lease, including, but not limited to, any post lease termination damages under Section 1951.2 of the California Civil Code, an Irrevocable Standby Letter of Credit (the "Letter of Credit") in the amount of $311,005.86.
4.2 The following terms and conditions shall apply to the Letter of Credit:

4.2.1 The Letter of Credit shall be in favor of Landlord, shall be issued by Silicon Valley Bank, or a bank reasonably acceptable to Landlord with a Standard & Poor's rating of "A" or better, shall comply with all of the terms and conditions of this Section 4 and shall otherwise be in the form attached hereto as Exhibit F.

4.2.2 The Letter of Credit or any replacement Letter of Credit shall be irrevocable for the term thereof and shall automatically renew on a year to year basis until a period ending not earlier than two months subsequent to the Second Extended Termination Date (the "LOC Expiration Date") without any action whatsoever on the part of Landlord; provided that the issuing bank shall have the right not to renew the Letter of Credit by giving written notice to Landlord not less than sixty (60) days prior to the expiration of the then current term of the Letter of Credit that it does not intend to renew the Letter of Credit. Tenant understands that the election by the issuing bank not to renew the Letter of Credit shall not, in any event, diminish the obligation of Tenant to deposit the Security Deposit or maintain such an irrevocable Letter of Credit in favor of Landlord through the LOC Expiration Date.

4.2.3 Landlord, or its then authorized representative, upon Tenant's failure to comply with one or more provisions of the Lease, as amended hereby, or as otherwise specifically agreed by Landlord and Tenant pursuant to the Lease, as amended, without prejudice to any other remedy provided in the Lease or by Regulations, shall have the right from time to time to make one or more draws on the Letter of Credit and use all or part of the proceeds in accordance with Section 4.4 below. In addition, if Tenant fails to furnish a renewal or replacement letter of credit complying with all of the provisions of this Section 4 at least sixty (60) days prior to the stated expiration date of the Letter of Credit then held by Landlord, Landlord may draw upon such Letter of Credit and hold the proceeds thereof (and such proceeds need not be segregated) in accordance with the terms of this Section 4 may be drawn down on the Letter of Credit upon presentation to the issuing bank of Landlord's (or Landlords then authorized representative's) certification set forth in Exhibit F.

4.2.4 Tenant acknowledges and agrees (and the Letter of Credit shall so state) that the Letter of Credit shall be honored by the issuing bank without inquiry as to the truth of the statements set forth in such draw request and regardless of whether the Tenant disputes the content of such statement. The proceeds of the Letter of Credit shall constitute Landlord's sole and separate property (and not Tenant's property or the property of Tenant's bankruptcy estate) and Landlord may immediately upon any draw (and without notice to Tenant) apply or offset the proceeds of the Letter of Credit: (a) against any rent or other amounts payable by Tenant under the Lease that is not paid when due; (b) against all losses and damages that Landlord has suffered or that Landlord reasonably estimates that it may suffer as a result of Tenant's failure to comply with one or more provisions of the Lease, as amended hereby, including any damages arising under Section 1951.2 of the California Civil Code following termination of the Lease; (c) against any costs incurred by Landlord in connection with the Lease (including
attorneys’ fees); and (d) against any other amount that Landlord may spend or become obligated to spend by reason of Tenant’s default. Provided Tenant has performed all of its obligations under the Lease, Landlord agrees to pay to Tenant within sixty (60) days after the LOC Expiration Date the amount of any proceeds of the Letter of Credit received by Landlord and not applied as allowed above; provided, that if prior to the LOC Expiration Date a voluntary petition is filed by Tenant or any guarantor, or an involuntary petition is filed against Tenant or any guarantor by any of Tenant’s or guarantor’s creditors, under the Federal Bankruptcy Code, then Landlord shall not be obligated to make such payment in the amount of the unused Letter of Credit proceeds until either all preference issues relating to payments under the Lease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed, in each case pursuant to a final court order not subject to appeal or any stay pending appeal.

4.2.5 If, as result of any application or use by Landlord of all or any part of the Letter of Credit, the amount of the Letter of Credit shall be less than the amount set forth in this Section 4, Tenant shall, within five (5) days thereafter, provide Landlord with additional letter(s) of credit in an amount equal to the deficiency (or a replacement letter of credit in the total amount required pursuant to this Section 4) and any such additional (or replacement) letter of credit shall comply with all of the provisions of this Section 4, and if Tenant fails to comply with the foregoing, notwithstanding anything to the contrary contained in the Lease, as amended hereby, the same shall constitute an incurable Event of Default by Tenant. Tenant further covenants and warrants that it will neither assign nor encumber the Letter of Credit or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

4.2.6 Landlord may, at any time and without notice to Tenant and without first obtaining Tenant’s consent thereto, transfer all or any portion of its interest in and to the Letter of Credit to another party, person or entity, including Landlord’s mortgagee and/or to have the Letter of Credit reissued in the name of Landlord’s mortgagee. If Landlord transfers its interest in the Building and transfers the Letter of Credit (or any proceeds thereof then held by Landlord) in whole or in part to the transferee, Landlord shall, without any further agreement between the parties hereto, thereupon be released by Tenant from all liability therefor. The provisions hereof shall apply to every transfer or assignment of all or any part of the Letter of Credit to a new landlord. In connection with any such transfer of the Letter of Credit by Landlord, Tenant shall, at Tenant’s sole cost and expense, execute and submit to the issuer of the Letter of Credit such applications, documents and instruments as may be necessary to effectuate such transfer. Tenant shall be responsible for paying the issuer’s transfer and processing fees in connection with any transfer of the Letter of Credit and, if Landlord advances any such fees (without having any obligation to do so), Tenant shall reimburse Landlord for any such transfer or processing fees within ten (10) days after Landlord’s written request therefor.
4.2.7 If the Letter of Credit expires earlier than the LOC Expiration Date, or the issuing bank notifies Landlord that it shall not renew the Letter of Credit, Landlord shall accept a renewal thereof or substitute Letter of Credit (such renewal or substitute Letter of Credit to be in effect not later than sixty (60) days prior to the expiration thereof), irrevocable and automatically renewable through the LOC Expiration Date upon the same terms as the expiring Letter of Credit or upon such other terms as may be acceptable to Landlord. However, if (a) the Letter of Credit is not timely renewed, or (b) a substitute Letter of Credit, complying with all of the terms and conditions of this paragraph is not timely received, Landlord may present such Letter of Credit to the issuing bank, and the entire sum so obtained shall be paid to Landlord, to be held by Landlord in accordance with Article 5 of the Lease. Notwithstanding the foregoing, Landlord shall be entitled to receive from Tenant all attorneys’ fees and costs incurred in connection with the review of any proposed substitute Letter of Credit pursuant to this Section.

4.2.8 Landlord and Tenant (a) acknowledge and agree that in no event or circumstance shall the Letter of Credit or any renewal thereof or substitute therefor or any proceeds thereof be deemed to be or treated as a “security deposit” under any Regulation applicable to security deposits in the commercial context including Section 1950.7 of the California Civil Code, as such section now exist or as may be hereafter amended or succeeded (“Security Deposit Laws”), (b) acknowledge and agree that the Letter of Credit (including any renewal thereof or substitute therefor or any proceeds thereof) is not intended to serve as a security deposit, and the Security Deposit Laws shall have no applicability or relevancy thereto, and (c) waive any and all rights, duties and obligations either party may now or, in the future, will have relating to or arising from the Security Deposit Laws. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code and all other provisions of Regulations, now or hereafter in effect, which (i) establish the time frame by which Landlord must refund a security deposit under a lease, and/or (ii) provide that Landlord may claim from the security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums specified above in this Section 4 and/or those sums reasonably necessary to compensate Landlord for any loss or damage caused by Tenant’s breach of the Lease or the acts or omission of Tenant or any other Tenant Entities, including any damages Landlord suffers following termination of the Lease, as amended hereby.

4.2.9 Notwithstanding anything to the contrary contained in the Lease, as amended hereby, in the event that at any time the financial institution which issues said Letter of Credit is declared insolvent by the FDIC or is closed for any reason, Tenant must immediately provide a substitute Letter of Credit that satisfies the requirements of the Lease hereby from a financial institution acceptable to Landlord, in Landlord’s sole discretion.

4.3 Subject to the remaining terms of this Section 4.3, at any time following the first anniversary of the Expansion Space Effective Date and provided that (a) Tenant has timely paid all rent due under the Lease, as amended hereby, during the twelve (12)
month period immediately preceding the effective date of any reduction of the Security Deposit or Letter of Credit, as the case may be (the applicable instrument hereinafter referred to as “Security Instrument”), and (b) Tenant’s Financial Information (defined below) reflects net cash from Tenant’s operation to be in an amount of not less than $6,000,000.00 during the twelve (12) month period immediately preceding Tenant’s request for reduction of the Security Instrument, Tenant shall have the right to reduce the amount of the Security Instrument so that the new Security Instrument amount will be $205,502.93. Notwithstanding anything to the contrary contained herein, if Tenant has been in default under the Lease, as amended hereby, at any time prior to the effective date of any reduction of the Security Instrument and Tenant has failed to cure such default within any applicable cure period, then Tenant shall have no further right to reduce the amount of the Security Instrument as described herein. If Tenant is entitled to a reduction in the Security Instrument amount, Tenant shall provide Landlord with written notice requesting that the amount of the Security Instrument be reduced as provided above (the “Reduction Notice”). Concurrent with Tenant’s delivery of the Reduction Notice, Tenant shall deliver to Landlord for review Tenant’s financial statements prepared in accordance with generally accepted accounting principles and audited by a nationally or regionally recognized public accounting firm acceptable to Landlord, and any other financial information requested by Landlord (“Tenant’s Financial Information”). In the event Tenant provides Landlord the Additional Security Deposit and Tenant has delivered the Reduction Notice in accordance with this Section 4.3 and Tenant is entitled to receive a reduction in the Security Deposit amount, Landlord shall refund the applicable portion of the Security Deposit to Tenant within thirty (30) days after Landlord’s receipt of the Reduction Notice. In the event Tenant elects to provide a Letter of Credit, then any reduction in the Letter of Credit amount shall be accomplished by Tenant providing Landlord with a substitute Letter of Credit in the reduced amount, which substitute Letter of Credit shall comply with the requirements of this Section 4.

5. **Tenant’s Proportionate Share.** For the period commencing with the Expansion Space Effective Date and ending on the Second Extended Termination Date, Tenant’s Proportionate Share for the Expansion Space is 100% of the 1440 Building and 7.41% of the Project and Tenant’s Proportionate Share for the Expansion Space and the Original Premises, collectively, 10.18% of the Project (provided that the payment of Tenant’s Proportionate Share of Expenses and Taxes for the Expansion Space shall be subject to Section 3.4 of this Amendment).

6. **Additional Rent.**

6.1 **Original Premises for the Second Extended Term.** For the period commencing with the Second Extension Date and ending on the Second Extended Termination Date, Tenant shall pay all additional rent payable under the Lease, including Tenant’s Proportionate Share of Expenses and Taxes applicable to the Original Premises, in accordance with the terms of the Lease.

6.2 **Expansion Space from Expansion Space Effective Date Through Second Extended Termination Date.** Subject to Section 3.4, for the period commencing with the Expansion Space Effective Date and ending on the Second Extended Termination Date, Tenant shall pay all additional rent, including Tenant’s Proportionate Share of Expenses and Taxes applicable to the Expansion Space, in accordance with the terms of the Lease.
Notwithstanding the foregoing, the parties hereby acknowledge and agree that the $3,000.00 limitation on the air conditioning maintenance costs included in Expenses as set forth in Section 4.1.2 of the Original Lease shall not apply to the 1440 Building or the Expansion Space and Expenses with respect to the 1440 Building shall include the full amount of any air conditioning maintenance costs.

7. Improvements to Expansion Space.

7.1 Condition of Expansion Space. Tenant has inspected the Expansion Space and agrees to accept the same “as is” without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements, except as may be expressly provided otherwise in this Amendment. However, notwithstanding the foregoing, Landlord agrees that the doors and the base Building electrical, heating, ventilation and air conditioning and plumbing systems located in the Expansion Space shall be in good working order as of the date Landlord delivers possession of the Expansion Space to Tenant. Except to the extent caused by the acts or omissions of Tenant or any Tenant Entities or by any alterations or improvements performed by or on behalf of Tenant, if such systems are not in good working order as of the date possession of the Expansion Space is delivered to Tenant and Tenant provides Landlord with notice of the same within ninety (90) days following the date Landlord delivers possession of the Expansion Space to Tenant, Landlord shall be responsible for repairing or restoring the same. Landlord, at its sole cost and expense (except to the extent properly included in Expenses), shall be responsible for correcting any existing violations of Regulations in effect and enforced as of the Expansion Effective Date with respect to the Expansion Space; provided, however, that any alleged violations with respect to the Expansion Space (notwithstanding the Tenant Alterations) must be specifically identified in writing to Landlord within ten (10) days following the Expansion Effective Date. So long as Tenant notifies Landlord of any such violations of Regulations with respect to the Expansion Space within ten (10) days following the Expansion Effective Date, Landlord shall be responsible for correcting such violations at its sole cost and expense. Notwithstanding the foregoing, Landlord shall have the right to contest any alleged violation in good faith, including, without limitation, the right to apply for and obtain a waiver or deferment of compliance, the right to assert any and all defenses allowed by law and the right to appeal any decisions, judgments or rulings to the fullest extent permitted by law. Landlord, after the exhaustion of any and all rights to appeal or contest, will make all repairs, additions, alterations or improvements necessary to comply with the terms of any final order or judgment. Notwithstanding the foregoing, Tenant, not Landlord, shall be responsible for the correction of any violations that arise out of or in connection with any claims brought under any provision of the Americans With Disabilities Act other than Title III thereof, the specific nature of Tenant’s business in the Premises, the acts or omissions of Tenant or any Tenant Entities, Tenant’s arrangement of any furniture, equipment or other property in the Premises, any repairs, alterations, additions or improvements performed by or on behalf of Tenant (other than the Tenant Alterations) and any design or configuration of the Premises specifically requested by Tenant after being informed that such design or configuration may not be in strict compliance with Regulations. As of the date hereof, Landlord has not received written notice from any governmental agencies that the 1440 Building is in violation of any Regulations.

7.2 Responsibility for Improvements to Expansion Space. Landlord shall perform improvements to the Expansion Space in accordance with the terms of Exhibit B attached hereto. Notwithstanding anything to the contrary set forth in the Lease, Tenant shall have no obligation to remove any of the Tenant Alterations described on the Plans (as defined in Exhibit B hereto) as of the date hereof other than any data and communications cabling.
8. **Early Access to Expansion Space.** Subject to the terms of this Section 8 and provided that this Amendment and the Early Possession Agreement (as defined below) have been fully executed by all parties and Tenant has delivered all prepaid rental, the Additional Security Deposit and insurance certificates required hereunder, Landlord grants Tenant the right to enter the Expansion Space, at Tenant’s sole risk, approximately four (4) weeks prior to Landlord’s estimate of the Expansion Space Effective Date, as determined by Landlord, solely for the purpose of installing telecommunications and data cabling, equipment, furnishings and other personalty and to perform the work specified in Sections 12 and 13 below. Such possession prior to the Expansion Space Effective Date shall be subject to all of the terms and conditions of the Lease, as amended hereby, except that Tenant shall not be required to pay Monthly Installment of Rent or Tenant’s Proportionate Share of Expenses and Taxes with respect to the period of time prior to the Expansion Space Effective Date during which Tenant occupies the Expansion Space solely for such purposes. Notwithstanding the foregoing, if Tenant takes possession of the Expansion Space before the Expansion Space Effective Date for any purpose other than as expressly provided in this Section, such possession shall be subject to the terms and conditions of the Lease, as amended hereby, and Tenant shall pay Monthly Installment of Rent, Tenant’s Proportionate Share of Expenses and Taxes, and any other charges payable hereunder to Landlord for each day of possession before the Expansion Space Effective Date. Said early possession shall not advance the Second Extended Termination Date. Landlord may withdraw such permission to enter the Expansion Space prior to the Expansion Space Effective Date at any time that Landlord reasonably determines that such entry by Tenant is causing a dangerous situation for Landlord, Tenant or their respective contractors or employees, or if Landlord reasonably determines that such entry by Tenant is hampering or otherwise preventing Landlord from proceeding with the completion of the Tenant Alterations described in Exhibit B at the earliest possible date. As a condition to any early entry by Tenant pursuant to this Section 8, Tenant shall execute and deliver to Landlord an early possession agreement (the “Early Possession Agreement”) in the form attached hereto as Exhibit C, provided by Landlord, setting forth the actual date for early possession and the date for the commencement of payment of Monthly Installment of Rent.

9. **Option to Renew.** Tenant’s Option to Renew set forth in Article 41 of the Original Lease, as amended by the First Amendment, is hereby deleted in its entirety and of no further force and effect. Provided the Lease, as amended hereby, is in full force and effect and Tenant is not in default under any of the other terms and conditions of the Lease, as amended hereby, beyond applicable notice and cure periods, at the time of notification or commencement, Tenant shall have one (1) option to renew (the “Renewal Option”) the Term of the Lease for a term of five (5) years (the “Renewal Term”), for the entire Original Premises and/or the entire Expansion Space, or both, provided that such portion(s) of the Premises are then being leased by Tenant as of the date the Renewal Term is to commence, on the same terms and conditions set forth in the Lease, except as modified by the terms, covenants and conditions as set forth below:

9.1 If Tenant elects to exercise the Renewal Option, then Tenant shall provide Landlord with written notice (“Tenant’s Renewal Notice”) of such exercise no earlier than the date which is three hundred sixty-five (365) days prior to the expiration of the then current Term but no later than the date which is one hundred eighty (180) days prior to the expiration of the then current Term. Tenant’s Renewal Notice shall expressly state whether Tenant is exercising the Renewal Option as to the entire Original Premises, the entire Expansion Space, or both; provided, however, if Tenant fails to state in Tenant’s Renewal Notice the portion of the Premises as to which Tenant is exercising the Renewal Option, Tenant shall be deemed to have exercised its Renewal Option for both the Original Premises and the Expansion Space. If Tenant fails to provide Tenant’s Renewal Notice as provided herein, Tenant shall have no further or additional right to extend or renew the Term of the Lease. As used in this Section 9 only, the term “Premises” shall mean and refer only to the portion of the Premises as to which Tenant exercises its Renewal Option pursuant to this Section 9.
9.2 The Annual Rent and Monthly Installment of Rent in effect at the expiration of the then current Term of the Lease shall be adjusted to reflect the Prevailing Market (defined below) rate for the Premises upon the commencement of the renewal term. Landlord shall advise Tenant of the new Annual Rent and Monthly Installment of Rent for the Premises no later than thirty (30) days after receipt of Tenant’s written request therefor. Said request shall be made no earlier than thirty (30) days prior to the first date on which Tenant may exercise its Renewal Option under this Section.

9.3 If Tenant and Landlord are unable to agree on a mutually acceptable Annual Rent and Monthly Installment of Rent for the Renewal Term not later than sixty (60) days prior to the expiration of the then current Term, then Landlord and Tenant, within five (5) days after such date, shall each simultaneously submit to the other, in a sealed envelope, its good faith estimate of the Prevailing Market rate for the Premises during the Renewal Term (collectively referred to as the “Estimates”), subject to the terms of Section 9.4. If the higher of such Estimates is not more than one hundred five percent (105%) of the lower of such Estimates, then the Prevailing Market rate shall be the average of the two Estimates. If the Prevailing Market rate is not established by the exchange of Estimates, then, within seven (7) days after the exchange of Estimates, Landlord and Tenant shall each select an appraiser to determine which of the two Estimates most closely reflects the Prevailing Market rate for the Premises during the Renewal Term. Each appraiser so selected shall be certified as an MAI appraiser or as an ASA appraiser and shall have had at least five (5) years experience within the previous ten (10) years as a real estate appraiser working in same submarket area in which the Premises is located with Working knowledge of current rental rates and practices. For purposes hereof, an “MAI” appraiser means an individual who holds an MAI designation conferred by, and is an independent member of, the American Institute of Real Estate Appraisers (or its successor organization, or in the event there is no successor organization, the organization and designation most similar), and an “ASA” appraiser means an individual who holds the Senior Member designation conferred by, and is an independent member of, the American Society of Appraisers (or its successor organization, or, in the event there is no successor organization, the organization and designation most similar).
Upon selection, Landlord’s and Tenant’s appraisers shall work together in good faith to agree upon which of the two Estimates most closely reflects the Prevailing Market rate for the Premises during the Renewal Term. The Estimates chosen by such appraisers shall be binding on both Landlord and Tenant. If either Landlord or Tenant fails to appoint an appraiser within the seven (7) day period referred to above, the appraiser appointed by the other party shall be the sole appraiser for the purposes hereof. If the two appraisers cannot agree upon which of the two Estimates most closely reflects the Prevailing Market rate within twenty (20) days after their appointment, then, within ten (10) days after the expiration of such twenty (20) day period, the two appraisers shall select a third appraiser meeting the aforementioned criteria. Once the third appraiser (i.e., the arbitrator) has been selected as provided for above, then, as soon thereafter as practicable but in any case within fourteen (14) days, the arbitrator shall make his or her determination of which of the two Estimates most closely reflects the Prevailing Market rate and such Estimate shall be binding on both Landlord and Tenant as the Prevailing Market rate for the Premises. If the arbitrator believes that expert advice would materially assist him or her, he or she may retain one or more qualified persons to provide such: expert advice. The parties shall share equally in the costs of the arbitrator and of any experts retained by the arbitrator. Any fees of any appraiser, counsel or experts engaged directly by Landlord or Tenant, however, shall be borne by the party retaining such appraiser, counsel or expert.

If the Prevailing Market rate has not been determined by the commencement date of the Renewal Term, Tenant shall pay Monthly Installments of Rent for the Premises at the Monthly Installment of Rent rate and otherwise upon the terms and conditions in effect during the last month of the then current Term until such time as the Prevailing Market rate has been determined. Upon such determination, the Annual Rent and Monthly Installments of Rent for the Premises shall be retroactively adjusted to the commencement of the Renewal Term for the Premises.

This Renewal Option is not transferable; the parties hereto acknowledge and agree that they intend that the aforesaid option to renew the Lease shall be “personal” to Tenant as set forth above and its Permitted Transferee pursuant to a Permitted Transfer, and that in no event will any other assignee or any sublessee have any rights to exercise this Renewal Option.

If Tenant validly exercises or fails to exercise this Renewal Option, Tenant shall have no further right to extend the Term of the Lease. If Tenant elects to exercise its Renewal Option for less than the entire Premises in accordance with the terms and conditions of such election set forth in Section 9.1 above, Tenant shall vacate and surrender to Landlord the portion of the Premises for which the Term is not so extended in accordance with the terms and conditions of the Lease.

For purposes of this Renewal Option, “Prevailing Market” shall mean the arms length fair market annual rental rate per rentable square foot under renewal and new leases and amendments entered into on or about the date on which the Prevailing Market is being determined hereunder for space comparable to the Premises in the Building and buildings comparable to the Building in the same rental market in the Milpitas, California area as of the date the Renewal Term is to commence, taking into account the specific provisions of the Lease, as amended hereby, which will remain constant. The
determination of Prevailing Market shall take into account any material economic differences between the terms of the Lease, as amended, and any comparison lease or amendment, such as rent abatements, construction costs and other concessions and the manner, if any, in which the landlord under any such lease is reimbursed for operating expenses and taxes.

10. **Right of First Offer.**

10.1 Tenant shall have a one-time right of first offer (the “Offer Right”) with respect to the approximately 26,719 rentable square feet of space in the 1390 Building and shown on the demising plan attached hereto as Exhibit E (the “Offer Space”), Tenant’s Offer Right shall be exercised as follows: at any time after Landlord has determined that the Offer Space has become Available (defined below), but prior to leasing the Offer Space to a party other than the existing tenant thereto, Landlord shall advise Tenant (the “Advice”) of the terms under which Landlord is prepared to lease the Offer Space to Tenant. For purposes hereof, the Offer Space shall be deemed to become “Available” when Landlord has determined that the tenant of the Offer Space will not extend or renew the term of its lease, or enter into a new lease, for the Offer Space. Tenant may lease the Offer Space in its entirety only, under the terms set forth in the Advice, by delivering written notice of exercise to Landlord (the “Notice of Exercise”) within seven (7) business days after the date of the Advice, except that Tenant shall have no such Offer Right and Landlord need not provide Tenant with an Advice with respect to the Offer Space, if (i) Tenant is in default under the Lease, as amended hereby, beyond any applicable notice and cure periods, at the time that Landlord would otherwise deliver the Advice; or (ii) the Premises, or any portion thereof, is sublet at the time Landlord otherwise deliver the Advice; or (iii) the Lease has been assigned (other than pursuant to a Permitted Transfer) prior to the date Landlord would otherwise deliver the Advice; or (iv) Tenant is not occupying the Premises on the date Landlord would otherwise deliver the Advice; or (v) the Offer Space is not intended for the exclusive use of Tenant during the Term; or (vi) the existing tenant in the Offer Space is not the existing tenant the Offer Space is intended for the exclusive use of Tenant during the Term; or (vii) the existing tenant in the Offer Space is not the existing tenant the Offer Space is intended for the exclusive use of Tenant during the Term.

10.2 The term for the Offer Space (the “Offer Space Term”) shall commence upon the commencement date stated in the Advice and thereupon such Offer Space shall be considered a part of the Premises, provided that all of the terms stated in the Advice govern Tenant’s leasing of the Offer Space and only to the extent that they do not conflict with the Advice, the terms and conditions of the Lease, as amended hereby, shall apply to the Offer Space. Notwithstanding the foregoing, if the remaining Term of the Lease following the commencement of the Offer Space Term is greater than thirty six (36) months, then the Offer Space Term shall expire concurrently with the Term of the Lease, as may be extended, and if the remaining Term of the Lease following the commencement of the Offer Space Term is less than thirty six (36) months, then the Offer Space Term shall be as set forth in the Advice. Tenant shall pay Monthly Installment of Rent, Tenant’s Proportionate Share of Expenses and Taxes and any other additional rent for the Offer Space in accordance with the terms and conditions of the Advice.

10.3 The Offer Space (including improvements and personality, if any) shall be accepted by Tenant in its condition and as-built configuration existing on the earlier of the date
Tenant takes possession of the Offer Space or the date the term for such Offer Space commences, unless the Advice specifies work to be performed by Landlord in the Offer Space, in which case Landlord shall perform such work in the Offer Space. If Landlord is delayed delivering possession of the Offer Space due to the holdover or unlawful possession of such space by any party, Landlord shall use reasonable efforts to obtain possession of such space, and the commencement of the term for the Offer Space shall be postponed until the date Landlord delivers possession of the Offer Space to Tenant free from occupancy by any party.

10.4 The rights of Tenant hereunder with respect to the Offer Space shall terminate on the earlier to occur of: (i) twelve (12) months prior to the Second Extended Termination Date; (ii) Tenant’s failure to exercise its Offer Right within the seven (7) business day period provided in Section 10.1 above; and (iii) the date Landlord would have provided Tenant the Advice if Tenant had not been in violation of one or more of the conditions set forth in Section 10.1 above.

10.5 If Tenant exercises its Offer Right, Landlord shall prepare an amendment (the “Offer Space Amendment”) adding the Offer Space to the Premises on the terms set forth in the Advice and reflecting the changes in the Monthly Installment of Rent, rentable square footage of the Premises, Tenant’s Proportionate Share and other appropriate terms. A copy of the Offer Space Amendment shall be sent to Tenant within a reasonable time after Landlord’s receipt of the Notice of Exercise executed by Tenant, and Tenant shall execute and return the Offer Space Amendment to Landlord within ten (10) business days thereafter, but an otherwise valid exercise of the Offer Right shall be fully effective whether or not the Offer Space Amendment is executed.

10.6 Notwithstanding anything herein to the contrary, Tenant’s Offer Right is subject and subordinate to the expansion rights (whether such rights are designated as a right of first offer, right of first refusal, expansion option or otherwise) of NexG, the tenant of the Offer Space on the date hereof, and its successors and assigns.

