AMERON INTERNATIONAL CORP
Form 10-K
February 25, 2003

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# United States
# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# FORM 10-K

**(Mark One)**

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

**For the fiscal year ended November 30, 2002**

**OR**

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

*Commission file number 1-9102*

# AMERON INTERNATIONAL CORPORATION

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **Delaware** | **77-0100596** |
| (State of Incorporation) | (I.R.S. Employer Identification No.) |

**245 South Los Robles Avenue**
**Pasadena, CA 91101**
(Address and Zip Code of principal executive offices)

Registrant's telephone number, including area code: **(626) 683-4000**

**SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:**

| Title of each class | Name of each exchange on which registered |
|---|---|
| Common Stock $2.50 par value | New York Stock Exchange |

**SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None**

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

The Registrant estimates that as of February 11, 2003 the aggregate market value of the shares of its Common Stock, $2.50 par value, held by non-affiliates of the Registrant (that is, shares beneficially owned by other than executive officers and directors) was in excess of $197 million.

On February 11, 2003 there were 3,950,312 shares of Common Stock, $2.50 par value outstanding. This is the only class of Common Stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

**1. PORTIONS OF AMERON'S 2002 ANNUAL REPORT TO STOCKHOLDERS (PARTS I, II AND IV).**

**2. PORTIONS OF AMERON'S PROXY STATEMENT FOR THE 2003 ANNUAL MEETING OF STOCKHOLDERS (PART III).**

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## PART I
## AMERON INTERNATIONAL CORPORATION

AMERON INTERNATIONAL CORPORATION, a Delaware corporation, and its consolidated subsidiaries are collectively referred to herein as "Ameron", the "Company", the "Registrant" or the "Corporation" unless the context clearly indicates otherwise. The business of the Company has been divided into business segments in Item 1(c)(1). Substantially all activities relate to the manufacture of highly engineered products for sale to the industrial, chemical, energy and construction markets. All references to "the year" or "the fiscal year" pertain to the 12 months ended November 30, 2002. All references to the "Annual Report" pertain to the Company's 2002 Annual Report to Stockholders.

### ITEM 1 BUSINESS

**(a)**

**GENERAL DEVELOPMENT OF BUSINESS.**

Although the Company's antecedents date back to 1907, it evolved directly from the merger of two separate firms in 1929, resulting in the incorporation of American Concrete Pipe Co. on April 22, 1929. Various name changes occurred between that time and 1942, at which time the Company's name became American Pipe and Construction Co. By the late 1960s the Company was almost exclusively engaged in manufacturing and had expanded its product lines to include not only concrete and steel pipe but also high-performance protective coatings, ready-mix concrete, aggregates and reinforced thermosetting resin pipe and fittings.

At the beginning of 1970, the Company's name was changed to Ameron, Inc. In the meantime, other manufactured products had been added to its product lines. These included concrete and steel poles for street and area lighting, and steel poles for traffic signals.

In 1996, the Company's name was changed to Ameron International Corporation in order to better reflect its expanded, global focus. Also in 1996, the Company acquired assets of Centron, a leading manufacturer of fiberglass pipe for the worldwide oilfield market, as well as the worldwide Devoe marine coatings business of Imperial Chemical Industries Plc. In 1998, the Company acquired the protective coatings and light industrial product finishes businesses of Croda International Plc in the United Kingdom, Australia and New Zealand.

Further details or commentary on the year's operations can be found in the Annual Report, which is Exhibit 13 to this report on Form 10-K, and which should be read in conjunction with this report.

**(b)**

**FINANCIAL INFORMATION AS TO INDUSTRY SEGMENTS.**

The information contained in Notes (1), (5) and (17) of Notes to Consolidated Financial Statements on pages 32, 33, 34, 35, 42 and 43 of the Annual Report is incorporated herein by reference.

**(c)**

**NARRATIVE DESCRIPTION OF BUSINESS.**

(1)

For geographical and operational convenience, the Company is organized into divisions. These divisions are combined into the following groups serving the following-described industry segments.

a)

The Performance Coatings & Finishes Group develops, manufactures and markets high-performance coatings and surfacer systems on a worldwide basis. These products are utilized for the preservation of structures, such as metallic and concrete facilities and equipment, to prevent their degradation by corrosion, abrasion, marine fouling and other forms of chemical and physical attack. The primary markets served include marine, offshore, petrochemical, power generation, petroleum, chemical, steel, pulp and paper, railroad, bridges, mining, metal processing and original equipment manufacturing. These products are marketed



by direct sales, as well as through manufacturers' representatives, distributors and licensees. Competition is based upon quality, price and service. Manufacture of these products is carried out in the Company's plant in Arkansas, by wholly-owned subsidiaries in The Netherlands, the United Kingdom, Australia and New Zealand, by joint ventures in Mexico and Saudi Arabia and by various third-party licensees.

b)