11. **Temporary Space.**

11.1 Effective as of March 9, 2012 (the “Temporary Space Extension Date”), the Temporary Space Term is extended and, notwithstanding anything to the contrary set forth in Section 1.2 of the Second Amendment, shall expire on the tenth (10th) business day immediately following the Expansion Space Effective Date (the “Temporary Space Extended Termination Date”), unless sooner terminated in accordance with the terms of the Lease. The portion of the Temporary Space Term commencing on the Temporary Space Extension Date and ending on the Temporary Space Extended Termination Date is referred to herein as the “Extended Temporary Space Term”. Tenant shall have the right, upon thirty (30) days prior written notice to Landlord, to terminate the Extended Temporary Space Term with respect to the Original Temporary Space only, upon the later of (i) thirty (30) days following Landlord’s receipt of Tenant’s notice of its intent to terminate the Extended Temporary Space Term in accordance with the foregoing and (ii) the date Tenant vacates the Original Temporary Space, the “Temporary Space” as used herein shall be deemed to be the Additional Temporary Space only and all rentable square footage calculations and Tenant’s Proportionate Share relating to the Temporary Space shall be adjusted accordingly. Notwithstanding anything to the contrary set forth
11.2 Effective as of the date that is one (1) day following the date this Amendment has been fully executed by all parties and Tenant has delivered all prepaid rental, the Additional Security Deposit and insurance certificates required hereunder (the “Temporary Space Expansion Effective Date”) and ending on the Extended Temporary Space Termination Date, the Temporary Space is increased from approximately 5,259 rentable square feet in the 1371 Building to approximately 34,916 rentable square feet in the 1371 Building and the 1455 Building by the addition of the Additional Temporary Space, and during the Extended Temporary Space Term, the Temporary Space and Additional Temporary Space, collectively, shall be deemed the “Premises” and the 1371 Building and the 1455 Building shall be deemed the “Building” for purposes of Articles 10 (Indemnity), 11 (Insurance) and 12 (Waiver of Subrogation) of the Original Lease. The Temporary Space shall be accepted by Tenant in its “as-is” condition and configuration, it being agreed that Landlord shall be under no obligation to perform any work in the Temporary Space or to incur any costs in connection with Tenant’s move in, move out or occupancy of the Temporary Space. Tenant acknowledges that it shall be entitled to use and occupy the Temporary Space at its sole cost, expense and risk. Tenant shall not construct any improvements or make any alterations of any type to the Temporary Space without the prior written consent of Landlord. All costs in connection with making the Temporary Space ready for occupancy by Tenant shall be the sole responsibility of Tenant.

11.3 The Temporary Space shall be subject to all the terms and conditions of the Lease, as amended hereby, except as expressly modified herein and except that (a) Tenant shall not be entitled to receive any allowances, abatement or other financial concession in connection with the Temporary Space which was granted with respect to the Premises, (ii) the Temporary Space shall not be subject to any renewal or expansion rights of Tenant under the Lease or this Amendment, and (iii) Tenant shall not be required to pay Monthly Installment of Rent for the Temporary Space during the Extended Temporary Space Term. However, Tenant shall be required to pay Tenant’s Proportionate Share of Expenses and Taxes for the entire Temporary Space during the Extended Temporary Space Term in accordance with the terms of Article 4 of the Original Lease. For the period commencing as of the Temporary Space Expansion Effective Date and continuing until the Extended Temporary Space Term, Tenant’s Proportionate Share for the Additional Temporary Space is 87.48% of the 1455 Building and Tenant’s Proportionate Share of the initial Temporary Space and the Additional Temporary Space is, collectively, 5.73% of the Project.

11.4 Upon termination of the Extended Temporary Space Term, Tenant shall vacate the entire Temporary Space and deliver the same to Landlord in the same condition that the Temporary Space was delivered to Tenant, ordinary wear and tear excepted. At the expiration or earlier termination of the Extended Temporary Space Term, Tenant shall remove all debris, all items of Tenant’s personality, and any trade fixtures of Tenant from the Temporary Space. Tenant shall have no right to hold over or otherwise occupy the Temporary Space or any portion thereof at any time following the expiration or earlier termination of the Extended
Temporary Space Term, and in the event of such holdover, Landlord shall immediately be entitled to institute dispossessory proceedings to recover possession of the Temporary Space, without first providing notice thereof to Tenant. In the event of holding over after expiration or termination of the Extended Temporary Space Term without the written authorization of Landlord, Tenant shall pay, for such holding over, the sum of $1.23 per rentable square foot of the Temporary Space plus Tenant’s Proportionate Share of Expenses and Taxes for the Temporary Space for each month or partial month of holdover plus all damages that Landlord incurs as a result of the Tenant’s hold over. During any such holdover, Tenant’s occupancy of the Temporary Space shall be deemed that of a tenant at sufferance, and in no event, either during the Extended Temporary Space Term or during any holdover by Tenant, shall Tenant be determined to be a tenant-at-will under applicable law. While Tenant is occupying the Temporary Space, Landlord or Landlord’s authorized agents shall be entitled to enter the Temporary Space, upon reasonable notice, to display the Temporary Space to prospective tenants.

12. Communication Lines. Subject to the terms of this Section, Tenant may install, maintain, replace, remove, use or modify communications or computer wires, fiber conduits, cables and related devices (collectively, the “Lines”) at the Building, which may include connecting the Lines between the 1390 Building and the 1440 Building by installing fiber conduit in the parking lot and landscaping areas between the 1390 Building and the 1440 Building (the “Exterior Areas”). Tenant shall submit to Landlord for Landlord’s prior consent for approval (which approval shall not be unreasonably withheld, conditioned or delayed) detailed plans, schematics, specifications identifying all work to be performed (the “Plans and Specifications”) and the time schedule for completion of the work. Landlord hereby approves of Midstate Electric to provide service to the Lines and San Jose Construction to perform the proposed work. The exact location of the portions of the Building and the Exterior Areas in which Tenant may install the Lines shall be approved in advance in writing by Landlord in its reasonable discretion and in no event shall Tenant install any Lines or make or permit any penetrations in any other portions of the Building or Project. Landlord shall have a reasonable time in which to evaluate the request after it is submitted by Tenant.

12.1 Tenant shall be solely responsible for obtaining all necessary governmental and regulatory approvals and for the cost of installing, operating, maintaining and removing the Lines. Tenant shall notify Landlord upon completion of the installation of the Lines. If Landlord reasonably determines that the Lines does not comply with the approved Plans and Specifications, that the Building, Exterior Areas or any other portion of the Project has been damaged during installation of the Lines or that the installation was defective, Landlord shall notify Tenant of any noncompliance or detected problems and Tenant immediately shall cure the defects. If the Tenant fails to immediately cure the defects, Tenant shall pay to Landlord upon demand the cost of correcting any defects and repairing any damage to the Building, the Exterior Areas and the Project caused by such installation. It is further understood and agreed that the installation, maintenance, operation and removal of the Lines is not permitted to damage the Building, including the foundation and concrete floor slabs or the Exterior Areas, or interfere with the use of the Exterior Areas or Project by Landlord, any tenant or occupant of the Project or any other third parties.

12.2 Landlord’s approval of, or requirements concerning, the Lines or any equipment related thereto, the Plans and Specifications or designs related thereto, the contractor or
subcontractor, or the work performed hereunder, shall not be deemed a warranty as to the adequacy thereof and Landlord hereby disclaims any
responsibility or liability for the same. Landlord disclaims all responsibility for the condition or utility of the intrabuilding network cabling (INC) and makes no representation regarding the suitability of the INC for Tenant’s intended use.

12.3 With respect to any work performed by Tenant pursuant to this Section, Tenant shall: (a) pay all costs in connection therewith, including all costs related to new Lines and all costs for repairs required to the Building and the Project (including the Exterior Areas) as a result of such installation, including without limitation the cost to repair and seal all affected Exterior Areas; (b) comply with all requirements and conditions of this Section and Article 6 of the Original Lease; and (c) use, maintain and operate the Lines and related equipment in accordance with and subject to all Regulations governing the Lines and equipment. Tenant shall further insure that: (i) Tenant’s contractor complies with the provisions of this Section and Landlord’s reasonable requirements governing any work performed; (ii) Tenant’s contractor provides all insurance required by Landlord; (iii) any work performed shall comply with all Regulations; and (iv) as soon as the work is completed, Tenant shall submit “as-built” drawings to Landlord.

12.4 Landlord reserves the right to require that Tenant remove or relocate any Lines located in or about or serving the Building which are installed in violation of these provisions, or which are at any time in violation of any Regulations or present a dangerous or potentially dangerous condition (whether such Lines were installed by Tenant or any other party), within three (3) days after written notice. Landlord reserves the right to relocate the Lines as reasonably necessary during the Term at Landlord’s sole cost and expense; provided that such relocation shall not result in a disruption in communication provided by such Lines. Landlord acknowledges that in the event Landlord elects to relocate the Lines, Landlord will be required to install and connect the relocated Lines before disconnecting the existing Lines. Tenant shall not be required to remove the Lines; provided, however, that Tenant shall be required to cap and secure any or all Lines installed by or on behalf of Tenant, at Tenant’s sole cost and expense, upon termination or any earlier expiration of the Lease and repair any damage to the Building and the Project caused by such capping and securing. All Lines shall become the property of Landlord (without payment by Landlord) upon the expiration or earlier termination of the Lease, as amended hereby. If Tenant fails to cap and secure such Lines as required by Landlord, or violates any other provision of this Section, Landlord may remove such Lines or otherwise remedy such violation at Tenant’s expense (without limiting Landlord’s other remedies available under the Lease or applicable law). Tenant shall not, without the prior written consent of Landlord in each instance, grant to any third party a security interest or lien in or on the Lines, and any such security interest or lien granted without Landlord’s written consent shall be null and void. Tenant’s obligations pursuant to this Section 12.4 shall survive the expiration or earlier termination of the Lease.

12.5 In addition to any other indemnification obligations under the Lease, Tenant shall indemnify, defend and hold harmless Landlord and the Landlord Entities from and against any and all claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses (including reasonable attorneys’ fees) arising out of or in any way related to the acts and omissions of Tenant any Tenant Entity, contractors,
subcontractors, subtenants and invitees with respect to: (a) the installation, use, maintenance and removal of any Lines or equipment related thereto installed by or on behalf of Tenant; (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to any Lines or equipment installed by or on behalf of Tenant; (c) any lawsuit brought or threatened, settlement reached, or governmental order relating to such Lines or equipment related thereto; and (d) any violations of Regulations or demands of governmental authorities, or any policies or requirements of Landlord, which are based upon or in any way related to such Lines or equipment related thereto. This indemnification and hold harmless agreement shall survive the expiration or earlier termination of the Lease.

12.6 Landlord shall have no liability for damages arising from, and Landlord does not warrant that Tenant’s use of any Lines will be free from the following (collectively called “Line Problems”): (a) any eavesdropping or wire-tapping by unauthorized parties; (b) any failure of any Lines to satisfy Tenant’s requirements; or (c) any shortages, failures, variations, interruptions, disconnections, loss or damage caused by the installation, maintenance, replacement, use or removal of Lines by or for other tenants or occupants at the Building, or any failure of the environmental conditions or the power supply for the Building to conform to any requirements for the Lines or any associated equipment, or any other problems associated with any Lines by any other cause. Under no circumstances shall any Line Problems be deemed an actual or constructive eviction of Tenant, render Landlord liable to Tenant for abatement of rent, or relieve Tenant from performance of Tenant’s obligations under the Lease, as amended hereby. Landlord in no event shall be liable for damages by reason of loss of profits, business interruption or other consequential damage arising from any Line Problems.

13. **Tenant’s Security System.**

13.1 Subject to the terms of the Lease, as amended hereby, including, without limitation, Tenant’s compliance with Article 6 of the Original Lease, Tenant, at Tenant’s sole cost and expense, shall have the right to install and maintain a security and card access system in the Expansion Space and at the entrance to the Expansion Space (“Tenant’s Security System”), subject to the following conditions: (a) Tenant’s plans and specifications for the proposed Tenant’s Security System shall be subject to Landlord’s prior written approval, which approval will not be unreasonably withheld; provided, however, that Tenant shall coordinate the installation and operation of Tenant’s Security System with Landlord to assure that Tenant’s Security System is compatible with the Building’s systems and equipment and to the extent that Tenant’s Security System is not compatible with the Building’s systems and equipment, Tenant shall not be entitled to install or operate it (and Tenant shall not actually install or operate Tenant’s Security System unless Tenant has obtained Landlord’s reasonable approval of such compatibility in writing prior to such installation or operation); (b) Tenant’s Security System shall be and shall remain compatible with any security and other systems existing in the Building (if any); (c) Tenant’s Security System shall be installed and used in compliance with all other provisions of the Lease and this Section; (d) Tenant shall keep Tenant’s Security System in good operating condition and repair and Tenant shall be solely responsible, at Tenant’s sole cost and expense, for the monitoring, operation and removal of Tenant’s Security System; and (e) Tenant’s Security System shall not make noise or visual alerts or alarms which disturb other occupants of the Project or which result in alarms or false
alarms to which Landlord or its manager are called to respond. In the event Tenant, with Landlord’s reasonable approval, installs any security cameras in the Expansion Space, Landlord shall have no obligation to monitor Tenant’s security cameras.

13.2 Upon the expiration or earlier termination of the Lease, Tenant shall remove Tenant’s Security System. All costs and expenses associated with the removal of Tenant’s Security System and the repair of any damage to the Expansion Space and the Building resulting from the installation and/or removal of same shall be borne solely by Tenant. Notwithstanding anything to the contrary, neither Landlord nor any Landlord Entities shall be directly or indirectly liable to Tenant, any Tenant Entities or any other person and Tenant hereby waives any and all claims against and releases Landlord and the Landlord Entities from any and all claims arising as a consequence of or related to Tenant’s Security System, or the failure thereof. Furthermore, Tenant agrees to indemnify, defend and hold Landlord and the Landlord Entities harmless from and against any and all damages, losses, claims, liabilities, costs and expenses (including, but not limited to, reasonable attorneys’ and other professional fees), actions or causes of action, or judgments arising in any manner from Tenant’s installation, operation, use and maintenance of Tenant’s Security System and such indemnification obligation shall survive the expiration or earlier termination of the Lease.

14. **Other Pertinent Provisions.** Landlord and Tenant agree that, effective as of the date of this Amendment (unless different effective date(s) is/are specifically referenced in this Section), the Lease shall be amended in the following additional respects:

14.1 **Tenant’s Insurance.** Tenant’s insurance required under the Lease, as amended hereby, shall include the Expansion Space and, during the Extended Temporary Space Term, shall include the Temporary Space (including the Additional Temporary Space). Tenant shall provide Landlord with a certificate of insurance evidencing Tenant’s insurance upon delivery of this Amendment, executed by Tenant to Landlord, and thereafter as necessary to assure that Landlord always has current certificates evidencing Tenant’s insurance.

14.2 **Cosmetic Alterations.** The limitation on the cost of Cosmetic Alterations set forth in Section 6.1 of the Original Lease is hereby amended to be $50,000.00 in the aggregate during any twelve (12) month period of the Term.

14.3 **Expansion Space Monument Sign.**

14.3.1 So long as Tenant is in occupancy of the entire Expansion Space, Tenant shall have the exclusive right to have its name listed on the monument sign for the 1440 Building (the “1440 Monument Sign”), subject to the terms of this Section 14.3. Such right shall include the installation of lighting consistent with Tenant’s existing monument signage currently located in the Project. The design, size and color of Tenant’s signage with Tenant’s name to be included on the 1440 Monument Sign, and the manner in which it is attached to the 1440 Monument Sign, shall comply with all applicable Regulations and shall be subject to the approval of Landlord (which approval shall not be unreasonably withheld) and any applicable governmental authorities. Landlord reserves the
right to withhold consent to any sign that, in the reasonable judgment of Landlord, is not harmonious with the design standards of the Building and Monument Sign. To obtain Landlord’s consent, Tenant shall submit design drawings to Landlord showing the type and sizes of all lettering; the colors, finishes and types of materials used; and (if applicable and Landlord consents in its sole discretion) any provisions for illumination. Although the 1440 Monument Sign will be maintained by Landlord, Tenant shall pay its Proportionate Share of the cost of any maintenance and repair associated with the 1440 Monument Sign.

14.3.2 Tenant’s name on the 1440 Monument Sign shall be designed, constructed, installed, insured, maintained, repaired and removed from the 1440 Monument Sign all at Tenant’s sole risk, cost and expense. Tenant, at its cost, shall be responsible for the maintenance, repair or replacement of Tenant’s signage on the 1440 Monument Sign, which shall be maintained in a manner reasonably satisfactory to Landlord.

14.3.3 If during the Term (and any extensions thereof) Tenant or its Permitted Transferee leases and occupies less than the entire Expansion Space, then Tenant’s rights granted herein will terminate and Landlord may remove Tenant’s name from the 1440 Monument Sign at Tenant’s sole cost and expense and restore the 1440 Monument Sign to the condition it was in prior to installation of Tenant’s signage thereon, ordinary wear and tear excepted. The cost of such removal and restoration shall be payable as additional rent within thirty (30) days of Landlord’s demand.

14.4 Parking. In addition to Tenant’s proportionate share of unreserved parking spaces with respect to the Original Premises, effective as of the Expansion Effective Date, Tenant shall be entitled to its proportionate share (which is 166 unreserved spaces as of the date hereof) of unreserved parking spaces for the parking area serving the 1440 Building. Tenant’s use of such additional parking spaces is subject to all of the terms and conditions of the Lease.

14.5 Landscaping. Tenant shall work with a professional landscape company to submit to Landlord Tenant’s requested landscaping changes to the front: landscaping areas of the 1390 Building and the 1440 Building, which changes may include, but are not limited to, the installation of lattice fencing with vines and flowering plants and additional flowering plants. Such landscaping changes shall be subject to Landlord’s reasonable consent and shall be generally consistent with the existing landscaping for the Project. The cost of such changes to the landscaping and additional addition maintenance or other services required as a result thereof shall be included by Landlord in the Expenses payable by Tenant for the 1440 Building and Tenant shall be responsible for paying Tenant’s Proportionate Share of such costs, which costs shall be in addition to any landscaping costs for the Project that are included in Expenses.
15. **Miscellaneous.**

15.1 This Amendment, including **Exhibit A** (Outline and Location of Expansion Space), **Exhibit B** (Tenant Alterations), **Exhibit C** (Early Possession Agreement) and **Exhibit D** (Expansion Space Effective Date Memorandum), **Exhibit E** (Outline and Location of Additional Temporary Space) **Exhibit F** (Form of Letter of Credit) attached hereto, sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Under no circumstances shall Tenant be entitled to any Rent abatement, improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Amendment.

15.2 Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control. The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

15.3 Tenant shall reasonably comply with Landlord’s recycling policy for the Building, including, without limitation, Tenant shall sort and separate its trash into separate recycling containers as required by law or which may be furnished by Landlord and located in the Premises. Tenant shall comply with all laws regarding the collection, sorting, separation, and recycling of garbage, waste products, trash and other refuse at the Building. Landlord reserves the right to refuse to collect or accept from Tenant any trash that is not separated and sorted as required by law or pursuant to Landlord’s recycling policy, and to require Tenant to arrange for such collection at Tenant’s cost, utilizing a contractor reasonably satisfactory to Landlord.

15.4 Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.

15.5 Tenant hereby represents to Landlord that Tenant has dealt with no broker in connection with this Amendment other than Colliers International Tenant agrees to indemnify and hold Landlord and the Landlord Entities harmless from all claims of any other brokers claiming to have represented Tenant in connection with this Amendment.

15.6 Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting. Tenant hereby represents and warrants that neither Tenant, nor any persons or entities holding any legal or beneficial interest whatsoever in Tenant, are (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury (“OFAC”); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224.
(September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC; “List of Specially Designated Nationals and Blocked Persons.” If the foregoing representation is untrue at any time during the Second Extended Term, an Event of Default under the Lease will be deemed to have occurred, without the necessity of notice to Tenant.

15.7 Redress for any claim against Landlord under the Lease and this Amendment shall be limited to and enforceable only against and to the extent of Landlord’s interest in the Building. The obligations of Landlord under the Lease are not intended to and shall not be personally binding on, nor shall any resort be had to the private properties of, any of its trustees or board of directors and officers, as the case may be, its investment manager, the general partners thereof or any beneficiaries, stockholders, employees, or agents of Landlord or the investment manager, and in no case shall Landlord be liable to Tenant hereunder for any lost profits, damage to business, or any form of special, indirect or consequential damages.

IN WITNESS WHEREOF, Landlord and Tenant have entered into and executed this Amendment as of the date first written above.

LANDLORD:

SILICON VALLEY CA-I, LLC,
  a Delaware limited liability company

By: SVCA JV LLC,
    a Delaware limited liability company
    its Manager

By: RREEF America REIT III Corp. GG- QRS, a
    Maryland corporation
    its Manager

TENANT:

FIREEYE, INC.,
  a Delaware corporation

By: /s/ Michael J. Sheridan
Name: Michael J. Sheridan
Title: CFO
Dated: 2/22/12

By: /s/ Mike Walker
Name: MIKE WALKER
Title: V.P.
Dated: 3/1/12
EXHIBIT A – OUTLINE AND LOCATION OF EXPANSION SPACE

attached to and made a part of the Amendment dated as of February 21, 2012, between SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and FIREEYE, INC., a Delaware corporation, as Tenant

Exhibit A is intended only to show the general layout of the Expansion Space as of the beginning of Expansion Space Effective Date. It does not in any way supersede any of Landlord’s rights set forth in the Lease with respect to arrangements and/or locations of public parts of the Building and changes in such arrangements and/or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate.
EXHIBIT B – TENANT ALTERATIONS

attached to and made a part of the Amendment dated as of February 21, 2012, between SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and FIREYE, INC., a Delaware corporation, as Tenant

1. Landlord shall perform improvements to the Expansion Space in accordance with the plans prepared by API, dated February 21, 2012 and attached hereto as Schedule 1 (the “Plans”). In addition, Landlord shall replace thirteen (13) of the existing heating, ventilation and air conditioning units serving the 1440 Building with new comparable HVAC units (collectively, the “Replacement HVAC Units”), as described on Schedule 2 hereto and perform all ducting and cooling work such that the Replacement HVAC Units and associated ducting work are sufficient to provide HVAC to the Expansion Space (excluding the main electrical room, shipping and receiving room, storage, fire sprinkler and restroom areas). In addition to the foregoing improvements, Landlord shall install two (2) 20-ton HVAC units which shall be solely dedicated to provide HVAC to Tenant’s lab space (the “Additional HVAC Units”). The Replacement HVAC Units, Additional HVAC Units, and ducting work are referred to herein as the “HVAC Work”). The improvements to be performed by Landlord in accordance with the Plans and the HVAC Work are collectively hereinafter referred to as the “Tenant Alterations.” It is agreed that construction of the Tenant Alterations, other than the Additional Improvements (defined below), will be completed at Landlord’s sole cost and expense (subject to the terms of Section 2 and 3 below) using Building standard methods, new materials and finishes. Landlord shall enter into a direct contract for the Tenant Alterations with a general contractor selected by Landlord. In addition, Landlord shall have the right to select and/or approve of any subcontractors used in connection with the Tenant Alterations.

2. If Tenant shall request any revisions to the Plans (including any revisions to the HVAC Work), Landlord shall have such revisions prepared at Tenant’s sole cost and expense and Tenant shall reimburse Landlord for the cost of preparing any such revisions, plus any applicable state sales or use tax thereon, upon demand. Promptly upon completion of the revisions, Landlord shall notify Tenant in writing of the increased cost in the Tenant Alterations, if any, resulting from such revisions to the Plans (or if applicable, to the HVAC Work). Tenant, within two (2) business days, shall notify Landlord in writing whether it desires to proceed with such revisions. In the absence of such written authorization, Landlord shall have the option to continue work on the Expansion Space disregarding the requested revision. Tenant shall be responsible for any Tenant Delay in completion of the Expansion Space resulting from any revision to the Plans or the HVAC Work. If such revisions result in an increase in the cost of Tenant Alterations, such increased costs, plus any applicable state sales or use tax thereon, shall be payable by Tenant upon demand. Notwithstanding anything herein to the contrary, all revisions to the Plans shall be subject to the reasonable approval of Landlord.

3. The parties hereby acknowledge that Tenant has requested that Landlord construct, as a part of the Tenant Alterations, four (4) additional offices and one (1) conference room, as shown on the Plans (the “Additional Improvements”). Notwithstanding anything to the contrary set forth herein, the Additional Improvements shall be performed by Landlord at Tenant’s sole cost and expense and the cost of the Additional Improvements, plus any applicable state sales or use tax thereon (collectively the “Additional Improvement Costs”), which is estimated to be $49,406.00, shall be payable by Tenant as additional rent under the Lease. So long as Tenant is not in default under the Lease beyond applicable notice and cure periods, Tenant shall be entitled to an allowance in an amount not to exceed the actual Additional Improvement Costs (the “Additional Improvement Allowance”) from Landlord in order to finance the Additional Improvement Costs during the New Term. Landlord shall apply the Additional
Improvement Allowance to the Additional Improvement Costs and any such Additional Improvement Allowance so applied by Landlord on behalf of Tenant hereunder shall be repaid to Landlord as additional rent in accordance with this Section 3. Tenant shall pay Landlord the Additional Improvement Allowance in accordance with the following schedule: (i) fifty percent (50%) of the Additional Improvement Allowance upon the commencement of the Tenant Alterations; (b) forty percent (40%) of the Additional Improvement Allowance upon the substantial completion of the Tenant Alterations; and (iii) the remaining 10% of the Additional Improvement Allowance within thirty (30) days following the Expansion Effective Date. If Tenant is in default under the Lease, as amended, after the expiration of applicable cure periods, the entire unpaid balance of the Additional Improvement Allowance applied to the Additional Improvement Cost hereunder shall become immediately due and payable and, except to the extent required by applicable law, shall not be subject to mitigation or reduction in connection with a reletting of the Premises by Landlord.

4. This Exhibit B shall not be deemed applicable to any additional space added to the Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the original Premises or any additions to the Premises in the event of a renewal or extension of the original Term of the Lease, whether by any options under the Lease or otherwise, unless expressly so provided in the Lease or any amendment or supplement to the Lease.

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attached to and made a part of the Amendment dated as of February 21, 2012, between SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and FIREEYE, INC., a Delaware corporation, as Tenant.
SCHEDULE 2 TO EXHIBIT B – REPLACEMENT HVAC SPECIFICATIONS

attached to and made a part of the Amendment dated as of February 21, 2012, between SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and FIREYE, INC., a Delaware corporation, as Tenant

Address: 1440 McCarthy Blvd., Milpitas, CA

HVAC Equipment Covered Under Agreement, (bldg. comfort air)

Note: All year of manufacture and tonnage capacities are as per the manufacturer’s representative advisement.

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Note: The Existing Unit AC-9 listed above will not be replaced.

B-4
EXHIBIT C – EARLY POSSESSION AGREEMENT

attached to and made a part of the Amendment dated as of February 21, 2012, between SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and FIREEYE, INC., a Delaware corporation, as Tenant

EARLY POSSESSION AGREEMENT

Landlord and Tenant are parties to that certain lease dated January 15, 2008 (the “Original Lease”), which Original Lease has been previously amended by that certain First Amendment dated April 28, 2010, that certain Second Amendment dated December 5, 2011, and that certain Third Amendment (the “Amendment”) dated , 2012 (collectively, the “Lease”). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 61,998 rentable square feet comprised of (i) approximately 16,892 rentable square feet (the “Original Premises”) of the building located at 1390 McCarthy Boulevard, Milpitas, California and (ii) approximately 45,106 rentable square feet of the building in the Project located at 1440 McCarthy Boulevard, Milpitas, California (the “Expansion Space”), as well as certain temporary space further described in the Lease. Capitalized terms not defined herein shall have the same meaning as set forth in the Lease.

It is hereby agreed that, notwithstanding anything to the contrary contained in the Amendment but subject to the terms of Section 8 of the Amendment, Tenant may occupy the Expansion Space on . The first Monthly Installment of Rent for the Expansion Space is due on .

Landlord and Tenant agree that all the terms and conditions of the above referenced Lease are in full force and effect as of the date of Tenant’s possession of the Expansion Space prior to the Expansion Effective Date pursuant to Section 8 of the Amendment other than the payment of monthly rent.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

LANDLORD:  
SILICON VALLEY CA-I, LLC,  
a Delaware limited liability company

By: __________________________
Name: _________________________
Its: ___________________________
Date: _________________________

TENANT:  
FIREEYE, INC.,  
a Delaware corporation

By: __________________________
Name: _________________________
Its: ___________________________
Date: _________________________

C-1
EXHIBIT D – EXPANSION SPACE EFFECTIVE DATE MEMORANDUM

attached to and made a part of the Amendment dated as of February 21, 2012, between SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and FIREYE, INC., a Delaware corporation, as Tenant

EXPANSION SPACE EFFECTIVE DATE MEMORANDUM

THIS EXPANSION SPACE EFFECTIVE DATE MEMORANDUM, made as of __________, 2012, by and between SILICON VALLEY CA-I, LLC, a Delaware limited liability company ("Landlord") and FIREYE, INC., a Delaware corporation ("Tenant").

Recitals:

A. Landlord and Tenant are parties to that certain lease dated January 15, 2008 (the "Original Lease"), which Original Lease has been previously amended by that certain First Amendment dated April 28, 2010, that certain Second Amendment dated December 5, 2011, and that certain Third Amendment (the "Amendment") dated __________, 2012 (collectively, the "Lease"). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 61,998 rentable square feet comprised of (i) approximately 16,892 rentable square feet (the "Original Premises") of the building located at 1390 McCarthy Boulevard, Milpitas, California and (ii) approximately 45,106 rentable square feet of the building in the Project located at 1440 McCarthy Boulevard, Milpitas, California (the "Expansion Space"), as well as certain temporary space further described in the Lease.

B. Tenant is in possession of the Expansion Space and the Term of the Lease with respect to the Expansion Space has commenced.

C. Landlord and Tenant desire to enter into this Memorandum confirming the Expansion Space Effective Date, the Second Extended Termination Date and other matters under the Amendment.

NOW, THEREFORE, Landlord and Tenant agree as follows:

1. The actual Expansion Space Effective Date is __________.

2. The actual Second Extended Termination Date is __________.

3. The schedule of the Annual Rent and the Monthly Installment of Rent with respect to the Original Premises and the Expansion Space set forth in Section 3 of the Amendment is deleted in its entirety, and the following is substituted therefor.

[Insert Rent Schedule]

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D-1
4. Capitalized terms not defined herein shall have the same meaning as set forth in the Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

LANDLORD:

SILICON VALLEY CA-1, LLC,
a Delaware limited liability company

By: ________________________________
Name: ________________________________
Its: ________________________________
Date: ________________________________

TENANT:

FIREYE, INC.,
a Delaware corporation

By: ________________________________
Name: ________________________________
Its: ________________________________
Date: ________________________________
Attached to and made a part of the Amendment dated as of February 21, 2012, between SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and FIREYE, INC., a Delaware corporation, as Tenant.

Exhibit E is intended only to show the general layout of the Additional Temporary Space as of the Additional Temporary Space Commencement Date. It does not in any way supersede any of Landlord’s rights set forth in the Lease with respect to arrangements and/or locations of public parts of the Building and changes in such arrangements and/or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate.

* shaded area not included

E-1
FORM OF LETTER OF CREDIT

[Name of Financial Institution]

Irrevocable Standby Letter of Credit

No. ____________________________

Issuance Date: __________________

Expiration Date: __________________

Applicant: ______________________

Beneficiary

[Insert Name of Landlord]

[Insert Building management office address]

With copies of all notices to Beneficiary

Also delivered to:

[TO BE PROVIDED]

Ladies/Gentlemen:

We hereby establish our Irrevocable Standby Letter of Credit in your favor for the account of the above referenced Applicant in the amount of U.S. Dollars ($ ___ ) available for payment at sight by your draft drawn on us when accompanied by the following documents:

1. An original copy of this Irrevocable Standby Letter of Credit.

2. Beneficiary’s dated statement purportedly signed by an authorized signatory or agent reading: “This draw in the amount of ___ U.S. Dollars ($ ___ ) under your Irrevocable Standby Letter of Credit No. represents funds due and owing to us pursuant to the terms of that certain lease by and between ___ , as landlord, and ___ , as tenant, and/or any amendment to the lease or any other agreement between such parties related to the lease.”

It is a condition of this Irrevocable Standby Letter of Credit that it will be considered automatically renewed for a one year period upon the expiration date set forth above and upon each anniversary of such date, unless at least 90 days prior to such expiration date or applicable anniversary thereof, we notify you in writing, by certified mail return receipt requested or by recognized overnight courier service, that we elect not to so renew this Irrevocable Standby Letter of Credit. In addition to the
foregoing, we understand and agree that you shall be entitled to draw upon this Irrevocable Standby Letter of Credit by complying with items 1 and 2 above in the event that we elect not to renew this Irrevocable Standby Letter of Credit and, in addition, you provide us with a dated statement purportedly signed by an authorized signatory or agent of Beneficiary stating that the Applicant has failed to provide you with an acceptable substitute irrevocable standby letter of credit in accordance with the terms of the above referenced lease. We further acknowledge and agree that: (a) upon receipt of the documentation required herein, we will honor your draws against this Irrevocable Standby Letter of Credit without inquiry into the accuracy of Beneficiary’s signed statement and regardless of whether Applicant disputes the content of such statement and without signatory confirmation by your current lender or banker; (b) this Irrevocable Standby Letter of Credit shall permit partial draws and, in the event you elect to draw upon less than the full stated amount hereof, the stated amount of this Irrevocable Standby Letter of Credit shall be automatically reduced by the amount of such partial draw; and (c) you shall be entitled to transfer your interest in this Irrevocable Standby Letter of Credit from time to time and more than one time without our approval and without charge by competing and delivering to us our Form of Transfer attached hereto as Exhibit A. In the event of a transfer, we reserve the right to require reasonable evidence of such transfer as a condition to any draw hereunder. Any fees or charges that arise or accrue hereunder are for the account of Applicant and shall in no event be a condition to our honoring of your draw request.

Payment against presentations hereunder prior to 10:00 a.m. California time, on a business day shall be made by bank during normal business hours of the bank’s office on the next succeeding business day. Payment against presentations hereunder after 10:00 a.m. California time, on a business day shall be made by bank during normal business hours of the bank’s office on the second succeeding business day. For purposes hereof, business days shall mean calendar days other than weekends and legally recognized bank holidays.

All drafts must be marked “drawn under [Standby Letter of Credit number].”

This Irrevocable Standby Letter of Credit is subject to the terms and conditions of the International Standby Practices (ISP 98).

We hereby engage with you to honor drafts and documents drawn under and in compliance with the terms of this Irrevocable Standby Letter of Credit.

This Irrevocable Standby Letter of Credit sets forth in full the terms of our undertaking which shall not in any way be modified, amended, amplified, or limited by reference to any document, instrument, or agreement, whether or not referred to herein.

All communications to us with respect to this Irrevocable Standby Letter of Credit must be addressed to our office located at [address] to the attention of [name].

Very truly yours,

______________________________

______________________________

[name]

[title]

F-2
EXHIBIT A TO LETTER OF CREDIT NO.
FORM OF TRANSFER

[Name and Address of Issuing Bank]

Ladies and Gentlemen:

We refer to your enclosed Irrevocable Letter of Credit No. (the “Letter of Credit”) in the available amount of US $ .

We hereby assign all of our right, title and interest as beneficiary under the Letter of Credit to (“Transferee”), whose address is .

Upon your acknowledgment of this transfer of the Letter of Credit and receipt by us of your acknowledgment and the acknowledgment by the Transferee of this transfer notice, the Letter of Credit shall be deemed to have been transferred to the Transferee.

(Name of Beneficiary)

By:
Its: Authorized Representative
Date:

Agreed and Accepted:
(Name of Issuer)

By:
Its: Authorized Representative
Date:

Acknowledged:
(Name of Transferee)

By:
Its: Authorized Representative
Date:

F-3
EXPANSION SPACE EFFECTIVE DATE MEMORANDUM

THIS EXPANSION SPACE EFFECTIVE DATE MEMORANDUM, made as of July 5, 2012, by and between SILICON VALLEY CA-I, LLC, a Delaware limited liability company (“Landlord”) and FIREYE, INC., a Delaware corporation (“Tenant”).

REcitals:

A. Landlord and Tenant are parties to that certain lease dated January 15, 2008 (the “Original Lease”), which Original Lease has been previously amended by that certain First Amendment dated April 28, 2010, that certain Second Amendment dated December 5, 2011, and that certain Third Amendment (the “Third Amendment”) dated February 21, 2012 (collectively, the “Lease”). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 61,998 rentable square feet comprised of (i) approximately 16,892 rentable square feet of the building located at 1390 McCarthy Boulevard, Milpitas, California (the “Original Premises”), and (ii) approximately 45,106 rentable square feet of the building located at 1440 McCarthy Boulevard, Milpitas, California (the “Expansion Space”). Pursuant to the Lease, Landlord has also leased to Tenant certain temporary space containing approximately 34,916 rentable square feet in the buildings located at 1371 and 1455 McCarthy Boulevard, Milpitas, California (collectively, the “Temporary Space”).

B. Tenant is in possession of the Expansion Space and the Term of the Lease with respect to the Expansion Space has commenced.

C. Landlord and Tenant desire to enter into this Memorandum confirming the Expansion Space Effective Date, the Second Extended Termination Date, the Temporary Space Extended Termination Date and other matters under the Amendment.

NOW, THEREFORE, Landlord and Tenant agree as follows:

1. The actual Expansion Space Effective Date is June 16, 2012.
2. The actual Second Extended Termination Date is October 31, 2017.
3. The actual Temporary Space Extended Termination Date is June 29, 2012.
4. The schedule of the Annual Rent and the Monthly Installment of Rent with respect to the Original Premises set forth in Section 3.2 of the Third Amendment is deleted in its entirety and the following is substituted therefor:

<table>
<thead>
<tr>
<th>Period of Second Extended Term</th>
<th>Rentable Square Footage</th>
<th>Annual Rate Per Square Foot</th>
<th>Annual Rent</th>
<th>Monthly Installment of Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/1/15 – 6/30/16</td>
<td>16,892</td>
<td>$9.84</td>
<td>$166,217.28</td>
<td>$13,851.44</td>
</tr>
<tr>
<td>7/1/16 – 6/30/17</td>
<td>16,892</td>
<td>$10.13</td>
<td>$171,115.96</td>
<td>$14,259.66</td>
</tr>
<tr>
<td>7/1/17 – 10/31/17</td>
<td>16,892</td>
<td>$10.43</td>
<td>$176,183.56</td>
<td>$14,681.96</td>
</tr>
</tbody>
</table>
5. The schedule of the Annual Rent and the Monthly Installment of Rent with respect to the Expansion Space during the New Term set forth in Section 3.3 of the Third Amendment is deleted in its entirety and the following is substituted therefor:

<table>
<thead>
<tr>
<th>Months of New Term</th>
<th>Rentable Square Footage</th>
<th>Annual Rate Per Square Foot</th>
<th>Annual Rent</th>
<th>Monthly Installment of Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/16/12 – 6/30/13</td>
<td>45,106</td>
<td>$9.00</td>
<td>$405,954.00</td>
<td>$33,829.50</td>
</tr>
<tr>
<td>7/1/13 – 6/30/14</td>
<td>45,106</td>
<td>$9.28</td>
<td>$418,583.68</td>
<td>$34,881.97</td>
</tr>
<tr>
<td>7/1/14 – 6/30/15</td>
<td>45,106</td>
<td>$9.55</td>
<td>$430,762.30</td>
<td>$35,896.86</td>
</tr>
<tr>
<td>7/1/15 – 6/30/16</td>
<td>45,106</td>
<td>$9.84</td>
<td>$443,843.04</td>
<td>$36,986.92</td>
</tr>
<tr>
<td>7/1/16 – 6/30/17</td>
<td>45,106</td>
<td>$10.13</td>
<td>$456,923.78</td>
<td>$38,076.98</td>
</tr>
<tr>
<td>7/1/17 – 10/31/17</td>
<td>45,106</td>
<td>$10.43</td>
<td>$470,455.58</td>
<td>$39,204.63</td>
</tr>
</tbody>
</table>

Notwithstanding anything in the Lease to the contrary, so long as Tenant is not in default under the Lease beyond any applicable notice and cure periods, Tenant shall be entitled to an abatement of Monthly Installment of Rent solely with respect to the Expansion Space in the amount of (a) $33,829.50 for the month of July, 2012; (b) $13,084.50 per month for the period commencing on August 1, 2012 and ending on June 30, 2013; (c) $34,881.97 for the month of July, 2013; and (d) $35,896.86 for the month of July, 2014. In addition to the foregoing, so long as Tenant is not in default under the Lease beyond applicable notice and cure periods, Tenant shall be entitled to an abatement of a portion of Tenant’s Proportionate Share of Expenses and Taxes solely with respect to the Expansion Space such that the Expansion Space shall be deemed to be 27,660 rentable square feet solely for purposes of calculating Tenant’s Proportionate Share of Expenses and Taxes for the Expansion Space (estimated to be $4,884.88 per month) for the period commencing on July 1, 2012 and ending on June 30, 2013.

6. Capitalized terms not defined herein shall have the same meaning as set forth in the Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

LANDLORD:

SILICON VALLEY CA-I, LLC,
a Delaware limited liability company

By: SVCA JV LLC,
a Delaware limited liability company
its Manager

By: RREEF America REIT III Corp. GG-QRS, a Maryland corporation
its Manager

By: /s/ James H. Ida
Name: James H. Ida
Title: Vice President

TENANT:

FIREYE, INC.,
a Delaware corporation

By: /s/ Michael J. Sheridan
Name: Michael J. Sheridan
Its: CFO
Date: 9/6/12
FOURTH AMENDMENT

THIS FOURTH AMENDMENT (the “Amendment”) is made and entered into as of February 7, 2013, by and between SILICON VALLEY CA-I, LLC, a Delaware limited liability company (“Landlord”), and FIREEYE, INC., a Delaware corporation (“Tenant”).

RECITALS

A. Landlord and Tenant are parties to that certain lease dated January 15, 2008 (the “Original Lease”), which Original Lease has been previously amended by that certain First Amendment dated April 28, 2010 (the “First Amendment”), that certain Second Amendment dated December 5, 2011, and that certain Third Amendment (the “Third Amendment”) dated February 21, 2012 (collectively, the “Lease”). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 61,998 rentable square feet comprised of (i) approximately 16,892 rentable square feet of the building located at 1390 McCarthy Boulevard, Milpitas, California (the “1390 Building”) and approximately 45,106 rentable square feet of the building located at 1440 McCarthy Boulevard, Milpitas, California (the “1440 Building”) (collectively, the “Premises”). The Premises is part of the project commonly known as Tasman Technology Center (formerly known as Milpitas Business Park) (the “Project”).

B. Tenant has requested that additional space containing approximately 29,657 rentable square feet described as Suite 2 (the “Temporary Space”) of the building located at 1455 McCarthy Boulevard, Milpitas, California (the “1455 Building”), as shown on Exhibit A hereto, be added to the Premises on a temporary basis, and that the Lease be appropriately amended. Landlord is willing to do all of the foregoing on the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Expansion and Effective Date.

1.1. For the period commencing on the Temporary Space Effective Date (defined below) and ending on the Temporary Space Termination Date (as defined below), the Premises, as defined in the Lease, is temporarily increased from approximately 61,998 rentable square feet in the 1390 Building and the 1440 Building to approximately 91,655 rentable square feet in the 1390 Building, the 1440 Building and the 1455 Building by the addition of the Temporary Space, and during the Temporary Space Term (as defined below), the Premises and the Temporary Space, collectively, shall be deemed the Premises, as defined in the Lease and the 1390 Building, the 1440 Building and the 1455 Building collectively shall be deemed the Building, as defined in the Lease.

1.2. The Term for the Temporary Space (the “Temporary Space Term”) shall commence on the earlier to occur of: (i) the later of (a) the thirtieth (30th) day following the full and final execution of this Amendment and (b) the date upon which the Lighting Work (as defined in the Work Letter attached as Exhibit B hereto) in the Temporary Space has been substantially completed absent any Tenant Delay(s) (defined below), and (ii) the date that Tenant commences using the Premises for the Use specified in the Original Lease (other than for storage as permitted under the Temporary Use License Agreement described below in Section 6) (the “Temporary Space Effective Date”) and shall end
on the last day of the sixth (6th) full calendar month following the Temporary Space Effective Date, unless sooner terminated pursuant to the terms of the Lease (the “Temporary Space Termination Date”). The Temporary Space is subject to all the terms and conditions of the Lease except as expressly modified herein and except that Tenant shall not be entitled to receive any allowances, abatement or other financial concession granted with respect to the Premises unless such concessions are expressly provided for herein with respect to the Temporary Space. Tenant anticipates that it will commence using the Temporary Space for the Use specified in the Original Lease on or about February 19, 2013. Notwithstanding the foregoing, if Landlord shall be delayed in substantially completing the Lighting Work in the Temporary Space as a result of the occurrence of a Tenant Delay (defined below), then, for purposes of determining the Temporary Space Effective Date, the date of substantial completion shall be deemed to be the day that said Lighting Work would have been substantially completed absent any such Tenant Delay(s). A “Tenant Delay” means any act or omission of Tenant or its agents, employees, vendors or contractors that actually delays substantial completion of the Lighting Work. The Lighting Work shall be deemed to be substantially completed on the date that Landlord reasonably determines that all Lighting Work has been performed (or would have been performed absent any Tenant Delays), other than any details of construction, mechanical adjustment or any other matter, the noncompletion of which does not materially interfere with Tenant’s use of the Temporary Space. Tenant shall, at Landlord’s request, execute and deliver a memorandum agreement (the “Temporary Space Effective Date Memorandum”) provided by Landlord in the form of Exhibit C attached hereto, setting forth the actual Temporary Space Effective Date and the Temporary Space Termination Date. Should Tenant fail to do so within thirty (30) days after Landlord’s request, the information set forth in such memorandum provided by Landlord shall be conclusively presumed to be agreed and correct.

1.3. Pursuant to Section 7 below, Tenant shall have three (3) successive Temporary Space Renewal Options (defined below in Section 7) with respect to the Temporary Space only. In the event Tenant validly exercises all three (3) Temporary Space Renewal Options, then upon the expiration of the third (3rd) Temporary Space Renewal Term (defined below in Section 7), so long as Tenant is not in default under the Lease, the Temporary Space Term shall automatically renew for consecutive periods of thirty (30) days each until terminated by either party by written notice of termination delivered to the other party. Any such termination shall be effective as of the last day of the first (1st) full calendar month following the date written notice of termination is delivered to the other party. Any such termination shall be effective as of the last day of the first (1st) full calendar month following the date written notice of termination is delivered to the other party. 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Any such termination shall be effective as of the last day of the first (1st) full calendar month following the date written notice of termination is delivered to the other party. Any such termination shall be effective as of the last day of the first (1st) full calendar month following the date written notice of termination is deliver

2. Monthly Installment of Rent. In addition to Tenant’s obligation to pay Monthly Installment of Rent for the Premises, during the Temporary Space Term, Tenant shall pay Landlord the sum of $22,242.75 per month ($0.75 per rentable square foot of the Temporary Space per month) as the
Monthly Installment of Rent for the Temporary Space, plus applicable state sales and use taxes, with each such installment payable on or before the first day of each month during the period beginning on the Temporary Space Effective Date and ending on the Temporary Space Termination Date, prorated for any partial month within the Temporary Space Term. All such Monthly Installments of Rent, plus applicable state sales and use taxes, shall be payable by Tenant in accordance with the terms of the Lease, as amended hereby. In the event Tenant exercises all three (3) Temporary Space Renewal Options, the Monthly Installment of Rent with respect to the Temporary Space during the applicable thirty (30) consecutive day renewal periods provided for in Section 1.3 above shall be $25,208.45 per month ($0.85 per rentable square foot of the Temporary Space per month) for the first twelve (12) months following the expiration of the third Temporary Space Renewal Term and shall thereafter increase annually by an amount equal to $0.05 per rentable square foot of the Temporary Space per month. The first full month’s Rent applicable to the Temporary Space shall be paid upon the execution of this Amendment.

3. **Additional Security Deposit.** Upon Tenant’s execution hereof, Tenant shall pay Landlord the sum of $30,546.71 (the “Additional Security Deposit”) which is added to and becomes part of the Security Deposit, if any, held by Landlord as provided under Article 5 of the Original Lease as security for payment of Rent and the performance of the other terms and conditions of the Lease by Tenant. If Tenant is not in default on the Temporary Space Termination Date, Landlord shall return any unapplied balance of the Additional Security Deposit to Tenant within thirty (30) days after Tenant surrenders the Temporary Space to Landlord in accordance with the terms of the Lease, as amended hereby. In addition to any other deductions Landlord is entitled to make pursuant to the terms hereof, Landlord shall have the right to make a good faith estimate of any unreconciled Expenses and/or Taxes as of the Temporary Space Termination Date and to deduct any anticipated shortfall from the Additional Security Deposit. Such estimate shall be final and binding upon Tenant.

4. **Tenant’s Proportionate Share.** For the period commencing with the Temporary Space Effective Date and ending on the Temporary Space Termination Date, as the same may be extended, Tenant shall pay Tenant’s Proportionate Share of Expenses and Taxes for the Temporary Space in the same manner that Tenant pays Tenant’s Proportionate Share of Expenses and Taxes for the Premises as provided in Article 4 of the Original Lease. During such period, Tenant’s Proportionate Share for the Temporary Space is 87.48% of the 1455 Building.

5. **Improvements to Temporary Space.**

   5.1. **Condition of Temporary Space.** Landlord and Tenant have entered into a license agreement (the “Temporary Use License Agreement”) for the Temporary Space. The term for the Temporary Use License Agreement commenced on January 28, 2013 (the “Temporary Use License Agreement Commencement Date”) and Tenant is currently in possession of the Temporary Space for storage purposes pursuant to the Temporary Use License Agreement. Subject to the terms of this Section 5.1, Tenant accepts the Temporary Space “as is” without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements except as expressly set forth herein and in Exhibit B attached hereto. However, notwithstanding the foregoing, Landlord agrees that (i) the doors and (ii) the base Building electrical, heating, ventilation and air conditioning and plumbing systems located in or serving the Temporary Space shall be in or shall be brought into good working order, condition and repair as of the Temporary Space Effective Date (all of the foregoing referred to herein as the “Delivery Condition”). Except to the extent caused
by the acts or omissions of Tenant or any Tenant Entities or by any alterations or improvements performed by or on behalf of Tenant, if such systems are not in the Delivery Condition as of the Temporary Space Effective Date, and Tenant provides Landlord with notice of the same within ninety (90) days following the Temporary Space Effective Date, Landlord shall repair or restore the same to satisfy the Delivery Condition at Landlord’s sole cost and expense and without contribution from Tenant within thirty (30) days following notice thereof from Tenant (or as soon as reasonably practicable thereafter if such work cannot be reasonably completed within such thirty (30) day period, provided that Landlord shall diligently prosecute the same to completion). Tenant shall vacate the Temporary Space on or prior to the Temporary Space Termination Date, as the same may be extended, and deliver up the Temporary Space to Landlord in as good condition as the Temporary Space was delivered to Tenant, ordinary wear and tear excepted. Tenant hereby agrees and acknowledges that Landlord has fulfilled its obligations with respect to Exhibit “B” of the Third Amendment.

5.2. Responsibility for Improvements to Temporary Space. Except as expressly provided herein, any construction, alterations or improvements to the Temporary Space shall be performed by Tenant at its sole cost and expense using contractors selected by Tenant and approved by Landlord and shall be governed in all respects by the provisions of Article 6 of the Original Lease. Notwithstanding anything to the contrary contained in Article 6 of the Original Lease, as amended by Section 14.2 of the Third Amendment, the limitation on the cost of Cosmetic Alterations with respect to the Temporary Space shall be $25,000.00 in the aggregate during any six (6) month period of the Temporary Space Term, as the same may be extended.

6. Early Access to Temporary Space. Subject to the terms of this Section 6 and provided that this Amendment has been fully executed by all parties and Tenant has delivered all prepaid rental, the Additional Security Deposit, and insurance certificates required hereunder, Landlord grants Tenant the right to enter the Temporary Space prior to the Temporary Space Effective Date, at Tenant’s sole risk, solely for the purpose of installing telecommunications and data cabling, equipment, furnishings and other personalty. Such possession prior to the Temporary Space Effective Date shall be subject to all of the terms and conditions of the Lease, except that Tenant shall not be required to pay Monthly Installment of Rent or Tenant’s Proportionate Share of Expenses and Taxes with respect to the period of time prior to the Temporary Space Effective Date during which Tenant occupies the Temporary Space solely for such purposes. However, Tenant shall be liable for any utilities or special services provided to Tenant during such period. Said early possession shall not advance the Temporary Space Termination Date. Landlord may withdraw such permission to enter the Temporary Space prior to the Temporary Space Effective Date at any time that Landlord reasonably determines that such entry by Tenant is hampering or otherwise preventing Landlord from proceeding with Landlord’s completion of the Lighting Work at the earliest possible date.

7. Option to Renew Temporary Space Term. Provided the Lease, as amended hereby, is in full force and effect and Tenant is not in default under any of the other terms and conditions of the Lease beyond applicable notice and cure periods at the time of notification or commencement, Tenant shall have three (3) successive options to renew (each a “Temporary Space Renewal Option”) the Temporary Space Term for a term of six (6) months each (each, a “Temporary Space Renewal Term”), for the portion of the Temporary Space being leased by Tenant as of the date the applicable Temporary Space Renewal Term is to commence, on the same terms and conditions set forth in the Lease, as amended hereby, except as modified by the terms, covenants and conditions as set forth below:

7.1. If Tenant elects to exercise a Temporary Space Renewal Option, then Tenant shall provide Landlord with written notice no earlier than the date which is ninety (90) days prior to the expiration of the then current Temporary Space Term but no later than the date which is thirty (30) days prior to the expiration of the then current Temporary Space Term. If Tenant fails to provide such notice, Tenant shall have no further or additional right to extend or renew the Temporary Space Term.
7.2. The Monthly Installment of Rent for the Temporary Space during the applicable Temporary Space Renewal Term shall be the following:

<table>
<thead>
<tr>
<th>Applicable Temporary Space Renewal Term</th>
<th>Monthly Rate Per Square Foot</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Temporary Space Renewal Term</td>
<td>$0.75</td>
</tr>
<tr>
<td>2nd and 3rd Temporary Space Renewal Term</td>
<td>$0.80</td>
</tr>
</tbody>
</table>

7.3. The Temporary Space Renewal Options are not transferable; the parties hereto acknowledge and agree that they intend that the aforesaid options to renew the Temporary Space Term shall be “personal” to Tenant as set forth above or any Permitted Transferee pursuant to a Permitted Transfer, and that in no event will any other assignee or any sublessee have any rights to exercise the aforesaid options to renew.

7.4. If Tenant fails to exercise the first Temporary Space Renewal Option, Tenant shall have no further right to extend the Temporary Space Renewal Term, or if Tenant exercises the first Temporary Space Renewal Option but fails to exercise the second Temporary Space Renewal Option, Tenant shall have no further right to extend the Temporary Space Renewal Term. In addition, if all three (3) Temporary Space Renewal Options are validly exercised or if Tenant fails to validly exercise the third Temporary Space Renewal Option, Tenant shall have no further right to extend the Temporary Space Term, other than on a month to month basis following the expiration of the third Temporary Space Renewal Option, as provided in Section 1.3 above.

8. **Holdover.** If Tenant should holdover in the Temporary Space after expiration or earlier termination of the Temporary Space Term, any remedies available to Landlord as a consequence of such holdover contained in Article 14 of the Original Lease or otherwise shall be applicable, but only with respect to the Temporary Space and shall not be deemed applicable to the Premises unless and until Tenant holds over in the Premises after expiration or earlier termination of the Term.

9. **Roof Space for Dish/Antenna.** During the Temporary Space Term (as may be extended), Tenant shall have the right to lease space on the roof of the 1455 Building for the purposes of installing, operating and maintaining a 24 inch high dish/antenna or other communication device approved by Landlord (the “Temporary Space Dish/Antenna”) in accordance with the provisions of Article 44 of the Original Lease. Upon the expiration or earlier termination of the Temporary Space Term, or if Tenant is in default under the terms of the Lease, as amended hereby, after the expiration of applicable notice and cure periods, the Temporary Space Dish/Antenna will be removed at Tenant’s sole cost and expense in accordance with Section 44.4 of the Original Lease.
10. **Signage.**

10.1 **Temporary Space Signage.** During the Temporary Space Term (as the same may be extended) Tenant shall be entitled to install its own signage at the front door of the Temporary Space at a location acceptable to Landlord and in accordance with the Building’s Approved Signage, and otherwise in accordance with the terms of this Lease. Such signage will be designed and constructed at Tenant’s sole cost and expense. All such signage shall be in compliance with applicable Regulations, including those of the City of Milpitas, and shall be subject to Landlord’s approval and approval of any public authorities having jurisdiction. Tenant shall be responsible for any electrical energy used in connection with its signs, repairs and maintenance necessary to maintain the signs in their original condition. All of Tenant’s signage shall at all times remain the property of Tenant and Tenant must remove such signage at the expiration or earlier termination of the Temporary Space Term. Tenant shall repair any damage caused in the removal of its signage and restore the Temporary Space and/or the 1455 Building to its condition prior to the installation of such signage.

10.2 **Monument Sign.** During the Temporary Space Term only, Tenant shall have the right to have its name listed on the monument sign for the 1455 Building (the “Temporary Space Monument Sign”) in accordance with the provisions of Article 43 of the Original Lease. Upon the expiration or earlier termination of the Temporary Space Term, or if Tenant is in default under the terms of the Lease, as amended hereby, after the expiration of applicable notice and cure periods, the Temporary Space Monument Sign will be removed at Tenant’s sole cost and expense in accordance with Section 43.3 of the Original Lease.

11. **Other Pertinent Provisions.** Landlord and Tenant agree that, effective as of the date of this Amendment (unless different effective date(s) is/are specifically referenced in this Section), the Lease shall be amended in the following additional respects:

11.1 **Tenant’s Insurance.**

11.1.1 Section 11.2 of the Original Lease is hereby deleted in its entirety and replaced with the following: “The aforesaid policies shall (i) be provided at Tenant’s expense; (ii) name the Landlord Entities as additional insureds (General Liability) and Landlord as loss payee (Property-Special Form) for alterations, additions, improvements, carpeting, floor covering and fixtures at the Premises; and (iii) be issued by an insurance company with a minimum Best’s rating of “A-VII” during the Term. Tenant shall provide Landlord with ten (10) business days’ prior written notice of cancellation or nonrenewal of any such insurance. A certificate of Liability insurance on ACORD Form 25 and a certificate of Property insurance on ACORD Form 28 shall be delivered to Landlord by Tenant concurrently with Tenant’s execution hereof and promptly upon each renewal of said insurance, but in no event later than ten (10) days following each renewal.”

11.1.2 Tenant’s insurance required under the Lease, as amended hereby, shall include the Temporary Space. Tenant shall provide Landlord with a certificate of insurance evidencing Tenant’s insurance upon delivery of this Amendment, executed by Tenant to Landlord, and thereafter as necessary to assure that Landlord always has current certificates evidencing Tenant’s insurance.
11.2. **Parking.** In addition to Tenant’s proportionate share of unreserved parking spaces with respect to the Premises, effective as of the Temporary Space Effective Date, Tenant shall be entitled to its proportionate share (which is 110 unreserved spaces as of the date hereof) of unreserved parking spaces for the parking area serving the 1455 Building. Tenant’s use of such additional parking spaces is subject to all of the terms and conditions of the Lease.

11.3. **Landlord’s Address for Rent Payment for Temporary Space.** Notwithstanding anything to the contrary contained in the Lease, Landlord’s Address for Rent Payment with respect to the Temporary Space only shall be the following:

   “Silicon Valley CA-I, LLC
   08.M10001 – Milpitas-1455 McCarthy-JV
   P.O. Box 9047
   Addison, Texas 75001-9047”

11.4. **Landlord’s Address for Notices.** Landlord’s Address set forth in the Reference Pages of the Original Lease, as amended by Section 6 of the First Amendment, is hereby deleted in its entirety and replaced by the following:

   “Silicon Valley CA-I, LLC
   c/o RREEF Real Estate
   101 California Street, Suite 2600
   San Francisco, California 94111
   Attn: Asset Manager
   With a copy to:
   Silicon Valley CA-I, LLC
   c/o CBRE
   3303 Octavius Drive, Suite 102
   Santa Clara, California 95054
   Attn: Property Manager”

11.5. **Tenant’s Address for Notices.** Tenant’s Address set forth in the Reference Pages of the Original Lease is hereby deleted in its entirety and replaced with the following:

   “FireEye, Inc.
   1440 McCarthy Boulevard
   Milpitas, California 95035
   Attention: Senior Director of Real Estate”

12. **Miscellaneous.**

   12.1. This Amendment, including Exhibit A (Outline and Location of Temporary Space), Exhibit B (Lighting Work) and Exhibit C (Temporary Space Effective Date)
Memorandum) sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Under no circumstances shall Tenant be entitled to any rent abatement, improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Amendment.

12.2. Tenant shall reasonably comply with Landlord’s recycling policy for the Building, including, without limitation, Tenant shall sort and separate its trash into separate recycling containers as required by law or which may be furnished by Landlord and located in the Premises. Tenant shall comply with all laws regarding the collection, sorting, separation, and recycling of garbage, waste products, trash and other refuse at the Building. Landlord reserves the right to refuse to collect or accept from Tenant any trash that is not separated and sorted as required by law or pursuant to Landlord’s recycling policy, and to require Tenant to arrange for such collection at Tenant’s cost, utilizing a contractor reasonably satisfactory to Landlord.

12.3. Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control. The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

12.4. Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.

12.5. Tenant hereby represents to Landlord that Tenant has dealt with no broker in connection with this Amendment other than Cornish & Carey Commercial/NKF. Tenant agrees to indemnify and hold Landlord and the Landlord Entities harmless from all claims of any brokers claiming to have represented Tenant in connection with this Amendment.

12.6. Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting. Tenant hereby represents and warrants that neither Tenant, nor any persons or entities holding any legal or beneficial interest whatsoever in Tenant, are (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury (“OFAC”); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: “List of Specially Designated Nationals and Blocked Persons.” If the foregoing representation is untrue at any time during the Term of the Lease, an Event of Default under the Lease will be deemed to have occurred, without the necessity of notice to Tenant.

12.7. **Limitation of Landlord’s Liability.** Redress for any claim against Landlord under the Lease and this Amendment shall be limited to and enforceable only against and to the
extent of Landlord’s interest in the 1455 Building. The obligations of Landlord under the Lease are not intended to and shall not be personally binding on, nor shall any resort be had to the private properties of, any of its trustees or board of directors and officers, as the case may be, its investment manager, the general partners thereof, or any beneficiaries, stockholders, employees, or agents of Landlord or the investment manager, and in no case shall Landlord be liable to Tenant hereunder for any lost profits, damage to business, or any form of special, indirect or consequential damage.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

LANDLORD:

SILICON VALLEY CA-I, LLC,
a Delaware limited liability company

By: SVCA JV LLC,
a Delaware limited liability company
    its Manager

By: RREEF America REIT III Corp. GG-QRS,
a Maryland corporation
    its Manager

    By: /s/ James H. Ida
    Name: James H. Ida
    Title: Vice President

TENANT:

FIREEYE, INC.,
a Delaware corporation

By: /s/ Frank Verdecanna
Name: Frank Verdecanna
Title: VP Finance

FEB 08 2013

9
EXHIBIT A
attached to and made a part of the Amendment dated as of February 7, 2013, between SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and FIREEYE, INC., a Delaware corporation, as Tenant

OUTLINE AND LOCATION OF TEMPORARY SPACE

A-1
Landlord, at its sole cost and expense (subject to the terms and provisions of Section 2 below) shall perform improvements to the Temporary Space in accordance with the following work list (the “Work List”) using Building standard methods, materials and finishes. The improvements to be performed in accordance with the Work List are hereinafter referred to as the “Lighting Work”. Landlord shall enter into a direct contract for the Lighting Work with a general contractor selected by Landlord. In addition, Landlord shall have the right to select and/or approve of any subcontractors used in connection with the Lighting Work. Notwithstanding anything to the contrary contained in the Amendment, Landlord shall provide Tenant with notice (which notice may be oral or written) of Landlord’s intent to commence the Lighting Work in the Temporary Space, and not later than three (3) days following the date of such notice by Landlord, Tenant shall remove, at Tenant’s sole cost and expense all Tenant’s personal property, furniture, fixtures and equipment (collectively, the “Tenant’s Property”) located within the Temporary Space from the floors and walls of the Temporary Space in a manner reasonably satisfactory to Landlord in order to enable Landlord to perform the Lighting Work. Tenant shall move such Tenant’s Property back into the Premises at Tenant’s sole cost and expense only at such time that Landlord has notified Tenant that the Lighting Work (or the portion thereof affected by the placement of Tenant’s Property) has been completed. Tenant hereby acknowledges and agrees that Landlord shall have no obligation to move any of Tenant’s Property and shall not commence any of the Lighting Work until such Tenant’s Property is removed by Tenant in accordance with this Section 1.

WORK LIST DESCRIPTION THE LIGHTING WORK

A. Lamps and ballast to be in good working order and in building standard color.

B. Broker switch to be removed and existing office switching to be operable.

2. All other work and upgrades, subject to Landlord’s approval, shall be at Tenant’s sole cost and expense, plus any applicable state sales or use tax thereon, payable upon demand as additional rent. Tenant shall be responsible for any Tenant Delay in completion of the Lighting Work resulting from any such other work and upgrades requested or performed by Tenant or any failure by Tenant to remove Tenant’s Property from the Temporary Space in accordance with Section 1 above.

3. Landlord’s supervision or performance of any work for or on behalf of Tenant shall not be deemed to be a representation by Landlord that such work complies with applicable insurance requirements, building codes, ordinances, laws or regulations or that the improvements constructed will be adequate for Tenant’s use.

4. Tenant acknowledges that the Lighting Work may be performed by Landlord in the Temporary Space during normal business hours for the Building. Landlord and Tenant agree to cooperate with each other in order to enable the Lighting Work to be performed in a timely manner. Notwithstanding anything herein to the contrary, any delay in the completion of the Lighting Work or inconvenience suffered by Tenant during the performance of the Lighting Work shall not delay the Temporary Space Effective Date nor shall it subject Landlord to any liability for any loss or damage resulting therefrom or entitle Tenant to any credit, abatement or adjustment of rent or other sums payable under the Lease.

B-1
5. This Exhibit B shall not be deemed applicable to any additional space added to the Premises at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the original Premises or any additions to the Premises in the event of a renewal or extension of the original Term of the Lease, whether by any options under the Lease or otherwise, unless expressly so provided in the Lease or any amendment or supplement to the Lease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

B-2
TEMPORARY SPACE EFFECTIVE DATE MEMORANDUM

THIS TEMPORARY SPACE EFFECTIVE DATE MEMORANDUM, made as of _____________, 2013, by and between SILICON VALLEY CA-I, LLC, a Delaware limited liability company (“Landlord”) and FIREEYE, INC., a Delaware corporation (“Tenant”).

Recitals:

A. Landlord and Tenant are parties to that certain lease dated January 15, 2008 (the “Original Lease”), which Original Lease has been previously amended by that certain First Amendment dated April 28, 2010, that certain Second Amendment dated December 5, 2011, and that certain Third Amendment dated February 21, 2012 and that certain Fourth Amendment dated February 7, 2013 (the “Amendment”) (collectively, the “Lease”). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 91,655 rentable square feet comprised of (i) approximately 16,892 rentable square feet of the building located at 1390 McCarthy Boulevard, Milpitas, California, approximately 45,106 rentable square feet of the building located at 1440 McCarthy Boulevard, Milpitas, California and approximately 29,657 rentable square feet described as Suite 2 (the “Temporary Space”) of the building located at 1455 McCarthy Boulevard, Milpitas, California (collectively, the “Premises”).

B. Tenant is in possession of the Temporary Space and the Temporary Space Term has commenced.

C. Landlord and Tenant desire to enter into this Memorandum confirming the Temporary Space Effective Date, the Temporary Space Termination Date (as may be extended pursuant to Section 1 of the Amendment) and other matters under the Amendment.

NOW, THEREFORE, Landlord and Tenant agree as follows:

1. The actual Temporary Space Effective Date is ________________.

2. The actual Temporary Space Termination Date is ________________.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
Capitalized terms not defined herein shall have the same meaning as set forth in the Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

LANDLORD:

SILICON VALLEY CA-I, LLC,
a Delaware limited liability company

By: __________________________
Name: _________________________
Its: ___________________________
Date: __________________________

TENANT:

FIREYE, INC.,
a Delaware corporation

By: __________________________
Name: _________________________
Its: ___________________________
Date: __________________________

C-2
THIS FIFTH AMENDMENT (the “Amendment”) is made and entered into as of July 25, 2013, by and between SILICON VALLEY CA-I, LLC, a Delaware limited liability company (“Landlord”), and FIREEye, INC., a Delaware corporation (“Tenant”).

RECITALS

A. Landlord and Tenant are parties to that certain lease dated January 15, 2008 (the “Original Lease”), which Original Lease has been previously amended by that certain First Amendment dated April 28, 2010, that certain Second Amendment dated December 5, 2011, that certain Third Amendment (the “Third Amendment”) dated February 21, 2012, that certain Expansion Space Effective Date Memorandum dated July 5, 2012 and that certain Fourth Amendment (the “Fourth Amendment”) dated February 7, 2013 (collectively, the “Lease”). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 91,655 rentable square feet comprised of (i) approximately 16,892 rentable square feet (the “1390 Premises”) of the building located at 1390 McCarthy Boulevard, Milpitas, California (the “1390 Building”) and approximately 45,106 rentable square feet (the (“1440 Premises”) of the building located at 1440 McCarthy Boulevard, Milpitas, California (the “1440 Building”) (the 1390 Premises and the 1440 Premises are collectively referred to herein as the “Original Premises”) and (ii) approximately 29,657 rentable square feet described as Suite 2 of the building located at 1455 McCarthy Drive (the “Temporary Space”). The Original Premises and Temporary Space are part of the project commonly known as Tasman Technology Center (formerly known as Milpitas Business Park) (the “Project”).

B. Tenant has requested that additional space containing approximately 51,600 rentable square feet (the “Second Expansion Space”) of the building described as 800 Tasman Drive (the “800 Building”) shown on Exhibit A hereto be added to the Original Premises and that the Lease be appropriately amended and Landlord is willing to do the same on the following terms and conditions.

C. The Term of the lease with respect to the Temporary Space (the “Temporary Space Term”) shall expire on August 31, 2013 (the “Prior Temporary Space Termination Date”) and the Term of the lease with respect to the Original Premises shall expire on October 31, 2017 (the “Prior Termination Date”). The parties desire to extend the Term of the Lease with respect to the Temporary Space and the Second Expansion Space only, all on the following terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. Expansion.

1.1 Second Expansion Effective Date. Effective as of the Second Expansion Effective Date (defined below), the Premises (exclusive of the Temporary Space), as defined in the Lease, is increased from approximately 61,998 rentable square feet of the 1390 Building and the 1440 Building to approximately 113,598 rentable square feet of the 1390 Building, 1440 Building, and 800 Building by the addition of the Second Expansion Space, collectively, shall be deemed the “Premises”, as defined in the Lease and referred to in this Amendment, and the “Building”, as defined in the Lease and as
referred to in this Amendment, shall be deemed to include the 800 Building. Subject to a Landlord Caused Delay (defined below), the “Second Expansion Effective Date” shall mean the date that is the earlier to occur of (i) January 1, 2014 and (ii) the date Tenant occupies all or any portion of the Second Expansion Space for business purposes. The Term for the Second Expansion Space shall commence on the Second Expansion Effective Date and end on the Third Extended Termination Date (defined below). The Second Expansion Space is subject to all the terms and conditions of the Lease except as expressly modified herein and except that Tenant shall not be entitled to receive any allowances, abatements or other financial concessions granted with respect to the Original Premises unless such concessions are expressly provided for herein with respect to the Second Expansion Space.

1.2 Landlord Caused Delay. The Second Expansion Effective Date shall occur as provided in Section 1.1 above, provided that the Second Expansion Effective Date shall be delayed by the number of days of delay to Substantially Complete (as that term is defined below in this Section 1.2) the Tenant Alterations (defined in Exhibit B attached hereto) in the Second Expansion Space which is caused solely by a Landlord Caused Delay. As used in this Section 1.2, “Landlord Caused Delay” shall mean only an actual delay resulting from (i) Landlord’s failure to approve or disapprove the Construction Drawings pursuant to Section 3 of Exhibit B within five (5) business days following Landlord’s receipt thereof, and (ii) a material interference by Landlord, its agents or contractors with the construction of the Tenant Alterations, which interference hinders the scheduled construction of the Tenant Alterations in the Second Expansion Space during normal construction hours for the 800 Building. The parties hereto specifically acknowledge and agree that any delay in the completion of the Tenant Alterations caused by Landlord’s notification to Tenant or its contractor of any violation of applicable laws, codes and ordinances by Tenant, breach of the Project’s rules and regulations by Tenant or failure to construct the Tenant Alterations in accordance with the approved Plans shall not constitute a Landlord Caused Delay. “Substantial Completion” or “Substantially Complete” shall be the date that the construction of the Tenant Alterations are sufficiently complete so that Tenant can legally occupy and utilize the Second Expansion Space, subject only to minor “punchlist” items, the completion of which will not materially affect Tenant’s use and occupancy of the Second Expansion Space.

1.3 Determination of Landlord Caused Delay. No notice or cure period shall be applicable to Landlord’s failure to approve or disapprove any Tenant’s Plans within five (5) business days following Landlord’s receipt thereof pursuant to Section 1.2(i) above (i.e., in the event of a Landlord Caused Delay pursuant to Section 1.2(i), the number of days of Landlord Caused Delay in such case shall be the number of days after the fifth (5th) business day described therein that Landlord fails to approve or disapprove any Tenant’s Plans). If Tenant contends that an event of interference by Landlord that may constitute a Landlord Caused Delay under clause (ii) of Section 1.2 has occurred, Tenant shall notify Landlord in writing within five (5) business days of each of (a) the date upon which such event of interference becomes known to Tenant, and (b) the date upon which such event of interference ends (the “Delay Termination Date”). Tenant’s failure to deliver either or both of such notices to Landlord within the required time period shall be deemed to be a waiver by Tenant of the contended Landlord Caused Delay to which such notices would have related. If such actions, inaction or circumstances described in the notice set forth in clause (i), above (the “Delay Notice”) are not cured by Landlord within two (2) business days of receipt of the Delay Notice and if such actions, inaction or
circumstances otherwise qualify as a Landlord Caused Delay, then a Landlord Caused Delay shall be deemed to have occurred commencing as of the date of Landlord’s receipt of the Delay Notice and ending as of the Delay Termination Date.

2. **Extension.** The Term of the Lease with respect to the Second Expansion Space is hereby extended for a period of three (3) months and shall expire on January 31, 2018 (“Third Extended Termination Date”), and the Temporary Space Term is hereby extended for six (6) months and shall expire on February 28, 2014 (the “Temporary Space Extended Termination Date”), unless sooner terminated in accordance with the terms of the Lease. That portion of the Term with respect to the Second Expansion Space commencing on the day immediately following the Prior Termination Date (“Third Extension Date”) and ending on the Third Extended Termination Date shall be referred to herein as the “Third Extended Term”, and that portion of the Temporary Space Term commencing on the day immediately following the Prior Temporary Space Termination Date (the “Temporary Space Extension Date”) and ending on the Extended Temporary Space Termination Date shall be referred to herein as the “Temporary Space Extended Term”.

3. **Tenant’s Proportionate Share.** For the period commencing with the Second Expansion Effective Date and ending on the Prior Termination Date, Tenant’s Proportionate Share for the Second Expansion Space is 100% of the 800 Building and Tenant’s Proportionate Share for the Second Expansion Space and the Original Premises is, collectively, 18.65% of the Project (which is the product of 608,968 rentable square feet divided by 113,598 rentable square feet). For the period commencing on the Third Extension Date and ending on the Third Extended Termination Date, Tenant’s Proportionate Share for the Second Expansion Space is 100% of the 800 Building and Tenant’s Proportionate Share for the Second Expansion Space is 8.47% of the Project. For the period commencing with the Temporary Space Extension Date and ending on the Temporary Space Extended Termination Date, as the same may be extended, Tenant shall pay Tenant’s Proportionate Share of Expenses and Taxes for the Temporary Space in accordance with the terms of the Lease.

4. **Annual Rent and Monthly Installment of Rent.**

4.1 **Schedule for the Second Expansion Space.** As of the Second Expansion Effective Date, and in addition to Tenant’s obligation to pay Annual Rent and Monthly Installment of Rent for the Original Premises and the Temporary Space, the schedule of Monthly Installment of Rent and Annual Rent payable with respect to the Second Expansion Space for the balance of the Second Extended Term and the Third Extended Term is the following:

<table>
<thead>
<tr>
<th>Months of Term or Period</th>
<th>Monthly Rent Per Square Foot</th>
<th>Annual Rent</th>
<th>Monthly Installment of Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/14 - 12/31/14</td>
<td>$1.30</td>
<td>$804,960.00</td>
<td>$67,080.00</td>
</tr>
<tr>
<td>1/1/15 - 12/31/15</td>
<td>$1.35</td>
<td>$835,920.00</td>
<td>$69,660.00</td>
</tr>
<tr>
<td>1/1/16 - 12/31/16</td>
<td>$1.40</td>
<td>$866,880.00</td>
<td>$72,240.00</td>
</tr>
<tr>
<td>1/1/17 - 12/31/17</td>
<td>$1.45</td>
<td>$897,840.00</td>
<td>$74,820.00</td>
</tr>
<tr>
<td>1/1/18 - 1/31/18</td>
<td>$1.50</td>
<td>n/a</td>
<td>$77,400.00</td>
</tr>
</tbody>
</table>

All such Monthly Installment of Rent and Annual Rent shall be payable by Tenant in accordance with the terms of the Lease, as amended hereby; provided that concurrent with Tenant’s execution and delivery of this Amendment, Tenant shall pay the sum of $78,122.40, representing (a) the Monthly Installment of Rent payable for the Second
Expansion Space for the second (2nd) full calendar month following the Second Expansion Effective Date in an amount equal to $67,080.00, and (b) the estimated Tenant’s Proportionate Share of Expenses and Taxes payable for the Second Expansion Space for the first (1st) full calendar month following the Second Expansion Effective Date in an amount equal to $11,042.40.

Landlord and Tenant acknowledge that the foregoing schedule is based on the assumption that the Second Expansion Effective Date is January 1, 2014. If the Second Expansion Effective Date is other than January 1, 2014, the schedule set forth above with respect to the payment of any installment(s) of Annual Rent and Monthly Installment of Rent for the Second Expansion Space shall be appropriately adjusted on a per diem basis to reflect the actual Second Expansion Effective Date, and the actual Second Expansion Effective Date shall be set forth in a confirmation letter to be prepared by Landlord. However, the effective date of any increases or decreases in the Annual Rent and Monthly Installment of Rent rate shall not be postponed as a result of an adjustment of the Second Expansion Effective Date as provided above.

4.2 Abated Monthly Installment of Rent. Notwithstanding anything in the Lease, as amended hereby, to the contrary, so long as Tenant is not in default under the Lease, Tenant shall be entitled to an abatement of Monthly Installment of Rent solely with respect to the Second Expansion Space in the amount of $67,080.00 for the first full calendar month following the Second Expansion Effective Date (the “Abatement Period”). The maximum total amount of Monthly Installment of Rent abated with respect to the Second Expansion Space in accordance with the foregoing shall equal $67,080.00 (the “Abated Monthly Installment of Rent”). If Tenant defaults under the Lease, as amended hereby, during the Abatement Period and fails to cure such default within any applicable cure period under the Lease, then Tenant shall no longer be entitled to receive Abated Monthly Installment of Rent, Tenant shall be required to pay the full amount of Monthly Installment of Rent for the remainder of the Term, as amended hereby, and the Abated Monthly Installment of Rent for the period of time preceding Tenant’s default shall immediately become due and payable, Only Monthly Installment of Rent for the Second Expansion Space shall be abated pursuant to this Section, as more particularly described herein, and Monthly Installment of Rent with respect to the Original Premises and the Temporary Space and Tenant’s Proportionate Share of Expenses and Taxes with respect to the Second Expansion Space, Original Premises and Temporary Space and all other rent and other costs and charges specified in the Lease, as amended hereby, shall remain as due and payable pursuant to the provisions of the Lease, as amended hereby.

4.3 Schedule for the Temporary Space during the Extended Temporary Space Term. As of the Temporary Space Extension Date, and in addition to Tenant’s obligation to pay Annual Rent and Monthly Installment of Rent for the Original Premises and the Second Expansion Space, the schedule of Monthly Installment of Rent payable with respect to the Temporary Space during the Temporary Space Extended Term is the following:

<table>
<thead>
<tr>
<th>Period</th>
<th>Monthly Rent Per Square Foot</th>
<th>Monthly Installment of Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/1/13 - 2/28/14</td>
<td>$0.75</td>
<td>$22,242.75</td>
</tr>
</tbody>
</table>

All such Monthly Installment of Rent shall be payable by Tenant in accordance with the terms of the Lease
5. **Additional Security Deposit.** Upon Tenant’s execution hereof, Tenant shall pay Landlord the sum of $88,440.00 (the “Additional Security Deposit”) which is added to and becomes part of the Security Deposit held by Landlord as provided under Article 5 of the Original Lease as security for payment of rent and the performance of the other terms and conditions of the Lease by Tenant. Accordingly, simultaneous with the execution hereof, the Security Deposit is increased from $391,552.57 to $479,992.57.

6. **Additional Rent.** For the period commencing with the Second Expansion Effective Date and ending on the Third Extended Termination Date, Tenant shall pay all additional rent payable under the Lease, including Tenant’s Proportionate Share of Expenses and Taxes applicable to the Second Expansion Space, in accordance with the terms of the Lease.

7. **Improvements to Second Expansion Space.**
   
   7.1 **Condition of Second Expansion Space.** Tenant has inspected the Second Expansion Space and agrees to accept the same “as is” without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements, except as may be expressly provided otherwise in this Amendment. Pursuant to California Civil Code Section 1938, Landlord hereby notifies Tenant that as of the date of this Amendment, the Premises has not undergone inspection by a “Certified Access Specialist” to determine whether the Premises meet all applicable construction-related accessibility standards under California Civil Code Section 55.53.

   7.2 **Responsibility for Improvements to Second Expansion Space.** Tenant shall perform the Tenant Alterations to the 800 Building and Second Expansion Space as described in Exhibit B attached hereto, and Tenant shall be entitled to an improvement allowance in connection with such work as more fully described in Exhibit B. Except as provided herein, Tenant shall have no obligation to remove any portion of the Tenant Alterations depicted on the Space Plan attached as Schedule 3 to Exhibit B. Notwithstanding the foregoing, upon the expiration or earlier termination of the Lease with respect to the Second Expansion Space, Tenant shall, at Tenant’s sole cost and expense, (i) remove all data/telecommunications cabling and wiring installed by or on behalf of Tenant in the Second Expansion Space, whether inside walls, under any raised floor or above any ceiling, (ii) restore the vaulted ceilings (described in Schedule 2 of Exhibit B) in the cafe area of the Second Expansion Space, and (iii) remove any supplemental heating and air conditioning units, server equipment and related structures installed by Tenant in five (5) of the newly created parking spaces in the area adjacent to the dock wells of the 800 Building and depicted on Exhibit E attached hereto and restore the parking spaces to their condition existing prior to the installation of such units and structures. Tenant shall not be required to remove or modify any walls installed as part of the Tenant Alterations unless such walls are installed above the existing grid system and such installation requires a realignment in order to facilitate simplified tie-ins with the surrounding grid systems; provided, however, that Tenant shall not be required to remove and restore any portion of the full-height walls depicted on Exhibit D attached hereto.

8. **Early Access to Second Expansion Space.** Subject to the terms of this Section 8, Landlord grants Tenant the right to enter the Second Expansion Space one (1) business day following the date this Amendment and the Early Possession Agreement (as defined below) have been fully executed by all parties and Tenant has delivered the Additional Security Deposit, prepaid rent and insurance certificates required hereunder, at Tenant’s sole risk, solely for the purpose of installing
telecommunications and data cabling, equipment, furnishings and other personality and to perform the Tenant Alterations and otherwise making the
Second Expansion Space ready for Tenant’s occupancy for the conduct of Tenant’s business operations therein. Such possession prior to the Second
Expansion Effective Date shall be subject to all of the terms and conditions of the Lease, as amended hereby, except that Tenant shall not be required
to pay Monthly Installment of Rent or Tenant’s Proportionate Share of Expenses and Taxes for the Second Expansion Space with respect to the period
of time prior to the Second Expansion Effective Date during which Tenant is in such possession of the Second Expansion Space solely for such
purposes. However, Tenant shall be liable for any utilities or special services provided to Tenant during such period. Said early possession shall not
advance the Third Extended Termination Date. As a condition to any early entry by Tenant pursuant to this Section 8, Tenant shall execute and deliver
to Landlord an early possession agreement (the “Early Possession Agreement”) in the form attached hereto as Exhibit C, provided by Landlord,
setting forth the actual date for early possession.

9. **Other Pertinent Provisions.** Landlord and Tenant agree that, effective as of the date of this Amendment (unless different effective date(s) is/are
specifically referenced in this Section), the Lease shall be amended in the following additional respects:

9.1 **Landlord’s Address for Rent Payment for Second Expansion Space.** Notwithstanding anything to the contrary contained in the Lease,
Landlord’s Address for Rent Payment with respect to the Second Expansion Space only shall be the following:

“Silicon Valley CA-I, LLC
08.M10007 – Milpitas-800 Tasman-JV
P.O. Box 9047
Addison, Texas 75001-9047”

9.2 **Parking.** In addition to Tenant’s proportionate share of unreserved parking spaces with respect to the Original Premises and the Temporary
Space, effective as of the Second Expansion Effective Date, Tenant shall be entitled to its proportionate share with respect to the Second
Expansion Space (which is 191 unreserved spaces as of the date hereof) of unreserved parking spaces for the parking area serving the 800
Building. Tenant’s use of such additional parking spaces is subject to all of the terms and conditions of the Lease, as amended hereby. Tenant
acknowledges that Tenant’s construction of the Patio Area (defined below in Section 9.11) as part of the Tenant Alterations shall be located in
the parking facility for the Building and that eleven (11) parking spaces utilized for the Patio Area will be deducted from the total parking spaces
allocated to Tenant pursuant to the Lease, as amended hereby. Tenant acknowledges and agrees that as part of the Tenant Alterations, Tenant
shall create a minimum of eleven (11) new comparable parking spaces in the area depicted on the space plan attached hereto as Exhibit E, to
Landlord’s reasonable satisfaction.

9.3 **Tenant’s Insurance.** Tenant’s insurance required under the Lease, as amended hereby, shall include the Second Expansion Space. Tenant shall
provide Landlord with a certificate of insurance evidencing Tenant’s insurance upon delivery of this Amendment, executed by Tenant to
Landlord, and thereafter as necessary to assure that Landlord always has current certificates evidencing Tenant’s insurance.

9.4 **Utilities.** If applicable, to the extent any utility is not separately metered to the Second Expansion Space, Landlord may install and shall have
access to the Second Expansion Space to monitor a separate meter (or submeter) to determine the actual use of any utility in the Premises or any
shared common area and may make available and share actual
whole-project energy and water usage data as necessary to maintain the Building’s “green building” certification, if any. If there is no meter or submeter in the Second Expansion Space or if Tenant pays any electricity costs with respect to the Premises directly to the utility company, then, upon request, Tenant shall provide monthly utility usage to Landlord in electronic or paper format or provide permission for Landlord to request information regarding Tenant’s utility usage directly from the utility company.

9.5 **Roof Space for Dish/Antenna.** During the Term of the Lease with respect to the Second Expansion Space (as may be extended), Tenant shall have the right to utilize space on the roof of the 800 Building for the purposes of installing, operating and maintaining a 24 inch high dish/antenna or other communication device approved by Landlord (the “**Second Expansion Space Dish/Antenna**”) in accordance with the provisions of Article 44 of the Original Lease, as amended by Section 9 of the Fourth Amendment. Upon the expiration or earlier termination of the Term with respect to the Second Expansion Space, or if Tenant is in default under the terms of the Lease, as amended hereby, after the expiration of applicable notice and cure periods, the Second Expansion Space Dish/Antenna will be removed at Tenant’s sole cost and expense in accordance with Section 44.4 of the Original Lease.

9.6 **Tenant’s Security System.** During the Term, as may be extended, Tenant shall have the right to install and maintain a security and card access system in the Second Expansion Space and at the entrances of the Second Expansion Space (the “**Tenant’s Security System**”) in accordance with the provisions of Section 13 of the Third Amendment. Upon the expiration or earlier termination of the Term, the Tenant’s Security System shall be removed at Tenant’s sole cost and expense in accordance with Section 13 of the Third Amendment.

9.7 **Option to Renew.** With respect to the following provisions of this Section 9.7, each deletion and replacement of the provisions of Section 9 of the Third Amendment provided for therein shall be effective as of the date of this Amendment, terms that are used in such replacement provision that are defined in this Amendment shall be the meanings provided for herein, and the phrase “as amended hereby” shall mean the Original Lease as amended by all of the amendments thereto, including this Amendment.

9.7.1 The second (2nd) sentence of the first paragraph of Section 9 of the Third Amendment is hereby deleted in its entirety and replaced with the following:

“Provided the Lease, as amended hereby, is in full force and effect and Tenant is not in default under any of the other terms and conditions of the Lease, as amended hereby, beyond applicable notice and cure periods, at the time of notification or commencement, Tenant shall have one (1) option to renew (the "**Renewal Option**") the Term of the Lease for a term of five (5) years (the "**Renewal Term**"), for the entire Original Premises and/or the entire Expansion Space and/or the entire Second Expansion Space, and/or the entirety of any Offer Space then leased by Tenant, if any, or any combination of the foregoing, provided that such portion(s) of the Premises are then being leased by Tenant as of the date the Renewal Term is to commence, on the same terms and conditions set forth in the Lease, except as modified by the terms, covenants and conditions as set forth below: (for the avoidance of doubt, pursuant to the foregoing (i) a renewal of the Term of the Lease that is applicable to the Original Premises and/or the Expansion Space and/or any
such Offer Space shall be for a period from November 1, 2017 to October 21, 2022, and (ii) a renewal of the Term of the Lease that is applicable to the Second Expansion Space shall be for the period from February 1, 2018 to January 31, 2023):

9.7.2 The first (1st) and second (2nd) sentence of Section 9.1 of the Third Amendment is hereby deleted in its entirety and replaced with the following:

“If Tenant elects to exercise the Renewal Option, Tenant shall provide Landlord with written notice ("Tenant Renewal Notice") of such exercise no earlier than November 1, 2016 but no later than April 30, 2017. Tenant’s Renewal Notice shall expressly state whether Tenant is exercising the Renewal Option as to the entire Original Premises, the entire Expansion Space, the entire Second Expansion Space, any Offer Space then leased by Tenant, if any, or any combination of the foregoing; provided, however, if Tenant fails to state in Tenant’s Renewal Notice the portion of the Premises as to which Tenant is exercising the Renewal Option, Tenant shall be deemed to have exercised its Renewal Option for the Original Premises, the Expansion Space and the Second Expansion Space and any such Offer Space then leased by Tenant, if any.”

9.7.3 The first (1st) sentence of Section 9.2 of the Third Amendment is hereby deleted in its entirety and replaced with the following:

“The Annual Rent and Monthly Installment of Rent in effect at the expiration of the then current Term of the Lease (as the expiration of the Term of the Lease is applicable to each portion of the Premises being renewed) shall be adjusted to reflect the Prevailing Market (defined below) rate for each such portion of the Premises upon the commencement of the Renewal Term, as applicable.”

9.8 Right of First Offer. Section 10 of the Third Amendment is hereby deleted in its entirety and is of no further force or effect.

9.8.1 Provided Tenant is not then in default under the terms, covenants and conditions of the Lease, as amended hereby, beyond applicable notice and cure periods, Tenant shall have an on-going right of first offer (the “Offer Right”) to lease any Available (defined below) space in the following buildings: (i) 596 Alder, Milpitas, California and commonly known as Building 12, (ii) 620 Alder, Milpitas, California and commonly known as Building 11, (iii) 888 Tasman, Milpitas, California and commonly known as Building 7, and (iv) 750 Tasman, Milpitas, California and commonly known as Building 9 (with each such building referred to herein as a “Potential Offer Building” and with each such space referred to herein as a “Potential Offer Space”), at the then-current Prevailing Market (hereinafter defined) rate for such Potential Offer Space. Tenant’s Offer Right shall be exercised as follows: at any time after Landlord has determined that the Potential Offer Space in a Potential Offer Building has become Available, Landlord shall advise Tenant (the “Advice”) of the terms under which Landlord is prepared to lease such Potential Offer Space (the “Offer Space”) to Tenant, which terms shall reflect the Prevailing Market rate for such Offer Space as
reasonably determined by Landlord. For purposes hereof, an Offer Space shall be deemed to become “Available” as follows:

(a) if the Offer Space is not under lease to a third party as of the date of mutual execution and delivery of this Amendment, the Offer Space shall be deemed to first become Available if, after Landlord’s first leasing of the Offer Space following the date this Amendment is mutually executed and delivered but prior to Landlord’s next leasing of the Offer Space (other than to the existing tenant) Landlord has located a prospective tenant (other than the existing tenant) that may be interested in leasing the Offer Space; and (b) thereafter, or if the Offer Space is under lease to a third party as of the date of mutual execution and delivery of this Amendment, the Offer Space shall be deemed to become Available when Landlord has determined that the third-party tenant of the Offer Space will not extend or renew the term of its lease, or enter into a new lease, for the Offer Space. Tenant may lease such Offer Space in its entirety only, under such terms, by delivering written notice of exercise to Landlord (the “Notice of Exercise”) within seven (7) business days after the date of Landlord’s delivery of the Advice, failing which Landlord may lease the subject Offer Space to any third party on whatever basis Landlord desires, and Tenant shall have no further rights with respect to such subject Offer Space (except as otherwise provided in Section 9.8.7 below). If Tenant exercises its Offer Right for the Offer Space in accordance with the terms and conditions of this Section 9.8, effective as of the date Landlord delivers the subject Offer Space, such Offer Space shall automatically be included within the Premises and subject to all the terms and conditions of the Lease, as amended hereby, except as set forth in the Advice and as follows:

9.8.2 Tenant’s Proportionate Share shall be recalculated, using the total square footage of the Premises, as increased by the subject Offer Space, as the case may be.

9.8.3 The subject Offer Space shall be leased on an “as is” basis and Landlord shall have no obligation to improve the subject Offer Space or grant Tenant any improvement allowance thereon except as may be provided in Landlord’s Advice.

9.8.4 The term for the subject Offer Space shall commence upon the commencement date stated in the Advice and thereupon such Offer Space shall be considered a part of the Premises, provided that all of the terms stated in the Advice, including the termination date set forth in the Advice, shall govern Tenant’s leasing of the Offer Space and only to the extent that they do not conflict with the Advice, the terms and conditions of the Lease shall apply to the Offer Space. Notwithstanding the foregoing, if the remaining Term of the Lease following the commencement of the Offer Space Term is greater than thirty six (36) months, then the Offer Space Term shall expire concurrently with the Term of the Lease, as may be extended, and if the remaining Term of the Lease following the commencement of the Offer Space Term is less than thirty six (36) months, then the Offer Space Term shall be as set forth in the Advice. Tenant shall pay Monthly Installment of Rent, Tenant’s Proportionate Share of Expenses and Taxes and any other additional rent for the Offer Space in accordance with the terms and conditions of the Advice.
Notwithstanding anything to the contrary set forth herein, Tenant shall have no such Offer Right with respect to the subject Offer Space, as the case may be, and Landlord need not provide Tenant with an Advice, if: (a) Tenant is in default under the Lease, as amended hereby, beyond any applicable notice and cure period at the time that Landlord would otherwise deliver its Advice for the subject Offer Space as described above; (b) more than twenty percent (20%) of the Premises is sublet at the time Landlord would otherwise deliver its written notice of the subject Offer Right as described above; (c) the Lease has been assigned (other than pursuant to a Permitted Transfer) prior to the date Landlord would otherwise deliver its written notice of the subject Offer Right as described above; (d) Tenant is not occupying the Premises on the date Landlord would otherwise deliver its written notice of the Offer Right as described above; (e) the subject Offer Space is not intended for the exclusive use of Tenant during the Term; or (f) Landlord or an affiliate of Landlord no longer owns the Potential Offer Building in which the subject Offer Space is located (provided, however, that the Offer Right shall remain in effect following a sale of the Project to the extent that the Building and any Potential Offer Building are owned by the same person or entity or by affiliated persons or entities).

If Landlord is delayed delivering possession of the subject Offer Space due to the holdover or unlawful possession of such space by any party, Landlord shall use reasonable efforts to obtain possession of such space, and the commencement of the term for the subject Offer Space shall be postponed until the date Landlord delivers possession of the subject Offer Space to Tenant free from occupancy by any party.

The rights of Tenant hereunder with respect to any Potential Offer Space in any particular instance in which such Potential Offer Space becomes Available shall terminate on the earlier to occur of the following: (a) January 31, 2017 (unless Tenant has validly exercised its Renewal Option, in which event the date shall be twelve (12) months before the scheduled expiration of the Renewal Term; provided that in such event, the procedure for determining the Prevailing Market rate with respect to the Premises shall apply only to the Premises then being leased by Tenant, and the Annual Rent and Monthly Installment of Rent payable for the subject Offer Space, the Term of the Lease with respect to such Offer Space and all other material terms with respect to the such Offer Space shall be as set forth in the applicable Advice); (b) Tenant’s failure to exercise its Offer Right within the seven (7) business day period provided in Section 9.8.1 above (except as otherwise expressly provided below); and (c) the date Landlord would have provided Tenant an Advice if Tenant had not been in violation of one or more of the conditions set forth in Section 9.8.1 above. Notwithstanding the foregoing, if (i) Tenant was entitled to exercise its Right of First Offer, but failed to provide Landlord with a Notice of Exercise within the seven (7) business day period provided in Section 9.8.1 above, and (ii) Landlord does not enter into a lease for the Offer Space with a third party within a period of six (6) months following the date of the Advice, Tenant shall once again have a Right of First Offer with respect to such Offer Space, subject to the limitations set forth herein and in Section 9.8.1 above. In addition, if Landlord provides Tenant with an Advice for any Potential Offer Space that
contains expansion rights (whether such rights are described as an expansion option, right of first refusal, right of first offer or otherwise) with respect to any other portion of the Potential Offer Space (such other portion of the Offer Space subject to such expansion rights is referred to herein as the “Encumbered Potential Offer Space”) and Tenant does not exercise its Offer Right to lease such Offer Space, Tenant’s Offer Right with respect to the Encumbered Potential Offer Space shall be subject and subordinate to all such expansion rights contained in the Advice.

9.8.8 If Tenant exercises its Offer Right as to a subject Offer Space, Landlord shall prepare an amendment (an “Offer Amendment”) adding the subject Offer Space to the Premises on the terms set forth in the Advice and reflecting the changes in the Monthly Installment of Rent, Annual Rent, rentable square footage of the Premises, Tenant’s Proportionate Share and other appropriate terms. A copy of the Offer Amendment shall be sent to Tenant within a reasonable time after Landlord’s receipt of the Notice of Exercise executed by Tenant, and Tenant shall execute and return the Offer Amendment to Landlord within ten (10) business days thereafter, but an otherwise valid exercise of the Offer Right shall be fully effective whether or not the Offer Amendment is executed.

9.8.9 Notwithstanding anything herein to the contrary, Tenant’s Offer Right is subject and subordinate to the expansion rights (whether such rights are designated as a right of first offer, right of first refusal, expansion option or otherwise) of Trimble Navigation, the tenant of the building located at 888 Tasman Drive, Milpitas, California and its successors and assigns.

9.9 Monument Sign.

9.9.1 So long as (a) Tenant is not in default under the terms of the Lease, as amended hereby, beyond any applicable notice and cure period, and (b) Tenant has not assigned the Lease (other than pursuant to a Permitted Transfer) or sublet more than twenty percent (20%) of the Premises, Tenant shall have the exclusive right to replace the current Project monument sign with the name “Tasman Technology Park” and located at the corner of Tasman Drive and McCarthy Boulevard with Tenant’s own monument which shall contain Tenants name and/or logo (the “Tenant’s Project Monument Sign”), subject to the terms of this Section 9.9. The design, size and color of Tenant’s signage with Tenant’s name/logo to be displayed on Tenant’s Project Monument Sign, and the manner in which it is attached to the Tenant’s Project Monument Sign, shall comply with all applicable Regulations and shall be subject to the approval of Landlord (which approval shall not be unreasonably withheld) and any applicable governmental authorities, including, without limitation, the City of Milpitas. Landlord reserves the right to withhold consent to any sign that, in the reasonable judgment of Landlord, is not harmonious with the design standards of the Project. Tenant must obtain Landlord’s written consent to any proposed signage and lettering prior to its fabrication and installation, which consent shall not be unreasonably withheld, conditioned or delayed, To obtain Landlord’s consent, Tenant shall submit design drawings to Landlord showing the type and sizes of all lettering; the colors, finishes and types of materials used; and (if applicable and Landlord consents thereto in its reasonable discretion) any provisions for illumination.
9.9.2 Tenant’s Project Monument Sign shall be designed, constructed, installed, insured, maintained, repaired and removed all at Tenant’s sole risk, cost and expense. Tenant, at its cost, shall be responsible for the maintenance, repair or replacement of Tenant’s Project Monument Sign, which shall be maintained in a manner reasonably satisfactory to Landlord.

9.9.3 Upon the expiration or earlier termination of the Lease or if during the Term (and any extensions thereof) (a) Tenant is in default under the terms of the Lease after the expiration of applicable notice and cure periods; (b) Tenant leases and occupies less than eighty percent (80%) of the Premises; or (c) Tenant assigns the Lease (other than pursuant to a Permitted Transfer), then Tenant’s rights granted pursuant to this Section 9.9 will terminate and Tenant shall remove Tenant’s Project Monument Sign at Tenant’s sole cost and expense and restore the Project Monument Sign to the condition it was in prior to installation of Tenant’s Project Monument Sign, ordinary wear and tear excepted.

9.9.4 The rights provided in this Section 9.9 shall be non-transferable (other than pursuant to a Permitted Transfer) unless otherwise agreed by Landlord in writing in its sole discretion.

9.10 Communication Lines. The terms of Section 12 of the Third Amendment regarding Tenant’s right to install, maintain, replace, remove, use and modify Lines shall be applicable to the 800 Building, including the connection of Lines between the 800 Building and the 1390 Building, the 1440 Building and the Temporary Space in the manner described in Section 12 of the Third Amendment.

9.11 Outdoor Patio Area.

9.11.1 Tenant shall have the right to install, as part of the Tenant Alterations, a patio area (the “Patio Area”) as depicted on the Space Plan attached hereto as Schedule 3 to Exhibit B. The Patio Area shall be used by Tenant solely as an outdoor seating area for Tenant’s employees and invitees and for no other purpose. Tenant shall be entitled to place seats and tables (“Tenant’s Outdoor Furniture”) in the Patio Area; provided that the color, design, material, finish, size, location and method of installation of Tenant’s Outdoor Furniture and any trash containers located therein shall be subject to Landlord reasonable prior approval and shall comply with all Regulations. Tenant shall not install any exterior lighting, exterior decorations, radio or television antenna, loud speaker or other device in, on or about the Patio Area. The use of the Patio Area by Tenant and any Tenant Entities shall comply with all of the terms and conditions of the Lease, as amended hereby. Without limiting the foregoing, Tenant shall not store anything in the Patio Area other than such tables and chairs and shall not do, permit or suffer in, on or about the Patio Area anything that is unsafe or otherwise may create a hazardous condition, or that may increase Landlord’s insurance rates, or cause a cancellation or modification of Landlord’s insurance coverage. Tenant shall not hold any special events in the Patio Area without the prior...
written consent of Landlord in its reasonable discretion. Tenant shall be solely responsible for securing, at Tenant’s sole cost and expense, any permits or other governmental approvals required for Tenant’s use of the Patio Area in accordance with this Section 9.11. Tenant agrees that Landlord shall not be liable therefor and that the availability or non-availability of the Patio Area as a result of any applicable Regulation and Tenant’s right to use the Patio Area shall not affect any of Tenant’s other obligations under the Lease, as amended hereby.

9.11.2 Tenant shall maintain Tenant’s Outdoor Furniture and the Patio Area in good condition and repair at Tenant’s sole cost and expense. Tenant’s obligations pursuant to this Section 9.11.2 shall include, without limitation, the obligations of Tenant to (a) be responsible for cleaning any spills or waste in the Patio Area, and (b) cause any trash containers located in the Patio Area to be emptied on a regular basis prior to their overflowing, and substitute a replacement container during the time period when containers are being emptied, and keep and maintain all trash containers in a clean and attractive condition and appearance at all times. If Tenant fails to perform its obligations with respect to the Patio Area, Landlord may elect to perform such obligations on behalf of Tenant and charge Tenant for the performance of said work.

9.11.3 All terms and provisions of the Lease, as amended hereby, shall be applicable to the Patio Area, including, without limitation, Sections 10 (Indemnification), 11 (Insurance) and 12 (Waiver of Subrogation). Landlord need not supply any services to the Patio Area and the Patio Area shall not be part of the “Premises” for purposes of calculating the rentable square footage of the Premises or Tenant’s Proportionate Share.

9.12 **Café Area.** Tenant intends to use a portion of the Second Expansion Space as a cafeteria providing pre-prepared foods and beverages for Tenant’s employees and invitees. The cafeteria shall not be open to the public. No cooking shall be done or permitted by any employee or invitee of Tenant in any portion of the Second Expansion Space, except that Underwriters’ Laboratory approved microwave ovens or equipment for heating pre-prepared foods, brewing coffee, tea, hot chocolate and similar beverages shall be permitted provided that such equipment and use is in accordance with all applicable Regulations. Tenant shall not store, display, sell or distribute any alcoholic beverages without the prior written consent of Landlord. Tenant shall obtain, maintain and conspicuously display any and all permits, licenses and approvals required by any governmental authority for the operation of a cafeteria in the Second Expansion Space. Tenant shall store its garbage (“wet” and “dry”), trash and other refuse generated from the cafe in rat-proof and insect-proof containers within the Premises, and remove the same frequently and regularly and, if directed by Landlord, in the manner, by such means, and at such times as Landlord shall designate. Tenant, at its sole cost and expense, shall procure and maintain in full force and effect during the Term, a pest control contract for the pest extermination services in the cafeteria portion of the Second Expansion Space to control cockroaches, rodents and other pests with a pest control firm reasonably acceptable to Landlord. Tenant shall follow all reasonable recommendations of said contractor with respect to pest control. A copy of the then current pest contract shall be delivered to Landlord annually. The pest control contract shall require the contractor to perform extermination services at the cafeteria portion of the Second Expansion Space on a monthly basis.
10. **Miscellaneous.**

10.1 This Amendment, including **Exhibit A** (Outline and Location of Second Expansion Space), **Exhibit B** (Tenant Alterations), **Exhibit C** (Early Possession Agreement), **Exhibit D** (Space Plan Depicting Location of Full Height Walls), and **Exhibit E** (Space Plan Depicting Location of Patio Area, Dock Wells and Replacement Parking) attached hereto, sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Under no circumstances shall Tenant be entitled to any Rent abatement, improvement allowance, leasehold improvements, or other work to the Premises, or any similar economic incentives that may have been provided Tenant in connection with entering into the Lease, unless specifically set forth in this Amendment.

10.2 Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control. The capitalized terms used in this Amendment shall have the same definitions as set forth in the Lease to the extent that such capitalized terms are defined therein and not redefined in this Amendment.

10.3 Tenant shall reasonably comply with Landlord’s recycling policy for the 800 Building, including, without limitation, Tenant shall sort and separate its trash into separate recycling containers as required by law or which may be furnished by Landlord and located in the Second Expansion Space. Tenant shall comply with all laws regarding the collection, sorting, separation, and recycling of garbage, waste products, trash and other refuse at the 800 Building. Landlord reserves the right to refuse to collect or accept from Tenant any trash that is not separated and sorted as required by law or pursuant to Landlord’s recycling policy, and to require Tenant to arrange for such collection at Tenant’s cost, utilizing a contractor reasonably satisfactory to Landlord. If Tenant is billed directly by a public utility with respect to Tenant’s electrical usage at the Premises, then, upon request, Tenant shall provide monthly electrical utility usage for the Premises to Landlord for the period of time requested by Landlord (in electronic or paper format) or, at Landlord’s option, provide any written authorization or other documentation required for Landlord to request information regarding Tenant’s electricity usage with respect to the Premises directly from the applicable utility company.

10.4 Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered the same to Tenant.

10.5 Tenant hereby represents to Landlord that Tenant has dealt with no broker in connection with this Amendment other than Comish & Carey Newmark Knight Frank. Tenant agrees to indemnify and hold Landlord and the Landlord Entities harmless from all claims of any other brokers claiming to have represented Tenant in connection with this Amendment.

10.6 Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory is acting. Tenant hereby represents and warrants that neither Tenant, nor any persons or entities holding any legal or beneficial interest whatsoever in Tenant, are (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC"); (ii)
designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: “List of Specially Designated Nationals and Blocked Persons.” If the foregoing representation is untrue at any time during the Term, an Event of Default under the Lease will be deemed to have occurred, without the necessity of notice to Tenant.

10.7 This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same Amendment. In order to expedite the transaction contemplated herein, telecopied signatures or signatures transmitted by electronic mail in so-called “pdf” format may be used in place of original signatures on this Amendment. Landlord and Tenant intend to be bound by the signatures on the telecopied or e-mailed document, are aware that the other party will rely on the telecopied or e-mailed signatures, and hereby waive any defenses to the enforcement of the terms of this Amendment based on such telecopied or e-mailed signatures. Promptly following transmission of the telecopied or e-mailed signatures, Tenant shall promptly deliver to Landlord with original signatures on this Amendment.

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10.8 Redress for any claim against Landlord under the Lease and this Amendment shall be limited to and enforceable only against and to the extent of Landlord’s interest in the Building. The obligations of Landlord under the Lease are not intended to and shall not be personally binding on, nor shall any resort be had to the private properties of, any of its trustees or board of directors and officers, as the case may be, its investment manager, the general partners thereof, or any beneficiaries, stockholders, employees, or agents of Landlord or the investment manager, and in no case shall Landlord be liable to Tenant hereunder for any lost profits, damage to business, or any form of special, indirect or consequential damages.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

LANDLORD:

SILICON VALLEY CA-I, LLC,
a Delaware limited liability company

By: SVCA JV LLC,
a Delaware limited liability company
its Manager

By: RREEF America REIT III Corp. GG- QRS,
a Maryland corporation
its Manager

By: /s/ Mike Walker
Name: MIKE WALKER
Title: V.P.
Dated: 8/3/13

TENANT:

FIREYE, INC.,
a Delaware corporation

By: /s/ Frank Verdecanna
Name: Frank Verdecanna
Title: VP Finance
Dated: 8/2/2013
EXHIBIT A - OUTLINE AND LOCATION OF SECOND EXPANSION SPACE

attached to and made a part of the Amendment dated as of July 25, 2013, between
SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and
FIREEYE, INC., a Delaware corporation, as Tenant

Exhibit A is intended only to show the general layout of the Second Expansion Space as of the beginning of Expansion Effective Date. It does not in any way supersede any of Landlord’s rights set forth in the Lease with respect to arrangements and/or locations of public parts of the Building and changes in such arrangements and/or locations. It is not to be scaled; any measurements or distances shown should be taken as approximate.
1. Tenant, following the delivery of the Second Expansion Space by Landlord and the full and final execution and delivery of the Amendment to which this Exhibit B is attached and the Early Possession Agreement, the delivery of all prepaid rental, the Additional Security Deposit and insurance certificates required under the Amendment, shall perform (i) certain Market Ready Improvements to the Second Expansion Space, the general scope of which is set forth on Schedule 1 (the “Market Ready Improvements”) and (ii) other additional tenant improvements to the Second Expansion Space pursuant to this Exhibit B (the “Additional Tenant Improvements”). Subject to the Allowance (defined below) and Tenant’s removal and restoration obligations set forth in Section 7.2 of the Amendment, Tenant may elect to upgrade certain portions of the materials or finishes used in the Market Ready Improvements as described on Schedule 2. The Market Ready Improvements and the Additional Tenant Improvements are collectively referred to herein as the “Tenant Alterations”. Notwithstanding the foregoing, Tenant and its contractors shall not have the right to perform the Tenant Alterations in the Second Expansion Space unless and until Tenant has complied with all of the terms and conditions of Article 6 of the Original Lease and this Exhibit B, including, without limitation, approval by Landlord of the Plans (defined below) for the Tenant Alterations and the general contractor to be retained by Tenant to perform such Tenant Alterations. Tenant shall be responsible for all elements of the design of Tenant’s Plans (including, without limitation, compliance with law, functionality of design, the structural integrity of the design, the configuration of the 800 Building and the Second Expansion Space and the placement of Tenant’s furniture, appliances and equipment), and Landlord’s approval of Tenant’s Plans shall in no event relieve Tenant of the responsibility for such design. In addition to the foregoing, Tenant shall be solely liable for all costs and expenses associated with or otherwise caused by Tenant’s performance and installment of the Tenant Alterations (including, without limitation, any legal compliance requirements arising outside of the Second Expansion Space and 800 Building).

2. Tenant has retained, and Landlord has approved, the following architect and engineers to prepare all architectural plans for the Tenant Alterations and all engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, lifesafety, and sprinkler work in the Second Expansion Space: (i) Dennis Kobza and Associates, Inc. (the “Architect”), and (ii) Reade & Associates (mechanical engineers), Stuart & Sons (electrical engineers) and Ireland Engineering (structural) (collectively, the “Engineers”). The plans and drawings to be prepared by the Architect and the Engineers hereunder shall be referred to herein collectively as the “Plans.” All Plans shall (a) comply with the drawing format and specifications required by Landlord, (b) be consistent with Landlord’s then current requirements for avoiding aesthetic, engineering or other conflicts with the design and function of the balance of the Project to the extent affecting or visible from the exterior of the Building, and (c) otherwise be subject to Landlord’s approval, which shall not be unreasonably withheld. Tenant shall cause the Architect to verify, in the field, the dimensions and conditions as shown on the relevant portions of the base Building plans, and Landlord shall have no responsibility in connection therewith. Landlord’s review of the Plans and approval of the Approved Construction Drawings (defined below) shall be for its sole benefit and shall not create or imply any obligation on the part of Landlord to review the same for Tenant’s benefit, whether with respect to quality, design, compliance with law or any other matter.

3. Tenant has caused the Architect to prepare a space plan for the Additional Tenant Improvements and Landlord has approved such space plan, dated June 26, 2013 and attached hereto as Schedule 3 (the “Space Plan”). Tenant shall cause the Architect and the Engineers to complete the architectural,
engineering and final architectural working drawings for the Tenant Alterations in a form that is sufficient to enable subcontractors to bid on the work and to obtain all applicable permits (collectively, the “Construction Drawings”), and shall deliver four (4) copies of the Construction Drawings, signed by Tenant, to Landlord for its approval. Notwithstanding the foregoing, at Tenant’s option, the Construction Drawings may be prepared in two phases (first the architectural drawings, then engineering drawings consistent with the previously provided architectural drawings), provided that each phase shall be subject to Landlord’s approval. Landlord shall provide Tenant with written notice approving or reasonably disapproving the Construction Drawings (or the applicable component thereof) within five (5) business days after the later of Landlord’s receipt thereof or the mutual execution and delivery of the Amendment to which this Exhibit B is attached. If Landlord disapproves the Construction Drawings (or any component thereof), Landlord’s notice of disapproval shall describe with reasonable specificity the basis for such disapproval and the changes that would be necessary to resolve Landlord’s objections. If Landlord disapproves the Construction Drawings (or any component thereof), Tenant shall cause the Construction Drawings to be modified and resubmitted to Landlord for its approval. Such procedure shall be repeated as necessary until Landlord has approved the Construction Drawings (or the applicable component thereof). Tenant shall not commence construction of the Tenant Alterations until after the Construction Drawings are approved by Landlord. No revision may be made to the approved Construction Drawings (the “Approved Construction Drawings”) without Landlord’s prior written consent, which shall not be unreasonably withheld.

4. Tenant shall submit the Approved Construction Drawings to the appropriate municipal authorities and otherwise apply for and obtain from such authorities all applicable building permits necessary to allow the Contractor to construct the Tenant Alterations (the “Permits”). Tenant shall coordinate with Landlord in order to allow Landlord, at its option, to take part in all phases of the permitting process and shall supply Landlord, as soon as possible, with all plan check numbers and dates of submittal. Notwithstanding anything to the contrary in this Section 4, Tenant, and not Landlord or its consultants, shall be responsible for obtaining any Permit or certificate of occupancy; provided, however, that Landlord shall cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any Permit or certificate of occupancy. Tenant shall not commence construction of any particular portion of the work for the Tenant Alterations until the Permits for such portion of the work are obtained (provided, however, but subject to the other terms and conditions of this Exhibit B, Tenant may commence demolition work following issuance of a demolition permit and may commence construction of portions of the Tenant Alterations prior to issuance of Permits therefor to the extent allowed by the City of Milpitas).

5. Tenant shall retain a general contractor (the “Contractor”) to perform the Tenant Alterations. The Contractor shall be selected by Tenant, by written notice to Landlord, from a list of general contractors provided by Landlord or, at Landlord’s option, from a list of general contractors provided by Tenant and approved in writing by Landlord. Notwithstanding anything to the contrary contained herein or in the Lease, Tenant shall obtain at least one (1) bid for the Tenant Alterations from a union Contractor. For purposes of this Section 5, Landlord’s approval of a proposed general contractor shall not be considered unreasonably withheld if such general contractor (a) does not have trade references reasonably acceptable to Landlord, (b) does not maintain insurance as required under the terms of the Lease, (c) cannot be bonded for the work in an amount equal to 150% of the total Final Costs (defined below), (d) does not provide current financial statements reasonably acceptable to Landlord, or (e) is not licensed as a contractor in the state/municipality in which the Second Expansion Space is located. Tenant acknowledges that the foregoing is not an exclusive list of the reasons why Landlord may reasonably disapprove a proposed general contractor. Notwithstanding the foregoing, Landlord hereby approves of the following Contractors: (i) G. Swanson; (ii) Technical Builders; and (iii) SouthBay Construction. Any subcontractors used by Tenant shall comply with the Responsible Contractor Policy Statement provided by Landlord.
6. Provided Tenant is not in default under the Lease, as amended hereby, beyond any applicable notice and cure period, Landlord agrees to contribute the sum of $2,754,408.00 (i.e., $53.38 per rentable square foot of the Second Expansion Space) (the "Allowance") toward the cost of performing the Tenant Alterations. Except as expressly provided herein, the Allowance may only be used for the cost of preparing design and construction documents and mechanical and electrical plans, permit and inspection fees, and other soft costs for the Tenant Alterations and for hard costs in connection thereof. The Allowance shall be paid to Tenant in accordance with Section 7 below. In addition to the Allowance, Landlord and Tenant acknowledge that two (2) Trane package units that are to be installed as part of the Market Ready Improvements as noted on Schedule 1 are being provided by Landlord and are located on site at the 800 Building. Tenant shall utilize such units in the construction of the Market Ready Improvements and the cost thereof has been paid by Landlord and shall not be charged as part of the Allowance or otherwise charged to Tenant.

7. The Allowance shall be paid to Tenant in periodic disbursements within thirty (30) days after receipt of the following documentation: (a) a request for payment of the Architect/Engineers and the Contractor, approved by Tenant, and, in the case of the Contractor’s request for payment, showing the schedule, by trade, of percentage of completion of the Tenant Alterations, and detailing the portion of the work completed and the portion not completed, (b) executed conditional mechanic’s lien releases from the contractor, subcontractors and material suppliers which shall cover all Tenant Alterations for which disbursement is being requested and which shall comply with the appropriate provisions, as reasonably determined by Landlord, of California Civil Code Section 8132, and (c) all such invoices, contracts, or other supporting data as Landlord or Landlord’s mortgagee may reasonably require. Within thirty (30) days following receipt of the foregoing, Landlord shall deliver a check to Tenant in payment of the lesser of (i) the amounts so requested by Tenant, less a ten percent (10%) retention (the aggregate amount of such retentions to be referred to as the “Final Retention”), and (b) the balance of any remaining available portion of the Allowance (not including the Final Retention). Upon completion of the Tenant Alterations, the Final Retention shall be delivered by Landlord to Tenant within thirty (30) days following receipt by Landlord of (A) general contractor and architect’s completion affidavits; (B) full and final waivers of lien; (C) receipted bills covering all labor and materials expended and used; (D) as-built plans of the Tenant Alterations; and (E) the certification of Tenant and its architect that the Tenant Alterations have been installed in a good and workmanlike manner in accordance with the approved plans, and in accordance with applicable laws, codes and ordinances. In no event shall Landlord be required to disburse the Allowance more than one time per month. If the Tenant Alterations exceed the Allowance, Tenant shall be entitled to the Allowance in accordance with the terms hereof, but each individual disbursement of the Allowance shall be disbursed in the proportion that the Allowance bears to the total cost for the Tenant Alterations, less the Final Retention. Notwithstanding anything herein to the contrary, Landlord shall not be obligated to disburse any portion of the Allowance during the continuance of an uncured default under the Lease, and Landlord’s obligation to disburse shall only resume when and if such default is cured. Tenant shall be responsible for all applicable state sales or use taxes, if any, payable in connection with the Tenant Alterations and/or Allowance. In no event shall the Allowance be used for the purchase of equipment, furniture or other items of personal property of Tenant. If Tenant does not submit a request for payment for the entire Allowance to Landlord in accordance with the provisions contained in the Exhibit B by July 31, 2014, any unused amount shall accrue to the sole benefit of Landlord, it being understood that Tenant shall not be entitled to any credit, abatement or other concession in connection therewith. Landlord shall be entitled to deduct from the Allowance a construction management fee for Landlord’s oversight of the Tenant Alterations in an amount equal to one percent (1%) of the Allowance. In no event shall the Final Retention be paid to Tenant until Tenant has completed all of the Market Ready Improvements.

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8. Tenant agrees to accept the Second Expansion Space in its “as-is” condition and configuration, it being agreed that Landlord shall not be required to perform any work or, except as provided above with respect to the Allowance, incur any costs in connection with the construction or demolition of any improvements in the Second Expansion Space.

9. This Exhibit B shall not be deemed applicable to any additional space added to the Second Expansion Space at any time or from time to time, whether by any options under the Lease or otherwise, or to any portion of the original Premises or any additions to the Premises in the event of a renewal or extension of the original Term of the Lease, whether by any options under the Lease or otherwise, unless expressly so provided in the Lease or any amendment or supplement to the Lease. Further, for the avoidance of doubt, the scope and quality of the Additional Tenant Improvements provided for in this Exhibit B for the Second Expansion Space shall not become the standard to which tenant improvements in other space that Tenant may lease from Landlord in the Project are to be built.

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SCHEDULE 1 TO EXHIBIT B – SCOPE OF MARKET READY IMPROVEMENTS

800 Tasman – Market Ready Design Scope Document

- T-Bar – 15/16” Grid – Armstrong – Installed at 10’ just above exterior window mullions – new throughout
- Ceiling Tile – Armstrong Second Look II – new throughout
- T-Bar Light Fixtures – Lightolier 2 x 4 Coffaire II Recessed Fluorescent – Direct/Indirect with perforated basket – 2 Lamp T5 – new throughout
- Interior Doors, Frames and Hardware – Full Height Clear Maple Doors, Clear Anodized Aluminum Frames, Lever Hardware
- Offices have Sidelites – 24” Single Pane
- Carpet – Shaw Contract Group – Style – Signed 5A114 Pattern Loop with 4” Rubber Top Set Base throughout
- Fire Sprinklers – Relocate and add/subtract at ceiling level to meet code – Design Build – Separate Submittal
- New Monitored AllGuard Fire Panel with Horns and Strobes throughout to satisfy code
- Electrical Design Build
- New Primary Electrical Switch Gear
- Existing large secondary breaker panel at back building wall and its enclosing room to be demoed
- Bathroom Accessories – Bobrick Stainless Steel
- Bathroom Partitions – Powder Coated Metal – Floor Mount
- Bathroom Vanity – Solid Surface Top with Integral sink
- Bathroom Faucets and Soap Dispensers – Battery Operated Auto – American Standard
- Toilets – Wall Hung American Standard Flushometer
- Bathroom Tile – Floors: Mfg DalTile, style ERA, color Arke unpolished, # P710 12x24
- Bathroom Can Lights – 42 Watt Compact Fluorescents
- Drinking Fountain – ADA Compliant Stainless Steel
- Break Room Cabinets and Sink – P Lam Upper, Lower, and Counter Top with Stainless ADA Sink and Faucet
- Break Room Flooring – Armstrong VCT
- Conference and Break Room Glass Wall – 3/8” Tempered Glass – Silicon Butt Glazed where occurs
- Sheet Rock Walls – Level 4 smooth finish throughout, under grid, full bat insulation
- Exterior CMU Enclosure currently containing the chiller, pumps, and Cooling Tower to be demolished and equipment removed.
- Other Existing CMU and Tilt-up matching enclosures to remain
- All existing Truck High Docks to remain
- All existing Dock Levelers to remain
- HVAC – 2 new 75 ton each Trane Packaged units to be installed with Titus VAV Boxes and a new boiler to provide reheat – Heat at all perimeter VAV Boxes
- 28 VAV Zones with control by pneumatic programmable T-Stats – Conference Room on a separate Zone, 3 interior offices per zone, 2 executive offices per zone
• Sheet metal high pressure supply distribution ducting with Aluma Flex low pressure ducting after the VAV Boxes with 2 x 2 lay in Standard Diffusers throughout
• HVAC System – Ducted Return
• Rest Room Exhaust – One Exhaust fan for each side of the large rest room and one exhaust fan for the combined small rest rooms, ducted through the roof
• Exterior Doors – Existing to remain as-is
• Exterior Mullion Systems and Glazing – Existing to remain as-is
• Full Time Project Supervision
• Daily Clean-up and Final Janitorial

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B-6
800 Tasman- Market Ready Design Scope Document deviations

- T-Bar ceiling will be at 11'-0" in the dining room/café with 3 vaulted areas of 12'-6"
- Ceiling tile will be Armstrong Dune Second Look.
- T-Bar ceiling light fixtures will be Lithonia Avante Series 2x4 fixture, Cat. No. 2AVG 2 54T5HO MDR MVOLT GEB10PS, 841 (add EL for Emergency ballast) Direct/Indirect
- 2x2 fixture is Cat. No. 2AVG 2 24T5HO MDR MVOLT GEB10PS, 841 Direct/Indirect
- Carpet: (all 18"x36")

C-1: Shaw style “Blur” #59596 color #95750 blend
C-2: Shaw style “Overlay” #59598 color #95750 blend
C-3: Shaw style “Scale” 59595 color #95870 Sundried
C-4: Shaw Style “Scale” 59595 color #95505 Black
C-5: Shaw Style “Scale” 59595 color # 95155 Mineralite
C-6: Shaw Style “Scale” 59595 color # 95761 Portabella

- Bathroom Partitions:
  PL-1: (Stall partitions) Wilsonart Laminate #4944-38 Casual Linen

- Bathroom Tile- Floor/Walls:
  CT-1: (Floor/Wall) Crossville-“Empire” color #VS77-UP Parisian White 14"x14”
  CT-2: (Cove base) Crossville -“Empire” color #VS77-UP Parisian White 6”x14”
  CT-3: (Bullnose) Crossville- “Empire” color #VS77-UP Parisian White 3”x14”
  CT-4: (Mosaic Accent) Crossville - “Ebb & Flow” color # EF 03 Flora and Fauna Linear Mixed Mosaics
  CT-5: (Shower Floor) Crossville- “Empire” color #VS77-UP Parisian White Mosaic 1”x1”
  CT-6: (Floor insert) “Empire” color #VS77-UP Parisian White 21”x21”

- Break Room Cabinets and Sink :
  Q-2: (Break Room Countertop) Caesarstone - #6600 Nougat (solid surface)

- Break Room Flooring:
  VP-1: (Cafeteria / Break Room) The Patton Group Mats inc. “Floor Works” Plank Collection Bamboo color: W8011 – Dark Blend Bamboo (4”x36”) with Straight edge (Contact: Brian Richards 415-298-6287)
  - No drinking fountain being provided.
Landlord and Tenant are parties to that certain lease dated January 15, 2008 (the “Original Lease”), which Original Lease has been previously amended by that certain First Amendment dated April 28, 2010, that certain Second Amendment dated December 5, 2011, that certain Third Amendment dated February 21, 2012, that certain Expansion Space Effective Date Memorandum dated July 5, 2012, that certain Fourth Amendment dated February 7, 2013 and that certain Fifth Amendment (the “Amendment”) dated July 25, 2013 (collectively, the “Lease”). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 113,598 rentable square feet comprised of (i) approximately 16,892 rentable square feet of the building located at 1390 McCarthy Boulevard, Milpitas, California, and approximately 45,106 rentable square feet of the building located at 1440 McCarthy Boulevard, Milpitas, California (collectively, the “Original Premises”) and (ii) approximately 51,600 rentable square feet of the building located at 800 Tasman Drive, Milpitas, California (the “Second Expansion Space”), as well as certain temporary space further described in the Lease. Capitalized terms not defined herein shall have the same meaning as set forth in the Lease.

It is hereby agreed that in accordance with Section 7 of the Amendment, Tenant may occupy the Second Expansion Space on .

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Landlord and Tenant agree that all the terms and conditions of the above referenced Lease are in full force and effect as of the date of Tenant’s possession of the Second Expansion Space prior to the Second Expansion Effective Date pursuant to Section 7 of the Amendment other than the payment of monthly rent.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

LANDLORD:

SILICON VALLEY CA-I, LLC,
a Delaware limited liability company

By: SVCA JV LLC,
a Delaware limited liability company
    its Manager

By: RREEF America REIT III Corp. GG- QRS,
a Maryland corporation
    its Manager

        By: ________________________________
        Name: ________________________________
        Title: ________________________________
        Dated: ________________________________

TENANT:

FIREYE, INC.,
a Delaware corporation

By: ________________________________
Name: ________________________________
Its: ________________________________
Date: ________________________________
EXHIBIT D – SPACE PLAN DEPICTING LOCATION OF FULL-HEIGHT WALLS

attached to and made a part of the Amendment dated as of July 25, 2013, between
SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and
FIREEYE, INC., a Delaware corporation, as Tenant

(see attached)

D-I
attached to and made a part of the Amendment dated as of July 25, 2013, between SILICON VALLEY CA-I, LLC, a Delaware limited liability company, as Landlord and FIREYE, INC., a Delaware corporation, as Tenant
Landlord and Tenant are parties to that certain lease dated January 15, 2008 (the “Original Lease”), which Original Lease has been previously amended by that certain First Amendment dated April 28, 2010, that certain Second Amendment dated December 5, 2011, that certain Third Amendment dated February 21, 2012, that certain Expansion Space Effective Date Memorandum dated July 5, 2012, that certain Fourth Amendment dated February 7, 2013 and that certain Fifth Amendment (the “Amendment”) dated July 25, 2013 (collectively, the “Lease”). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately 113,598 rentable square feet comprised of (i) approximately 16,892 rentable square feet of the building located at 1390 McCarthy Boulevard, Milpitas, California, and approximately 45,106 rentable square feet of the building located at 1440 McCarthy Boulevard, Milpitas, California (collectively, the “Original Premises”) and (ii) approximately 51,600 rentable square feet of the building located at 800 Tasman Drive, Milpitas, California (the “Second Expansion Space”), as well as certain temporary space further described in the Lease. Capitalized terms not defined herein shall have the same meaning as set forth in the Lease.

It is hereby agreed that in accordance with Section 8 of the Amendment, Tenant may occupy the Second Expansion Space on August 5, 2013.

Landlord and Tenant agree that all the terms and conditions of the above referenced Lease are in full force and effect as of the date of Tenant’s possession of the Second Expansion Space prior to the Second Expansion Effective Date pursuant to Section 8 of the Amendment other than the payment of monthly rent.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

**LANDLORD:**

**SILICON VALLEY CA-I, LLC,**

a Delaware limited liability company

By: SVGA JV LLC,

a Delaware limited liability company

its Manager

By: RREEF America REIT III Corp. GG- QRS,

a Maryland corporation

By: /s/ Mike Walker

Name: MIKE WALKER

Title: V.P.

Dated: 8/3/13

**TENANT:**

**FIREEYE, INC.,**

a Delaware corporation

By: /s/ Frank Verdecanna

Name: Frank Verdecanna

Its: VP Finance

Date: 8/2/13
Mr. David DeWalt

Dear Dave:

On behalf of FireEye, Inc. (the “Company”), I am pleased to offer you employment as the Chief Executive Officer (the “CEO”) of the Company. You will report to the Board of Directors (the “Board”) and shall perform the duties and responsibilities customary for such position and such other related duties as are assigned by the Board.

You will also continue to serve as the Chairman of the Company’s Board. The Board may, however, remove you as Chairman of the Board at any time, for any or no reason, with or without notice at its sole and absolute discretion. Notwithstanding the foregoing, for all purposes under this letter agreement, your removal by the Board as Chairman without your consent at any time following the date on which you commence employment as the Company’s CEO (the “CEO Commencement Date”) but prior to the later of (i) the release of any market stand-off imposed by the Company or the managing underwriter of the Company’s first underwritten public offering of its equity securities pursuant to an effective registration statement filed under the Securities Act of 1933, as amended (an “IPO”) and (ii) the first annual general meeting of the Company’s stockholders following such IPO shall be treated as a Termination Without Cause (provided a Separation occurs).

The terms described herein will be effective beginning on the CEO Commencement Date; provided, however, that this offer is expressly conditioned upon your commencing employment with the Company as CEO no later than Friday, November 23, 2012. For the avoidance of doubt, if you do not commence employment as the Company’s CEO on or prior to Friday, November 23, 2012 this agreement will be void and of no further force and effect.

I. Cash Compensation and Employee Benefits

1. Cash Compensation. Beginning on the CEO Commencement Date, the Company will pay you a starting salary at the rate of $350,000 per year, less required deductions and withholdings, payable in accordance with the Company’s standard payroll schedule. This salary will be subject to adjustment pursuant to the Company’s employee compensation policies in effect from time to time.

2. Bonus. In addition, you will be eligible to be considered for an annual target incentive bonus of up to $200,000 for each fiscal year of the Company. The bonus (if any) will be awarded based on objective or subjective criteria established and approved by the Board, which shall have the sole discretion to determine whether you have earned any bonus and, if so, the amount of such bonus. Any bonus award to you for the fiscal year in which your employment begins will be prorated, based on the number of days you are employed as CEO by the Company during that fiscal year. Any bonus for a fiscal year will be paid within 2½ months after the close of that fiscal year, but only will be deemed earned if you are still employed by the Company at the time of payment (except as otherwise provided in Section 4(b) below). The determinations of the Board with respect to your bonus will be final and binding.

3. Employee Benefits. As a regular employee of the Company, you may participate in the Company-sponsored benefits generally available to executive officers of the Company, subject to the applicable terms of the applicable benefit plans. In addition, you will be entitled to paid vacation in accordance with the Company’s vacation policy, as in effect from time to time. Further, the Company will continue to pay your monthly premiums for
continuation of medical benefits coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA") until the earlier of the date on which you become eligible to participate in Company-sponsored healthcare benefits or the date on which this offer terminates.

4. Severance Benefits. For the avoidance of doubt, the benefits described in this Section 4 will apply if, following the CEO Commencement Date, (i) the Company experiences a Change in Control and within 24 months following such transaction you are subject to an Involuntary Termination (a "Change in Control Termination") or (ii) you are subject to a Termination Without Cause either prior to, or more than 24 months following, a Change in Control of the Company.

a. General. You shall not be entitled to any benefits set forth in this Section 4 unless you (i) have returned all Company property in your possession, (ii) have resigned as a member of the Boards of the Company and all of its subsidiaries, as well as from any other positions with such entities, to the extent applicable, and (iii) have executed a general release of all claims that you may have against the Company or persons affiliated with the Company. The release must be in the form prescribed by the Company, without alterations. You must execute and return the release on or before the date specified by the Company in the prescribed form (the "Release Deadline"). The Release Deadline will in no event be later than 50 days after your Separation. If you fail to return the release on or before the Release Deadline, or if you revoke the release, then you will not be entitled to the benefits described in this Section 4.

b. Cash Severance. The Company will pay you an amount equal to twelve (12) months of your base salary, less required withholdings (and, in the event of a Change in Control Termination, an additional amount equal to your annual target bonus, less required withholdings) paid in equal installments over the first 12 months following your Separation. Your base salary (and, if applicable, annual target bonus) will be paid at the rate in effect at the time of your Separation and in accordance with the Company’s standard payroll procedures. The severance payments will commence following the effective date of the release and within 60 days after your Separation and, once they commence, will include any unpaid amounts accrued from the date of your Separation. However, if the 60-day period described in the preceding sentence spans two calendar years, then the payments will in any event begin in the second calendar year.

c. Section 409A. For purposes of Section 409A of the Code, each payment under Section 4(b) is hereby designated as a separate payment. If the Company determines that you are a “specified employee” under Section 409A(a)(2)(B)(i) of the Code at the time of your Separation, then (i) the severance payments under Section 4(b), to the extent that they are subject to Section 409A of the Code, will commence on the first business day following (A) expiration of the six-month period measured from your Separation or (B) the date of your death and (ii) the installments that otherwise would have been paid prior to such date will be paid in a lump sum when the severance payments commence, without interest.

II. Equity Awards.

You have been granted a number of equity awards, the vesting terms of each of which is amended and restated below. If you do not commence employment as the CEO on or prior to November 23, 2012, then the Company may, in its discretion, exercise any repurchase right or forfeiture right in its favor with respect to shares that vest only based on service as the Company’s CEO.

A. Stock Grants. As described in each applicable Stock Grant Agreement evidencing an award, if you do not vest in all or any portion of a stock grant for any reason, the unvested shares will forfeit to the Company, without payment of any consideration to you, at the time your service with the Company terminates.

1. The “0.25% Share Award.” You will vest in 1/48* of the shares subject to this award upon your completion of each month of continuous service as a Board member beginning May 1, 2012.

1 269,686 shares of the Company’s Common Stock are subject to the 0.25% Share Award.
2. The “0.35% Share Award.” You will vest in 1/7 of the shares subject to this award upon your completion of each month of continuous service as Chairman after May 1, 2012.

3. The “0.4% Share Award.” You will vest in 100% of this award on the six-month anniversary of the CEO Commencement Date, provided you remain in continuous Qualifying Service on such date.

4. The “0.775% Share Award.” You will vest in 100% of this award on the 12-month anniversary of the CEO Commencement Date, provided you remain in continuous Qualifying Service on such date.

5. The “0.325% Share Award.” You will vest in this award in equal monthly installments over 5 months on the last day of each month following the 12-month anniversary of the CEO Commencement Date (that is, the first such month of vesting shall be upon the completion of 13 months of service as CEO following the CEO Commencement Date), provided you remain in continuous Qualifying Service on each such vesting date.

B. Option Grants. You have been granted options to purchase shares of the Company’s Common Stock, the vesting terms of which are amended and restated below, and all of which have been exercised by you pursuant to the terms of promissory notes entered into between you and the Company (collectively, the “Promissory Notes”). As described in each applicable Stock Option Agreement, if you do not vest in all or any portion of the options for any reason, the unvested portion will be subject to repurchase by the Company at the time your applicable service with the Company terminates. The “2% Option” and the “True-Up Option” (each as described below) are referred to collectively herein as the “CEO Options.”

1. The “2% Option.” You will vest in this award in equal monthly installments over 31 months on the last day of each month following the 17-month anniversary of the CEO Commencement Date (that is, the first such month of vesting shall be upon the completion of 18 months of service as CEO following the CEO Commencement Date), provided you remain in continuous Qualifying Service through each such date.

2. The “True-Up Option.” You will vest in this award in equal monthly installments over 48 months following the CEO Commencement Date, provided you remain in continuous Qualifying Service through each such date.

C. Additional Equity Award Terms.

1. Accelerated Vesting in Connection with a Change in Control. You may become entitled to accelerated vesting under certain circumstances as described below. In no event would you vest in a greater number of shares than the total number subject to the award at the date of grant. The accelerated vesting described below supersedes any accelerated or additional vesting provided under the Plan. Except as set forth below, no vesting acceleration will apply to your equity awards in connection with or as a result of a Change in Control.

   a. If the Company is subject to a Change in Control prior to the CEO Commencement Date, then:

      i. If you remain on the Board through the date immediately preceding the transaction effective date, you will vest in all of the then-unvested shares subject to the 0.25% Share Award; and

2. 377,560 shares of the Company’s Common Stock are subject to the 0.35% Share Award.

3. 431,497 shares of the Company’s Common Stock are subject to the 0.4% Share Award.

4. Service as CEO will be referred to as “Qualifying Service.” For the avoidance of doubt, service only as a member of the Company’s Board of Directors, or as Chairman of the Board, without also serving as CEO, will not constitute Qualifying Service.

5. 836,026 shares of the Company’s Common Stock are subject to the 0.775% Share Award.

6. 350,591 shares of the Company’s Common Stock are subject to the 0.325% Share Award.

7. Option to purchase 2,157,486 shares of the Company’s Common Stock granted on May 1, 2012.

8. Option to purchase 41,000 shares of the Company’s Common Stock granted on June 15, 2012.
ii. If you remain as Chairman through the date immediately preceding the transaction effective date, you will vest in all of the then-unvested shares subject to the 0.35% Share Award.

b. If the Company is subject to a Change in Control on or after the CEO Commencement Date, and as of the date immediately preceding the transaction effective date you remain in continuous Qualifying Service, then in addition to the vesting acceleration described in Subsection (a) above, you will vest in all of the then-unvested shares subject to the 0.4% Share Award. Further, if subsequent to the transaction effective date you experience a Change in Control Termination, you will vest in all of the then-unvested shares subject to the 0.775% Share Award and the 0.325% Share Award, and the vesting with respect to the CEO Options will be determined by adding 24 months to the actual period of service as CEO that you have completed with the Company.

2. Accelerated Vesting Not in Connection with a Change in Control. In addition, provided you have not previously become entitled to accelerated vesting under Section 1 above, you may become entitled to accelerated vesting under certain circumstances as described below. Except as set forth below or in Section 1 above, no vesting acceleration will apply to your equity awards.

a. Removal without Cause from a Board Position. If you are removed at any time from the Board other than for Cause (as defined below), then the vested percentage of your 0.25% Share Award will be determined by adding 12 months to the actual period of service on the Board; and

b. Termination Without Cause as CEO. If after the CEO Commencement Date you are subject to a Termination Without Cause and such termination does not constitute a Change in Control Termination (as defined above), then all of the shares subject to the 0.35% Share Award, the 0.4% Share Award and the 0.775% Share Award shall vest and the vesting with respect to the 0.325% Share Award and the CEO Options will be determined by adding 12 months to the actual period of service that you have completed with the Company as CEO following the CEO Commencement Date.

3. Secondary Liquidity. If, following the CEO Commencement Date and prior to both (i) the termination of your Qualifying Service and (ii) the completion of the Company’s IPO, the Company completes an equity round of financing raising at least $30,000,000 in gross proceeds for the Company and in which one or more of the participating investors offers to purchase shares of the Company’s Common Stock from any of the Company’s existing stockholders (a “Secondary Opportunity”), then if you wish to sell some of your vested and owned shares of the Company Common Stock in such Secondary Opportunity, the Company will use its reasonable efforts to facilitate the sale by you to such investors of up to that number of shares of Company Common Stock, on substantially the same terms proposed by such investors in the Secondary Opportunity, that equals the lesser of (x) the total number of shares of Company Common Stock that you hold that are vested at the time of the Secondary Opportunity, (y) the total number of shares that such investors wish to purchase in such Secondary Opportunity, and (z) that number of shares having an aggregate sales price in such Secondary Opportunity of $8,000,000; provided, however, that any proceeds you receive shall be used to first settle the then-outstanding principal and accrued interest on the Promissory Notes.

III. General Provisions

A. Tax Matters.

1. General. You are responsible for any and all taxes, including withholding taxes that legally apply to the payments and benefits provided to you by the Company, and all forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable income, payroll and similar withholding taxes and other deductions required by law. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board related to tax liabilities arising from your compensation.
2. **Section 280G.** If any payments and other benefits provided for in this letter agreement or otherwise constitute “parachute payments” within the meaning of Section 280G of the Code and, but for this paragraph, would be subject to the excise tax imposed by Section 4999 of the Code, then payments and other benefits will be payable to you either in full or in such lesser amounts as would result, after taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, in your receipt on an after-tax basis of the greatest amount of payments and other benefits, by reducing payments in the following order: (i) cancellation of accelerated vesting of stock options that are out-of-the-money; (ii) reduction in cash payments; (iii) cancellation of accelerated vesting of all equity awards that are not out-of-the-money stock options; and (iv) other employee benefits. In the event that acceleration of vesting of equity award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant.

B. **Interpretation, Amendment and Enforcement.** As an employee of the Company, you will have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, as a condition of your employment you will be required to sign the Company’s Proprietary Information and Inventions Agreement (the “PIIA”) on or prior to the CEO Commencement Date. A copy of that agreement is attached hereto as Exhibit A. We wish to impress upon you that we do not want you to, and we hereby direct you not to, bring with you any confidential or proprietary material of any former employer or to violate any other obligations you may have to any former employer. You represent that your signing of this letter agreement and the PIIA, and your commencement of employment with the Company, will not violate any agreement currently in place between yourself and current or past employers. To the extent that the terms of this letter agreement are inconsistent with those of the PIIA, the terms of this letter agreement shall govern. You agree to be bound by the policies and procedures of the Company now or hereafter in effect relating to the conduct of employees.

This letter agreement (together with the PIIA, the Company’s Stock Plan, any stock option agreement or stock grant issued thereunder (after giving effect to the provisions described herein) and the Promissory Notes (and Stock Pledge Agreements referenced therein), supersedes and replace any prior agreements, representations or understandings (whether written, oral, implied or otherwise) between you and the Company (including without limitation the letter agreement between you and the Company dated May 1, 2012) and constitute the entire agreement between you and the Company regarding the subject matter set forth herein. This letter agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company.

This letter agreement shall be construed and enforced in accordance with the internal laws of the State of California (without regard to its laws relating to choice-of-law or conflict-of-laws). You and the Company shall submit to mandatory and exclusive binding confidential arbitration of any controversy or claim arising out of, or relating to, this letter agreement or any breach hereof or otherwise arising out of, or relating to, your employment with the Company or the termination thereof, provided, however, that the parties retain their right to, and shall not be prohibited, limited or in any other way restricted from, seeking or obtaining injunctive relief from a court having jurisdiction over the parties related to the improper use, disclosure or misappropriation of a party’s proprietary, confidential or trade secret information. Such arbitration shall be conducted through JAMS in the State of California, Santa Clara County, before a single neutral arbitrator, in accordance with the JAMS’ then-current rules for the resolution of employment disputes. The arbitrator shall issue a written decision that contains the essential findings and conclusions on which the decision is based. You shall bear only those costs of arbitration you would otherwise bear had you brought a covered claim in court. Judgment upon the determination or award rendered by the arbitrator may be entered in any court having jurisdiction thereof. This agreement to arbitrate does not restrict your right to file administrative claims you may bring before any government agency where, as a matter of law, the parties may not restrict the employee’s ability to file such claims (including, but not limited to, the National Labor Relations Board, the Equal Employment Opportunity Commission and the Department of Labor). However, the parties agree that, to the fullest extent permitted by law, arbitration shall be the exclusive remedy for the subject matter of such administrative claims.
C. **At-Will Service Relationship.** Your service relationship with the Company (whether as a Board member, as Chairman of the Board, or as an employee of the Company) is for no specific period of time. Your service with the Company will be “at will,” meaning that either you or the Company may terminate your service at any time and for any reason, with or without cause (subject to the terms of this letter agreement). Any contrary representations that may have been made to you are superseded by this letter agreement. This is the full and complete agreement between you and the Company on this term.

D. **Nondisparagement.** You agree that you will not disparage the Company or its products with any written or oral statement. Nothing in this paragraph shall prohibit you from providing truthful information in response to a subpoena or other legal process.

E. **Definitions.** The following terms have the meaning set forth below wherever they are used in this letter agreement:

   “**Cause**” means (a) your unauthorized use or disclosure of the Company’s confidential information or trade secrets, which use or disclosure causes material harm to the Company, (b) your material breach of any agreement between you and the Company, (c) your material failure to comply with the Company’s written policies or rules, (d) your conviction of, or your plea of “guilty” or “no contest” to, a felony under the laws of the United States or any State, (e) your gross negligence or willful misconduct, (f) your continuing failure to perform assigned duties after receiving written notification of the failure from the Board, or (g) your failure to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested your cooperation; **provided, however,** that “Cause” will not be deemed to exist in the event of Subsections (b), (c) and (f) above unless you have been provided with (i) 30 days’ written notice by the Board of the act or omission constituting “Cause” and (ii) 30 days’ opportunity to cure such act or omission, if capable of cure (as determined by the Board in its sole discretion).

   “**Code**” means the Internal Revenue Code of 1986, as amended.

   “**Change in Control**” means (a) the consummation of a merger or consolidation of the Company with or into another entity or (b) the dissolution, liquidation or winding up of the Company. The foregoing notwithstanding, a merger or consolidation of the Company does not constitute a “Change in Control” if immediately after the merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of the continuing or surviving entity, will be owned by the persons who were the Company’s stockholders immediately prior to the merger or consolidation in substantially the same proportions as their ownership of the voting power of the Company’s capital stock immediately prior to the merger or consolidation. The foregoing notwithstanding, a transaction will not constitute a Change in Control unless such transaction also constitutes a “change in control event” as defined in Treasury Regulation §1.409A-3(i)(5), without regard to any alternative percentages thereunder.

   “**Involuntary Termination**” means either (a) your Termination Without Cause or (b) your Resignation for Good Reason.

   “**Resignation for Good Reason**” means a Separation as a result of your resignation within 12 months after one of the following conditions has come into existence without your consent: (a) a material reduction of your base salary as set forth herein or as such base salary may be increased during the course of your employment with the Company; (b) a material reduction of your target bonus as set forth herein or as increased during the course of your employment with the Company; (c) a material reduction in your duties, authority, reporting relationship or responsibilities, including (i) in the event of a Change in Control, the assignment of responsibilities, duties, reporting relationship or position that are not at least the substantial functional equivalent of your position occupied immediately preceding such Change in Control,
including the assignment of responsibilities, duties, reporting relationship or position that are not in a substantive area that is consistent with your experience and the position that you occupied prior to such Change in Control or (ii) a material diminution in the budget and number of subordinates over which you retain authority; (d) a requirement that you relocate to a location more than thirty-five (35) miles from your then-current office location; (e) a material violation by the Company of a material term of any employment, severance or change of control agreement between you and the Company; or (f) a failure by any successor entity to the Company to assume this letter agreement. A Resignation for Good Reason will not be deemed to have occurred unless you give the Company written notice of the condition within 90 days after the condition comes into existence and the Company fails to remedy the condition within 30 days after receiving your written notice.

“Separation” means a “separation from service,” as defined in the regulations under Section 409A of the Code.

“Termination Without Cause” means a Separation as a result of a termination of your employment by the Company without Cause, provided you are willing and able to continue performing services within the meaning of Treasury Regulation 1.409A-1(n)(1).

* * *

While you render services to the Company, whether as a Board member, as Chairman or as CEO, you agree not to engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company, including providing advice or otherwise providing services to any competitor of the Company.

The Company acknowledges your current positions on the Boards of Directors of Polycom, Inc., Jive Software, Inc., Five9, Inc., Delta Airlines, Inc. and MANDIANT. Following the CEO Commencement Date, (a) if the Company’s Board determines that the business, products or services of the Company conflict or overlap with those of MANDIANT (a “Business Conflict”), or (b) if any employee, consultant, advisor or Board member of the Company advances a meritorious claim, as determined by the Board in its sole discretion, that there is such a Business Conflict, or (c) you become aware of any such Business Conflict (either through your service to the Company or to MANDIANT), then the Company will commence a 60-day notification and verification period. During such period, you agree to notify MANDIANT of the Business Conflict, and the Company will offer you an opportunity to remediate such Business Conflict, if in the Board’s discretion the Business Conflict is subject to such remediation. If, following the conclusion of such notification and verification period, the Company determines, in its sole discretion, that the Business Conflict exists and has not been remediated, then you agree to resign immediately as a director of MANDIANT. In addition, you agree to seek the explicit approval of the Company’s Board before joining the board of directors of, or providing consulting or any other services to, any other entity (other than those entities described in this paragraph). By signing this letter agreement, you represent and warrant that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

The Company respects the right of every employer to protect its confidential, proprietary and trade secret information and therefore, you are expected not to disclose to anyone at the Company, or to use in any manner, any such information at any time. The Company also expects you to comply with all other legal obligations you have to any former employers, including any employee or customer non-solicitation obligations and any nondisparagement obligations you have with any other party.
Please indicate your acceptance of this letter agreement, and confirmation that it contains our complete agreement regarding the terms and conditions of your employment, by signing the bottom portion of this letter agreement and returning a copy to me via email. This offer will expire at 5:00 p.m. PT on Friday, November 23, 2012.

Very truly yours,

FIRE EYE, INC.

By: /s/ Promod Hague
Title: /s/ Director

I have read and accept this the terms set forth in this letter agreement:

/s/ David DeWalt
Signature of Dave DeWalt
Dated: 11/19/2012

Attachment
Exhibit A: Proprietary Information and Inventions Agreement
The following confirms and memorializes an agreement that FIREEYE, INC., a Delaware corporation (the “Company”) and I (David DeWalt) have had since the commencement of my employment (which term, for purposes of this agreement, shall be deemed to include any relationship of service to the Company that I may have had prior to actually becoming an employee) with the Company in any capacity and that is and has been a material part of the consideration for my employment by Company:

1. I have not entered into, and I agree I will not enter into, any agreement either written or oral in conflict with this Agreement or my employment with Company. I will not violate any agreement with or rights of any third party or, except as expressly authorized by Company in writing hereafter, use or disclose my own or any third party’s confidential information or intellectual property when acting within the scope of my employment or otherwise on behalf of Company. Further, I have not retained anything containing any confidential information of a prior employer or other third party, whether or not created by me.

2. Company shall own all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, sui generis database rights and all other intellectual property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designs, know-how, ideas and information made or conceived or reduced to practice, in whole or in part, by me during the term of my employment with Company to and only to the fullest extent allowed by California Labor Code Section 2870 (which is attached as Appendix A) (collectively “Inventions”) and I will promptly disclose all Inventions to Company. Without disclosing any third party confidential information, I will also disclose anything I believe is excluded by Section 2870 so that the Company can make an independent assessment. I hereby make all assignments necessary to accomplish the foregoing. I shall further assist Company, at Company’s expense, to further evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce, and defend any rights specified to be so owned or assigned. I hereby irrevocably designate and appoint Company as my agent and attorney-in-fact, coupled with an interest and with full power of substitution, to act for and in my behalf to execute and file any document and to do all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by me. If I wish to clarify that something created by me prior to my employment that relates to Company’s actual or proposed business is not within the scope of the foregoing assignment, I have listed it on Appendix B in a manner that does not violate any third party rights or disclose any confidential information. Without limiting Section 1 or Company’s other rights and remedies, if, when acting within the scope of my employment or otherwise on behalf of Company, I use or disclose my own or any third party’s confidential information or intellectual property (or if any Invention cannot be fully made, used, reproduced, distributed and otherwise exploited without using or violating the foregoing), Company will have and I hereby grant Company a perpetual, irrevocable, worldwide royalty-free, non-exclusive, sublicensable right and license to exploit and exercise all such confidential information and intellectual property rights.
3. To the extent allowed by law, paragraph 2 includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as “moral rights,” “artist’s rights,” “droit moral,” or the like (collectively “Moral Rights”). To the extent I retain any such Moral Rights under applicable law, I hereby ratify and consent to any action that may be taken with respect to such Moral Rights by or authorized by Company and agree not to assert any Moral Rights with respect thereto. I will confirm any such ratifications, consents and agreements from time to time as requested by Company.

4. I agree that all Inventions and all other business, technical and financial information (including, without limitation, the identity of and information relating to customers or employees) I develop, learn or obtain during the term of my employment that relate to Company or the business or demonstrably anticipated business of Company or that are received by or for Company in confidence, constitute “Proprietary Information.” I will hold in confidence and not disclose or, except within the scope of my employment, use any Proprietary Information. However, I shall not be obligated under this paragraph with respect to information I can document is or becomes readily publicly available without restriction through no fault of mine. Upon termination of my employment, I will promptly return to Company all items containing or embodying Proprietary Information (including all copies), except that I may keep my personal copies of (i) my compensation records, (ii) materials distributed to shareholders generally and (iii) this Agreement. I also recognize and agree that I have no expectation of privacy with respect to Company’s telecommunications, networking or information processing systems (including, without limitation, stored computer files, email messages and voice messages) and that my activity and any files or messages on or using any of those systems may be monitored at any time without notice.

5. Until one year after the term of my employment, I will not encourage or solicit any employee or consultant of Company to leave Company for any reason (except for the bona fide firing of Company personnel within the scope of my employment).

6. I agree that during the term of my employment with Company (whether or not during business hours), I will not engage in any activity that is in any way competitive with the business or demonstrably anticipated business of Company, and I will not assist any other person or organization in competing or in preparing to compete with any business or demonstrably anticipated business of Company.

7. I agree that this Agreement is not an employment contract for any particular term and that I have the right to resign and Company has the right to terminate my employment at will, at any time, for any or no reason, with or without cause. In addition, this Agreement does not purport to set forth all of the terms and conditions of my employment, and, as an employee of Company, I have obligations to Company which are not set forth in this Agreement. However, the terms of this Agreement govern over any inconsistent terms and can only be changed by a subsequent written agreement signed by the President of Company.

8. I agree that my obligations under paragraphs 2, 3, 4 and 5 of this Agreement shall continue in effect after termination of my employment, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary on my part, and that Company is entitled to communicate my obligations under this Agreement to any future employer or potential employer of mine. My obligations under paragraphs 2, 3 and 4 also shall be binding upon my heirs, executors, assigns, and administrators and shall inure to the benefit of Company, its subsidiaries, successors and assigns.

2
Any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of California without regard to the conflict of laws provisions thereof. I further agree that if one or more provisions of this Agreement are held to be illegal or unenforceable under applicable California law, such illegal or unenforceable portion(s) shall be limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force and effect and enforceable in accordance with its terms. This Agreement is fully assignable and transferable by Company, but any purported assignment or transfer by me is void. I also understand that any breach of this Agreement will cause irreparable harm to Company for which damages would not be an adequate remedy, and, therefore, Company will be entitled to injunctive relief with respect thereto in addition to any other remedies and without any requirement to post bond.

I HAVE READ THIS AGREEMENT CAREFULLY AND I UNDERSTAND AND ACCEPT THE OBLIGATIONS WHICH IT IMPOSES UPON ME WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO ME TO INDUCE ME TO SIGN THIS AGREEMENT. I SIGN THIS AGREEMENT VOLUNTARILY AND FREELY, IN DUPLICATE, WITH THE UNDERSTANDING THAT THE COMPANY WILL RETAIN ONE COUNTERPART AND THE OTHER COUNTERPART WILL BE RETAINED BY ME.
California Labor Code Section 2870. Application of provision providing that employee shall assign or offer to assign rights in invention to employer.

(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

(1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or

(2) Result from any work performed by the employee for his employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.
Re: Amendment to Offer Letter Agreement Dated November 19, 2012

Dear Dave:

This amendment (the "Amendment") is entered into between FireEye, Inc. (the "Company" or "we") and David DeWalt ("you"). This Amendment is effective as of the date hereof (the "Effective Date").

1. Severance & Change of Control Benefits. As an executive officer of the Company, if you sign a participation agreement you are eligible for benefits in the Change of Control Severance Policy for Officers (the "Severance Policy"). Accordingly, because you have signed a participation agreement, attached here as Exhibit A, under the Severance Policy on the Effective Date your potential severance and change of control benefits and the terms and conditions will be exclusively those set forth in the Severance Policy.

By your signature below, you agree that your eligibility for benefits under the Severance Policy shall specifically supersede any severance payment, equity acceleration and/or change of control provisions of any offer letter, employment agreement, or equity award agreement entered into between the you and Company, including, but not limited to, your offer letter with the Company dated November 19, 2012 (the "Letter Agreement") and its predecessors and all severance, equity acceleration and/or change of control benefits set forth under those documents.

2. Full Force and Effect. To the extent not expressly amended hereby, the Letter Agreement shall remain in full force and effect.

3. Entire Agreement. This Amendment, together with the Letter Agreement, the Proprietary Information and Inventions Agreement that you executed in connection with your hire and the Severance Policy, constitute the complete agreement between you and the Company regarding the subject matter set forth herein. This Amendment may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company.
4. **Governing Law.** This Amendment shall be construed and enforced in accordance with the internal laws of the State of California (without regard to its laws relating to choice-of-law or conflict-of-laws).

Please indicate your acceptance of this Amendment by signing the bottom portion of this Amendment and returning a copy to me.

Very truly yours,

FIREYE, INC.

By: /s/ Barbara Massa

I have read and accept this Amendment:

/s/ David G. DeWalt

David G. DeWalt

Dated: 8/19/13
EXHIBIT A

Participation Agreement
Change of Control Severance Policy for Officers
Participation Agreement

This Participation Agreement ("Agreement") is made and entered into by and between David DeWalt on the one hand, and FireEye, Inc. (the "Company") on the other.

RECITALS

The Company adopted a Change of Control Severance Policy for Officers (the "Policy") to assure that the Company will have the continued dedication and objectivity of the participants in the Policy, notwithstanding the possibility, threat or occurrence of a Change of Control.

The Company has designated you as eligible for protection under the Policy and this Agreement, subject to your qualifying as an Eligible Employee under the Policy on the date of a Qualified Termination.

Unless otherwise defined herein, the terms defined in the Policy, which is hereby incorporated by reference, shall have the same defined meanings in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

Participation.
You have been designated as an Eligible Employee in the Policy, a copy of which is attached hereto, subject to your satisfying the criteria of being an Eligible Employee on the date of a Qualified Termination. Your participation in the Policy is contingent upon your agreeing to the terms of this Policy.

The terms and conditions of your participation in the Policy are as set forth in the Policy.

Other Provisions.
You agree that the Policy constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties, and shall specifically supersede any severance payment, equity acceleration and/or change of control provisions of any offer letter, employment agreement, or equity award agreement entered into between the you and Company, including, but not limited to, your offer letter with the Company dated November 19, 2012 and all severance, equity acceleration and/or change of control benefits set forth therein.

This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]
IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and year set forth below.

FIREEYE, INC.                        DAVID DEWALT
By:    /s/ Barbara Massa            Signature:   /s/ David DeWalt
Date:  8/19/13                      Date:  8/19/13

[Signature Page of the Participation Agreement]
Michael J. Sheridan
c/o FireEye, Inc.
1440 McCarthy Blvd.
Milpitas, CA 95035

August 1, 2013

Dear Mike:

This letter agreement (the “Agreement”) is entered into between FireEye, Inc. (the “Company” or “we”) and Michael J. Sheridan (“you”). This Agreement is effective as of the date hereof (the “Effective Date”). The purpose of this Agreement is to confirm the current terms and conditions of your employment.

1. **Position.** Your current titles are Senior Vice President and Chief Financial Officer, and you will continue to report to the Company’s Chief Executive Officer. This is a full-time position. While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company. By signing this Agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

2. **Cash Compensation.** Your current salary as of the Effective Date is $265,000 per year, payable in accordance with the Company’s standard payroll schedule. This salary will be subject to adjustment pursuant to the Company’s employee compensation policies in effect from time to time. In addition, you will be eligible to be considered for an incentive bonus for each fiscal year of the Company under the Company’s Employee Incentive Plan (the “Incentive Plan”) or any successor plan. The bonus (if any) will be awarded based on objective or subjective criteria established by the Company’s Chief Executive Officer and approved by the Company’s Board of Directors (the “Board”) and/or the Compensation Committee of the Board (the “Compensation Committee”), as applicable. Your current annual target bonus as of the Effective Date is equal to $135,000. The terms and conditions of your bonus will be set forth in the Incentive Plan. The determinations of the Board and/or the Compensation Committee, as applicable, with respect to your bonus will be final and binding.

3. **Employee Benefits.** As a regular employee of the Company, you will continue to be eligible to participate in a number of Company-sponsored benefits. In addition, you will be entitled to paid vacation in accordance with the Company’s vacation policy, as in effect from time to time.
4. **Equity Awards.** You have received equity awards from the Company and these awards shall continue to be in full force and effect and governed by the terms set forth therein, as modified by the Company’s Change of Control Severance Policy for Officers and your participation agreement thereunder (the “Severance Policy”).

5. **Severance & Change of Control Benefits.** As an executive officer of the Company, you are eligible for benefits in the Severance Policy. Accordingly, your potential severance and change of control benefits and the terms and conditions thereof shall be set forth in the Severance Policy.

6. **Proprietary Information and Inventions Agreement.** As an employee of the Company, you will continue to have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, your acceptance of this Agreement reaffirms that the terms of the Company’s Proprietary Information and Inventions Agreement that you executed in connection with your hire (the “PIAA”) continue to be in effect.

7. **Employment Relationship.** Employment with the Company is for no specific period of time. Your employment with the Company continues to be “at will,” meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations that may have been made to you are superseded by this Agreement. This is the full and complete Agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company’s personnel policies and procedures, may change from time to time, the “at will” nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company (other than you).

8. **Tax Matters.**
   
   (a) **Withholding.** All forms of compensation referred to in this Agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law.
   
   (b) **Section 409A.** The parties intend that the benefits and payments provided under this Agreement shall be exempt from, or comply with, the requirements of Section 409A of the Code (as it has been and may be amended from time to time) and any regulations and guidance that has been promulgated or may be promulgated from time to time thereunder (“Section 409A”), and any ambiguities or ambiguous terms herein will be interpreted to so comply. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. The Company shall in no event be obligated to indemnify you for any taxes or interest that may be assessed under Section 409A.
(c) **Tax Advice.** You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board or Compensation Committee related to tax liabilities arising from your compensation.

9. **Interpretation, Amendment and Enforcement.** This Agreement, together with the PIAA and the Severance Policy, supersede and replace any prior agreements, representations or understandings (whether written, oral, implied or otherwise) between you and the Company, including, but not limited to, your offer letter with the Company dated June 2, 2011, and constitute the complete agreement between you and the Company regarding the subject matter set forth herein. This Agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company. The terms of this Agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this Agreement or arising out of, related to, or in any way connected with, this Agreement, your employment with the Company or any other relationship between you and the Company (the “**Disputes**”) will be governed by California law, excluding laws relating to conflicts or choice of law. You and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in California in connection with any Dispute or any claim related to any Dispute.

* * * * *
We are extremely excited about your continued employment with FireEye!

Please indicate your acceptance of this Agreement, and confirmation that it contains our complete agreement regarding the terms and conditions of your employment, by signing the bottom portion of this Agreement and returning a copy to me.

Very truly yours,

FIREYE, INC.

By: /s/ David G. DeWalt
    Chief Executive Officer

I have read and accept this employment offer:

/s/ Michael J. Sheridan

Michael J. Sheridan

Dated: 8/16/2013
Bahman Mahbod  
c/o FireEye, Inc.  
1440 McCarthy Blvd.  
Milpitas, CA 95035

Dear Bahman:

This letter agreement (the “Agreement”) is entered into between FireEye, Inc. (the “Company” or “we”) and Bahman Mahbod (“you”). This Agreement is effective as of the date hereof (the “Effective Date”). The purpose of this Agreement is to confirm the current terms and conditions of your employment.

1. **Position.** Your current title is Senior Vice President, Engineering, and you will continue to report to the Company’s Chief Executive Officer. This is a full-time position. While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company. By signing this Agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

2. **Cash Compensation.** Your current salary as of the Effective Date is $250,000 per year, payable in accordance with the Company’s standard payroll schedule. This salary will be subject to adjustment pursuant to the Company’s employee compensation policies in effect from time to time. In addition, you will be eligible to be considered for an incentive bonus for each fiscal year of the Company under the Company’s Employee Incentive Plan (the “Incentive Plan”) or any successor plan. The bonus (if any) will be awarded based on objective or subjective criteria established by the Company’s Chief Executive Officer and approved by the Company’s Board of Directors (the “Board”) and/or the Compensation Committee of the Board (the “Compensation Committee”), as applicable. Your current annual target bonus as of the Effective Date is equal to $100,000. The terms and conditions of your bonus will be set forth in the Incentive Plan. The determinations of the Board and/or the Compensation Committee, as applicable, with respect to your bonus will be final and binding.

3. **Employee Benefits.** As a regular employee of the Company, you will continue to be eligible to participate in a number of Company-sponsored benefits. In addition, you will be entitled to paid vacation in accordance with the Company’s vacation policy, as in effect from time to time.
4. **Equity Awards.** You have received equity awards from the Company and these awards shall continue to be in full force and effect and governed by the terms set forth therein, as modified by the Company’s Change of Control Severance Policy for Officers and your participation agreement thereunder (the “Severance Policy”).

5. **Severance & Change of Control Benefits.** As an executive officer of the Company, you are eligible for benefits in the Severance Policy. Accordingly, your potential severance and change of control benefits and the terms and conditions thereof shall be set forth in the Severance Policy.

6. **Proprietary Information and Inventions Agreement.** As an employee of the Company, you will continue to have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, your acceptance of this Agreement reaffirms that the terms of the Company’s Proprietary Information and Inventions Agreement that you executed in connection with your hire (the “PIAA”) continue to be in effect.

7. **Employment Relationship.** Employment with the Company is for no specific period of time. Your employment with the Company continues to be “at will,” meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations that may have been made to you are superseded by this Agreement. This is the full and complete Agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company’s personnel policies and procedures, may change from time to time, the “at will” nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company (other than you).

8. **Tax Matters.**
   
   (a) **Withholding.** All forms of compensation referred to in this Agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law.

   (b) **Section 409A.** The parties intend that the benefits and payments provided under this Agreement shall be exempt from, or comply with, the requirements of Section 409A of the Code (as it has been and may be amended from time to time) and any regulations and guidance that has been promulgated or may be promulgated from time to time thereunder (“Section 409A”), and any ambiguities or ambiguous terms herein will be interpreted to so comply. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. The Company shall in no event be obligated to indemnify you for any taxes or interest that may be assessed under Section 409A.
(c) **Tax Advice.** You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board or Compensation Committee related to tax liabilities arising from your compensation.

9. **Interpretation, Amendment and Enforcement.** This Agreement, together with the PIAC and the Severance Policy, supersede and replace any prior agreements, representations or understandings (whether written, oral, implied or otherwise) between you and the Company, including, but not limited to, your offer letter with the Company dated October 8, 2007, as amended June 17, 2008, and constitute the complete agreement between you and the Company regarding the subject matter set forth herein. This Agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company. The terms of this Agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this Agreement or arising out of, related to, or in any way connected with, this Agreement, your employment with the Company or any other relationship between you and the Company (the “Disputes”) will be governed by California law, excluding laws relating to conflicts or choice of law. You and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in California in connection with any Dispute or any claim related to any Dispute.

* * * * *
We are extremely excited about your continued employment with FireEye!

Please indicate your acceptance of this Agreement, and confirmation that it contains our complete agreement regarding the terms and conditions of your employment, by signing the bottom portion of this Agreement and returning a copy to me.

Very truly yours,

FIREYE, INC.

By: /s/ David G. DeWalt
    Chief Executive Officer

I have read and accept this employment offer:

/s/ Bahman Mahbod
Bahman Mahbod
Dated: 8/16/2013
This letter agreement (the “Agreement”) is entered into between FireEye, Inc. (the “Company” or “we”) and Jeffrey C. Williams (“you”). This Agreement is effective as of the date hereof (the “Effective Date”). The purpose of this Agreement is to confirm the current terms and conditions of your employment.

1. **Position.** Your current title is Senior Vice President, Sales, and you will continue to report to the Company’s Chief Executive Officer. This is a full-time position. While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company. By signing this Agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

2. **Cash Compensation.** Your current salary as of the Effective Date is $225,000 per year, payable in accordance with the Company’s standard payroll schedule. This salary will be subject to adjustment pursuant to the Company’s employee compensation policies in effect from time to time. In addition, you will be eligible for variable compensation for each fiscal year of the Company under a Master Commission Plan Appendix to the Company’s Employee Incentive Plan (the “Incentive Plan”) or any successor plan. The variable compensation (if any) will be awarded based on criteria established by the Company’s Chief Executive Officer and approved by the Company’s Board of Directors (the “Board”) and/or the Compensation Committee of the Board (the “Compensation Committee”), as applicable. Your current annual target variable compensation as of the Effective Date is equal to $200,000. The terms and conditions of your variable compensation will be set forth in the Incentive Plan. The determinations of the Board and/or the Compensation Committee, as applicable, with respect to your variable compensation will be final and binding.

3. **Employee Benefits.** As a regular employee of the Company, you will continue to be eligible to participate in a number of Company-sponsored benefits. In addition, you will be entitled to paid vacation in accordance with the Company’s vacation policy, as in effect from time to time.
4. **Equity Awards.** You have received equity awards from the Company and these awards shall continue to be in full force and effect and governed by the terms set forth therein, as modified by the Company’s Change of Control Severance Policy for Officers and your participation agreement thereunder (the “Severance Policy”).

5. **Severance & Change of Control Benefits.** As an executive officer of the Company, you are eligible for benefits in the Severance Policy. Accordingly, your potential severance and change of control benefits and the terms and conditions thereof shall be set forth in the Severance Policy.

6. **Proprietary Information and Inventions Agreement.** As an employee of the Company, you will continue to have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, your acceptance of this Agreement reaffirms that the terms of the Company’s Proprietary Information and Inventions Agreement that you executed in connection with your hire (the “PIAA”) continue to be in effect.

7. **Employment Relationship.** Employment with the Company is for no specific period of time. Your employment with the Company continues to be “at will,” meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations that may have been made to you are superseded by this Agreement. This is the full and complete Agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company’s personnel policies and procedures, may change from time to time, the “at will” nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company (other than you).

8. **Tax Matters.**

   (a) **Withholding.** All forms of compensation referred to in this Agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law.

   (b) **Section 409A.** The parties intend that the benefits and payments provided under this Agreement shall be exempt from, or comply with, the requirements of Section 409A of the Code (as it has been and may be amended from time to time) and any regulations and guidance that has been promulgated or may be promulgated from time to time thereunder ("Section 409A"), and any ambiguities or ambiguous terms herein will be interpreted to so comply. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. The Company shall in no event be obligated to indemnify you for any taxes or interest that may be assessed under Section 409A.
(c) Tax Advice. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board or Compensation Committee related to tax liabilities arising from your compensation.

9. Interpretation, Amendment and Enforcement. This Agreement, together with the PIAA and the Severance Policy, supersede and replace any prior agreements, representations or understandings (whether written, oral, implied or otherwise) between you and the Company, including, but not limited to, your offer letter with the Company dated January 6, 2010, and constitute the complete agreement between you and the Company regarding the subject matter set forth herein. This Agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company. The terms of this Agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this Agreement or arising out of, related to, or in any way connected with, this Agreement, your employment with the Company or any other relationship between you and the Company (the “Disputes”) will be governed by California law, excluding laws relating to conflicts or choice of law. You and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in California in connection with any Dispute or any claim related to any Dispute.

* * * * *
We are extremely excited about your continued employment with FireEye!

Please indicate your acceptance of this Agreement, and confirmation that it contains our complete agreement regarding the terms and conditions of your employment, by signing the bottom portion of this Agreement and returning a copy to me.

Very truly yours,

FIREYE, INC.

By: /s/ David G. DeWalt
    Chief Executive Officer

I have read and accept this employment offer:

/s/ Jeffrey C. Williams

Jeffrey C. Williams

Dated: 8-1-2013
Dear Alexa:

This letter agreement (the “Agreement”) is entered into between FireEye, Inc. (the “Company” or “we”) and Alexa King (“you”). This Agreement is effective as of the date hereof (the “Effective Date”). The purpose of this Agreement is to confirm the current terms and conditions of your employment.

1. **Position.** Your current titles are Senior Vice President, General Counsel and Secretary, and you will continue to report to the Company’s Chief Executive Officer. This is a full-time position. While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) that would create a conflict of interest with the Company. By signing this Agreement, you confirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

2. **Cash Compensation.** Your current salary as of the Effective Date is $250,000 per year, payable in accordance with the Company’s standard payroll schedule. This salary will be subject to adjustment pursuant to the Company’s employee compensation policies in effect from time to time. In addition, you will be eligible to be considered for an incentive bonus for each fiscal year of the Company under the Company’s Employee Incentive Plan (the “Incentive Plan”) or any successor plan. The bonus (if any) will be awarded based on objective or subjective criteria established by the Company’s Chief Executive Officer and approved by the Company’s Board of Directors (the “Board”) and/or the Compensation Committee of the Board (the “Compensation Committee”), as applicable. Your current annual target bonus as of the Effective Date is equal to $100,000. The terms and conditions of your bonus will be set forth in the Incentive Plan. The determinations of the Board and/or the Compensation Committee, as applicable, with respect to your bonus will be final and binding.

3. **Employee Benefits.** As a regular employee of the Company, you will continue to be eligible to participate in a number of Company-sponsored benefits. In addition, you will be entitled to paid vacation in accordance with the Company’s vacation policy, as in effect from time to time.
4. **Equity Awards.** You have received equity awards from the Company and these awards shall continue to be in full force and effect and governed by the terms set forth therein, as modified by the Company’s Change of Control Severance Policy for Officers and your participation agreement thereunder (the “Severance Policy”).

5. **Severance & Change of Control Benefits.** As an executive officer of the Company, you are eligible for benefits in the Severance Policy. Accordingly, your potential severance and change of control benefits and the terms and conditions thereof shall be set forth in the Severance Policy.

6. **Proprietary Information and Inventions Agreement.** As an employee of the Company, you will continue to have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, your acceptance of this Agreement reaffirms that the terms of the Company’s Proprietary Information and Inventions Agreement that you executed in connection with your hire (the “PIAA”) continue to be in effect.

7. **Employment Relationship.** Employment with the Company is for no specific period of time. Your employment with the Company continues to be “at will,” meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations that may have been made to you are superseded by this Agreement. This is the full and complete Agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company’s personnel policies and procedures, may change from time to time, the “at will” nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company (other than you).

8. **Tax Matters.**

   (a) **Withholding.** All forms of compensation referred to in this Agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law.

   (b) **Section 409A.** The parties intend that the benefits and payments provided under this Agreement shall be exempt from, or comply with, the requirements of Section 409A of the Code (as it has been and may be amended from time to time) and any regulations and guidance that has been promulgated or may be promulgated from time to time thereunder (“Section 409A”), and any ambiguities or ambiguous terms herein will be interpreted to so comply. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. The Company shall in no event be obligated to indemnify you for any taxes or interest that may be assessed under Section 409A.
(c) **Tax Advice.** You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board or Compensation Committee related to tax liabilities arising from your compensation.

9. **Interpretation, Amendment and Enforcement.** This Agreement, together with the PIAA and the Severance Policy, supersede and replace any prior agreements, representations or understandings (whether written, oral, implied or otherwise) between you and the Company, including, but not limited to, your offer letter with the Company dated March 19, 2012, and constitute the complete agreement between you and the Company regarding the subject matter set forth herein. This Agreement may not be amended or modified, except by an express written agreement signed by both you and a duly authorized officer of the Company. The terms of this Agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this Agreement or arising out of, related to, or in any way connected with, this Agreement, your employment with the Company or any other relationship between you and the Company (the "**Disputes**") will be governed by California law, excluding laws relating to conflicts or choice of law. You and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in California in connection with any Dispute or any claim related to any Dispute.

* * * * *
We are extremely excited about your continued employment with FireEye!

Please indicate your acceptance of this Agreement, and confirmation that it contains our complete agreement regarding the terms and conditions of your employment, by signing the bottom portion of this Agreement and returning a copy to me.

Very truly yours,

FIREYE, INC.

By: /s/ David G. DeWalt
    Chief Executive Officer

I have read and accept this employment offer:

/s/ Alexa King
Alexa King

Dated: August 1, 2013
Exhibit 10.27

FireEye, Inc.
Change of Control Severance Policy for Officers
(adopted and effective July 30, 2013)

This Change of Control Severance Policy for Officers (the "Policy") is an "employee welfare benefit plan," as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). This document constitutes both the written instrument under which the Policy is maintained and the required summary plan description for the Policy.

Eligible Employee: With respect to the Change of Control Severance Benefits described in the following section, you are an eligible employee under this Policy (an "Eligible Employee") if, as of immediately prior to the beginning of the Change of Control Period (as defined below) of FireEye, Inc. (the "Company"), (1) you are an employee at the Vice President or Senior Vice President level at grade 13 or above; and (2) you and the Company have executed a Participation Agreement (as defined below).

With respect to Severance Benefits Outside of the Change of Control Period described below, you are an Eligible Employee if, on the date that the Company terminates your employment other than for Cause, death or disability outside of the Change of Control Period (as defined below), (1) you are an employee at the Vice President or Senior Vice President level at grade 13 or above; and (2) you and the Company have executed a Participation Agreement.

Change of Control Severance Benefits: If you are an Eligible Employee for Change of Control Severance Benefits (as specified above), you will be eligible for severance benefits under this Policy if: (1) during the Change of Control Period, (2) your employment terminates as a result of an Involuntary Termination (a "COC Qualified Termination"). If, and only if, you are such an Eligible Employee and your employment terminates as a result of a COC Qualified Termination, you will be eligible to receive the applicable Equity Vesting, Cash Severance and COBRA Benefit described herein. All severance benefits under this Policy shall be subject to your compliance with the Release Requirement (as defined below).

Equity Vesting: Upon a COC Qualified Termination, subject to the Release Requirement, 100% of the then-unvested shares subject to each of your then-outstanding equity awards shall immediately vest and, in the case of options and stock appreciation rights, shall become exercisable (for avoidance of doubt, no more than 100% of the shares subject to the outstanding portion of an equity award may vest and, with respect to an option or stock appreciation right, become exercisable pursuant to this provision). For purposes of this paragraph, unvested performance-based awards will vest at the maximum level of achievement. Subject to any payment delay necessary to comply with Section 409A (as defined below), any restricted stock units, performance shares and/or performance units that vest under this paragraph will be settled on the 61st day following your Qualified Termination.

Cash Severance: Upon a COC Qualified Termination, subject to the Release Requirement, you will receive a lump-sum severance payment equal to (A) the pro-rata portion of your target bonus based on the number of days you had been employed with the Company (or its successor) during the fiscal year of the Qualified Termination (the "Pro-Rated Bonus"), plus (B) an amount of your Base Salary that would be paid for a period of twelve (12) months. Subject to any payment delay necessary to comply with Section 409A (as defined below), your severance payment will be paid in cash and in full on the 61st day following your Qualified Termination. If you die before all amounts have been paid, such unpaid amounts will be paid to your designated beneficiary, if living, or otherwise to your personal representative in a lump-sum payment (less any withholding taxes) as soon as possible following your death.
**COBRA Benefit:** Upon a COC Qualified Termination, subject to the Release Requirement, if you make a valid election under COBRA (as defined below) to continue your health coverage, the Company will for 12 months pay the cost of such continuation coverage for you and any eligible spouse or dependents that were covered under the Company’s health care plans immediately prior to the date of your eligible termination (“COBRA Benefit”). Notwithstanding the preceding, if the Company determines in its sole discretion that it cannot provide COBRA Benefit without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will instead provide you a taxable lump-sum payment in an amount equal to 12 months of the COBRA Benefit multiplied by the monthly COBRA premium that you would be required to pay to continue your group health coverage in effect on the date of termination of employment (which amount will be based on the premium for the first month of COBRA coverage). If the Company provides for a taxable cash payment in lieu of the COBRA Benefit, then such cash payment will be made regardless of whether you elect COBRA continuation coverage and such payment shall be made in full on the 61st day following your termination of employment, subject to the Release Requirement and the Section 409A paragraph.

**Severance Benefits Outside of the Change of Control Period:** If you are an Eligible Employee for Severance Benefits Outside of the Change of Control Period (as specified above), you will be eligible for severance benefits under this paragraph if (1) outside of the Change of Control Period, (2) the Company terminates your employment other than Cause, death or disability (a “Non-COC Qualified Termination”). If, and only if, you are such an Eligible Employee and your employment terminates as a result of a Non-COC Qualified Termination, then (x) for a Section 16 Officer (as defined below), you will be eligible to receive the Cash Severance and COBRA Benefit described above, except that the Cash Severance will not include the Pro-Rated Bonus; and (y) for an Eligible Employee other than a Section 16 Officer, you will be eligible to receive fifty percent (50%) of the Cash Severance and six (6) months of the COBRA Benefit described above, except that the Cash Severance will not include the Pro-Rated Bonus. For the avoidance of doubt, there shall be no Equity Vesting as a result of a Non-COC Qualified Termination. All severance benefits under this paragraph shall be subject to your compliance with the Release Requirement.

**Release:** The receipt of any severance payments or benefits pursuant to this Policy is subject to your signing and not revoking the Company’s then-standard separation agreement and release of claims (the “Release” and such requirement, the “Release Requirement”), which must become effective and irrevocable no later than the sixtieth (60th) day following your Qualified Termination (the “Release Deadline”). If the Release does not become effective and irrevocable by the Release Deadline, you will forfeit any right to severance payments or benefits under this Policy. In no event will severance payments or benefits be paid or provided until the Policy until the Release actually becomes effective and irrevocable.

For purposes of this Policy, the following terms shall have the following meanings:

“Base Salary” means your annual base salary as in effect immediately prior to your Qualified Termination date or, if greater, at the level in effect immediately prior to the Change of Control.

“Board” means the Board of Directors of the Company.

“Cause” means (a) your unauthorized use or disclosure of the Company’s confidential information or trade secrets, which use or disclosure causes material harm to the Company; (b) your material breach of any material agreement between you and the Company; (c) your material failure to comply with the Company’s material written policies or rules; (d) your conviction of, or plea of “guilty” or “no contest” to, a felony under the laws of the United States or any state thereof; (e) your gross negligence or willful misconduct in the performance of your duties; (f) your continuing failure to perform assigned duties after
receiving written notification of the failure from the Chief Executive Officer; or (g) your failure to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested your cooperation; provided, however, that “Cause” will not be deemed to exist in the event of subsections (b), (c) or (f) above unless you have been provided with (i) 30 days’ written notice by the Board of the act or omission constituting “Cause” and (ii) 30 days’ opportunity to cure such act or omission, if capable of cure.

“Change of Control” means the occurrence of any of the following events:

A. Change in Ownership of the Company. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group (“Person”), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that the acquisition of additional stock by any one Person who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change of Control; or

B. Change in Effective Control of the Company. If the Company has a class of securities registered pursuant to Section 12 of the Exchange Act, a change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any 12 month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (B), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change of Control; or

C. Change in Ownership of a Substantial Portion of the Company’s Assets. A change in the ownership of a substantial portion of the Company’s assets which occurs on the date that any Person acquires (or has acquired during the 12 month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection, the following will not constitute a change in the ownership of a substantial portion of the Company’s assets: (i) a transfer to an entity that is controlled by the Company’s stockholders immediately after the transfer, or (ii) a transfer of assets by the Company to: (a) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company’s stock, (b) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (c) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (d) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person.

Notwithstanding the foregoing, a transaction will not be deemed a Change of Control unless the transaction qualifies as a change in control event within the meaning of Section 409A (as defined below).

“Change of Control Period” means the period three (3) months prior to, and twelve (12) months following, a Change of Control.

“COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

“Effective Date” means July 30, 2013.
“Good Reason” means your resignation after one of the following conditions has come into existence without your consent: (a) a material reduction in your duties, authority, reporting relationship, or responsibilities (for illustrative purposes, (x) for an Eligible Employee that is or had been the Chief Executive Officer of the Company, not reporting to the board of directors of the ultimate parent company shall be considered a material reduction in reporting relationship, (y) for Eligible Employees (other than the Chief Executive Officer of the Company) that report or had reported to the Chief Executive Officer of the Company at any time prior to a Change of Control, your not directly reporting to the Chief Executive Officer of the Company or after a Change in Control your not reporting directly to the individual who was the Chief Executive Officer of the Company as of immediately prior to the Change of Control, in each case, shall be considered a material reduction in your duties, authority, reporting relationship, or responsibilities for purposes of sub-section (a)); (b) a material reduction in your annual cash compensation; (c) a requirement that you relocate to a location more than twenty (20) miles from your then-current office location; (d) a material breach by the Company of your employment agreement or any other agreement between you and the Company; or (e) a failure by any successor entity to assume this Policy.

“Involuntary Termination” means either (a) a termination of employment by the Company other than for Cause, death or disability; or (b) your resignation for Good Reason.

“Participation Agreement” means an agreement in substantially the form attached hereto as Exhibit A.

“Qualified Termination” means either a COC Qualified Termination or a Non-COC Qualified Termination.

“Section 16 Officer” means an officer for purposes of Section 16 of the Securities Exchange Act of 1934, as amended.

Section 409A: The Company intends that all payments and benefits provided under this Policy or otherwise are exempt from, or comply with, the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and any guidance promulgated thereunder (“Section 409A”) so that none of the payments or benefits will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply. No payment or benefits to be paid to you, if any, pursuant to this Policy or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the “Deferred Payments”) will be paid or otherwise provided until you have a “separation from service” within the meaning of Section 409A. If, at the time of your termination of employment, you are a “specified employee” within the meaning of Section 409A and the payment of the Deferred Payments will be delayed to the extent necessary to avoid the imposition of the additional tax imposed under Section 409A, which generally means that you will receive payment on the first payroll date that occurs on or after the date that is 6 months and 1 day following your termination of employment. The Company reserves the right to amend the Policy as it deems necessary or advisable, in its sole discretion and without the consent of any Eligible Employee or any other individual, to comply with Section 409A the Code or to otherwise avoid income recognition under Section 409A prior to the actual payment of any benefits or imposition of any additional tax.

In no event will the Company reimburse you for any taxes that may be imposed on you as a result of Section 409A. Each payment and benefit payable hereunder is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.
Parachute Payments.

**Reduction of Severance Benefits.** Notwithstanding anything set forth herein to the contrary, if any payment or benefit that an Eligible Employee would receive from the Company or any other party whether in connection with the provisions herein or otherwise (the “Payment”) would (i) constitute a “parachute payment” within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the “Excise Tax”), then such Payment shall be equal to the Best Results Amount. The “Best Results Amount” shall be either (x) the full amount of such Payment or (y) such lesser amount as would result in no portion of the Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local employment taxes, income taxes and the Excise Tax, results in the Eligible Employee’s receipt, on an after-tax basis, of the greater amount notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting “parachute payments” is necessary so that the Payment equals the Best Results Amount, reduction shall occur in the following order: reduction of cash payments; cancellation of accelerated vesting of stock awards; reduction of employee benefits. In the event that acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting shall be cancelled in the reverse order of the date of grant of the Eligible Employee’s stock awards unless the Eligible Employee elects in writing a different order for cancellation. The Eligible Employee shall be solely responsible for the payment of all personal tax liability that is incurred as a result of the payments and benefits received under this Policy, and the Eligible Employee will not be reimbursed by the Company for any such payments.

**Determination of Excise Tax Liability.** The Company shall select a professional services firm to make all of the determinations required to be made under these paragraphs relating to “Parachute Payments”. The Company shall request that firm provide detailed supporting calculations both to the Company and the Eligible Employee prior to the date on which the event that triggers the Payment occurs if administratively feasible, or subsequent to such date if events occur that result in parachute payments to the Eligible Employee at that time. For purposes of making the calculations required under these paragraphs relating to “Parachute Payments”, the firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith determinations concerning the application of the Code. The Company and the Eligible Employee shall furnish to the firm such information and documents as the firm may reasonably request in order to make a determination under these paragraphs relating to “Parachute Payments”. The Company shall bear all costs the firm may reasonably incur in connection with any calculations contemplated by these paragraphs relating to “Parachute Payments”. Any such determination by the firm shall be binding upon the Company and the Eligible Employee, and the Company shall have no liability to the Eligible Employee for the determinations of the firm.

**Administration:** The Policy will be administered by the Compensation Committee of the Board or its delegate (in each case, an “Administrator”). The Administrator will have full discretion to administer and interpret the Policy. Any decision made or other action taken by the Administrator with respect to the Policy, and any interpretation by the Administrator of any term or condition of the Policy, or any related document, will be conclusive and binding on all persons and be given the maximum possible deference allowed by law. The Administrator is the “named fiduciary” of the Policy for purposes of ERISA and will be subject to the fiduciary standards of ERISA when acting in such capacity.

**Attorneys Fees:** The Company and each Eligible Employee bear their own attorneys’ fees incurred in connection with any disputes between them, except that if an Eligible Employee is successful in any such dispute, the Company agrees to pay Eligible Employee’s reasonable and documented legal fees associated with the dispute.
Exclusive Benefits: Except as may be set forth in your Participation Agreement, this Policy is intended to be the only agreement between you and the Company regarding any severance payments or benefits to be paid to you on account of a termination of employment whether unrelated to, concurrent with, or following, a Change of Control. Accordingly, by executing your Participation Agreement, you hereby forfeit and waive any rights to any severance or change of control benefits set forth in any employment agreement, offer letter and/or equity award agreement, except as set forth in this Policy and/or in your Participation Agreement.

Withholding: The Company is authorized to withhold from any payments or benefits all federal, state, local and taxes required to be withheld therefrom and any other required payroll deductions.

Amendment or Termination: The Company reserves the right to amend or terminate the Policy at any time, without advance notice to any Eligible Employee or other individual and without regard to the effect of the amendment or termination on any Eligible Employee or on any other individual. Notwithstanding the preceding, (a) any amendment to the Policy that causes an individual or group of individuals to cease to be an Eligible Employee will not be effective unless it is both approved by the Administrator and communicated to the affected individual(s) in writing at least 6 months prior to the effective date of the amendment or termination, and (b) no amendment or termination of the Policy shall be made within 24 months following a Change of Control to the extent that such amendment or reduction would reduce the benefits provided hereunder or impair an Eligible Employee’s eligibility under the Policy (unless the affected Eligible Employee consents to such amendment or termination). Any amendment or termination of the Policy will be in writing. Any action of the Company in amending or terminating the Policy will be taken in a non-fiduciary capacity.

Claims Procedure: Any Eligible Employee who believes he or she is entitled to any payment under the Policy may submit a claim in writing to the Administrator. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Policy on which the denial is based. The notice will also describe any additional information needed to support the claim and the Policy’s procedures for appealing the denial. The denial notice will be provided within 90 days after the claim is received. If special circumstances require an extension of time (up to 90 days), written notice of the extension will be given within the initial 90-day period. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision on the claim.

Appeal Procedure: If the claimant’s claim is denied, the claimant (or his or her authorized representative) may apply in writing to the Administrator for a review of the decision denying the claim. Review must be requested within 60 days following the date the claimant received the written notice of their claim denial or else the claimant loses the right to review. The claimant (or representative) then has the right to review and obtain copies of all documents and other information relevant to the claim, upon request and at no charge, and to submit issues and comments in writing. The Administrator will provide written notice of the decision on review within 60 days after it receives a review request. If additional time (up to 60 days) is needed to review the request, the claimant (or representative) will be given written notice of the reason for the delay. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Policy on which the denial is based. The notice shall also include a statement that the claimant will be provided, upon request and free of charge, reasonable access to, and copies of, all documents and other information relevant to the claim and a statement regarding the claimant’s right to bring an action under Section 502(a) of ERISA.
Additional Information.

Plan Name: FireEye, Inc. Change of Control Severance Policy for Officers
Plan Sponsor: FireEye, Inc.
1440 McCarthy Boulevard
Milpitas, CA 95035
Identification Number: 550
Plan Year: Company’s Fiscal Year
Plan Administrator: FireEye, Inc.
Attention: Administrator of the FireEye, Inc.
Change of Control Severance Policy for Officers
1440 McCarthy Boulevard
Milpitas, CA 95035
Agent for Service of Legal Process: FireEye, Inc.
Attention: General Counsel
1440 McCarthy Boulevard
Milpitas, CA 95035
Service of process may also be made upon the Plan Administrator.
Type of Plan: Severance Plan/Employee Welfare Benefit Plan
Plan Costs: The cost of the Policy is paid by the Company.

Statement of ERISA Rights.
Policy Eligible Employees have certain rights and protections under ERISA:

They may examine (without charge) all Policy documents, including any amendments and copies of all documents filed with the U.S. Department of Labor, such as the Policy’s annual report (Internal Revenue Service Form 5500). These documents are available for review in the Company’s Human Resources Department.

They may obtain copies of all Policy documents and other Policy information upon written request to the Plan Administrator. A reasonable charge may be made for such copies.

In addition to creating rights for Eligible Employees, ERISA imposes duties upon the people who are responsible for the operation of the Policy. The people who operate the Policy (called “fiduciaries”) have a duty to do so prudently and in the interests of Eligible Employees. No one, including the Company or any other person, may fire or otherwise discriminate against an Eligible Employee in any way to prevent them from obtaining a benefit under the Policy or
exercising rights under ERISA. If an Eligible Employee’s claim for a severance benefit is denied, in whole or in part, they must receive a written explanation of the reason for the denial. An Eligible Employee has the right to have the denial of their claim reviewed. (The claim review procedure is explained above.)

Under ERISA, there are steps Eligible Employees can take to enforce the above rights. For instance, if an Eligible Employee requests materials and does not receive them within 30 days, they may file suit in a federal court. In such a case, the court may require the Administrator to provide the materials and to pay the Eligible Employee up to $110 a day until they receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If an Eligible Employee has a claim which is denied or ignored, in whole or in part, he or she may file suit in a state or federal court. If it should happen that an Eligible Employee is discriminated against for asserting their rights, he or she may seek assistance from the U.S. Department of Labor, or may file suit in a federal court.

In any case, the court will decide who will pay court costs and legal fees. If the Eligible Employee is successful, the court may order the person sued to pay these costs and fees. If the Eligible Employee loses, the court may order the Eligible Employee to pay these costs and fees, for example, if it finds that the claim is frivolous.

If an Eligible Employee has any questions regarding the Policy, please contact the Plan Administrator. If an Eligible Employee has any questions about this statement or about their rights under ERISA, they may contact the nearest area office of the Employee Benefits Security Administration (formerly the Pension and Welfare Benefits Administration), U.S. Department of Labor, listed in the telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W. Washington, D.C. 20210. An Eligible Employee may also obtain certain publications about their rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.
EXHIBIT A
Change of Control Severance Policy for Officers
Participation Agreement

This Participation Agreement ("Agreement") is made and entered into by and between [INSERT NAME] on the one hand, and FireEye, Inc. (the "Company") on the other.

RECITALS

The Company adopted a Change of Control Severance Policy for Officers (the "Policy") to assure that the Company will have the continued dedication and objectivity of the participants in the Policy, notwithstanding the possibility, threat or occurrence of a Change of Control.

The Company has designated you as eligible for protection under the Policy and this Agreement, subject to your qualifying as an Eligible Employee under the Policy on the date of a Qualified Termination.

Unless otherwise defined herein, the terms defined in the Policy, which is hereby incorporated by reference, shall have the same defined meanings in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

Participation.
You have been designated as an Eligible Employee in the Policy, a copy of which is attached hereto, subject to your satisfying the criteria of being an Eligible Employee on the date of a Qualified Termination. Your participation in the Policy is contingent upon your agreeing to the terms of this Policy.

The terms and conditions of your participation in the Policy are as set forth in the Policy.

Other Provisions.
You agree that the Policy constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties, and shall specifically supersede any severance payment and/or change of control provisions of any offer letter, employment agreement, or equity award agreement entered into between the you and Company.

This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]
IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the day and
year set forth below.

FIREEYE, INC.   ELIGIBLE EMPLOYEE

By: ________________________________ Signature: ________________________________

Date: ______________________________ Date: ______________________________

[Signature Page of the Participation Agreement]
## LIST OF SUBSIDIARIES OF THE REGISTRANT

<table>
<thead>
<tr>
<th>Name of Subsidiary</th>
<th>State or Other Jurisdiction of Incorporation or Organization</th>
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<tbody>
<tr>
<td>FireEye International, Inc.</td>
<td>Delaware</td>
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<tr>
<td>FireEye UK Ltd.</td>
<td>United Kingdom</td>
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<tr>
<td>FireEye Australia Pty Ltd</td>
<td>Australia</td>
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<tr>
<td>FireEye Hong Kong Limited</td>
<td>Hong Kong</td>
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<td>FireEye Cybersecurity Private Limited</td>
<td>India</td>
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<td>FireEye Ireland Limited</td>
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<td>FireEye Technology Limited</td>
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<td>FireEye Israel Ltd</td>
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<td>FireEye Mexico S.A. de C.V.</td>
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<td>FireEye Korea Limited</td>
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<td>FireEye Singapore Private Limited</td>
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<tr>
<td>FireEye South Africa Pty Ltd.</td>
<td>South Africa</td>
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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Amendment No. 1 to Registration Statement No. 333-190338 on Form S-1 of our report dated May 14, 2013 (June 27, 2013 as to Note 17), relating to the consolidated financial statements of FireEye, Inc. and subsidiaries appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the heading “Experts” in the Prospectus.

/s/ DELOITTE & TOUCHE LLP

San Jose, California
August 21, 2013