The Fiberglass-Composite Pipe Group develops, manufactures and markets filament-wound and molded fiberglass pipe and fittings. These products are used by a wide range of process industries, including industrial, petroleum, chemical processing and petrochemical industries, for service station replacement piping systems, aboard marine vessels and on offshore oil platforms, and are marketed as an alternative to metallic piping systems which ultimately fail under corrosive operating conditions. These products are marketed by direct sales, as well as through manufacturers' representatives, distributors and licensees. Competition is based upon quality, price and service. Manufacture of these products is carried out in the Company's plant in Texas, by its wholly-owned domestic subsidiary, Centron International Inc. ("Centron"), at its plant in Texas, by wholly-owned subsidiaries in The Netherlands, Singapore, and Malaysia, by a joint venture in Saudi Arabia and by third-party licensees.

c)

The Water Transmission Group supplies products and services used in the construction of water pipelines. Five pipe manufacturing plants are located in Arizona and California. Also included within this group is American Pipe & Construction International, a wholly-owned subsidiary, with a plant in Colombia. These plants manufacture concrete cylinder pipe, prestressed concrete cylinder pipe, steel pipe and reinforced concrete pipe for water transmission, storm and industrial waste water and sewage collection. These products are marketed by direct selling using the Company's own personnel and by competitive bidding. Customers include local, state and federal agencies, developers and general contractors. Normally no one customer or group of customers will account for sales equal to or greater than 10 percent of the Company's consolidated revenue. However, occasionally, when more than one unusually large project is in progress, combined sales to all U.S. government agencies and/or general contractors for those agencies can reach those proportions. Besides competing with several other welded steel pipe and concrete pipe manufacturers located in the market area, alternative products such as ductile iron, plastic, and clay pipe compete with the Company's concrete and steel pipe products, but ordinarily these other materials do not offer the full diameter range produced by the Company. Principal methods of competition are price, delivery schedule and service. The Company's technology is used in the Middle East through affiliated companies. This segment also includes the manufacturing and marketing on a worldwide basis through direct sales and manufacturing representatives, of polyvinyl chloride and polyethylene sheet lining for the protection of concrete pipe and cast-in-place concrete structures from the corrosive effects of sewer gases, acids and industrial chemicals. Competition is based upon quality, price and service. Manufacture of this product is carried out in the Company's plant in California. This segment also includes engineered design, fabrication and direct sale of specialized proprietary equipment which is outside the regular business of the other segments of the Company's businesses. Competition for such work is based upon quality, price and service. Manufacture of such equipment is carried out in the Company's plant in California.

d)

The Infrastructure Products Group supplies ready-mix concrete, crushed and sized basaltic aggregates, dune sand, concrete pipe and box culverts, primarily to the construction industry in Hawaii, and manufactures and markets concrete and steel poles for highway, street and outdoor area lighting and for traffic signals nationwide. Ample raw materials are available locally in Hawaii. As to rock products, the Company has exclusive rights to a quarry containing many years' reserves. There is only one major source of supply for cement in



Hawaii. Within the market area there are competitors for each of the segment's products. No single competitor offers the full range of products sold by the Company in Hawaii. An appreciable portion of the segment's business is obtained through competitive bidding. Sales of poles are nationwide, but with a stronger concentration in the western states. Marketing is handled by the Company's own sales force and by outside sales agents for poles. Competition for such products is mainly based on price and quality, but with some consideration for service and delivery. Poles are manufactured in two plants in California, as well as plants in Washington, Oklahoma and Alabama.

e) Except as individually shown in the above descriptions of industry segments, the following comments or situations apply to all segments:

(i) Because of the number of manufacturing locations and the variety of raw materials essential to the business, no critical situations exist with respect to supply of materials. The Company has multiple sources for raw materials. The effects of increases in costs of energy are being mitigated to the extent practical through conservation and through addition or substitution of equipment to manage the use and reduce consumption of energy.

(ii) The Company owns certain patents and trademarks, both U.S. and foreign, related to its products. The Company licenses its patents, trademarks, know-how and technical assistance to various of its subsidiary and affiliated companies and to various third-party licensees. It licenses these proprietary items to some extent in the U.S., and to a greater degree abroad. These patents, trademarks, and licenses do not constitute a material portion of the Company's total business. No franchises or concessions exist.

(iii) Many of the Company's products are used in connection with capital goods, water and sewage transmission and construction of capital facilities. Favorable or adverse effects on general sales volume and earnings can result from weather conditions. Normally, sales volume and earnings will be lowest in the first fiscal quarter. Seasonal effects simply accelerate or slow the business volume and normally do not bring about severe changes in full-year activity.

(iv) With respect to working capital items, the Company does not encounter any requirements which are not common to other companies engaged in the same industries. No unusual amounts of inventory are required to meet seasonal delivery requirements. All of the Company's industry segments turn their inventory between three and eight times annually. Average days' sales in accounts receivable range between 35 and 133 for all segments.

(v) The value of backlog orders at November 30, 2002 and 2001 by industry segment is shown below. A substantial portion of the November 30, 2002 backlog is expected to be billed and recorded as sales during fiscal 2003.

| **Segment** | **2002** | **2001** |
|---|---|---|
| | **(in thousands)** | |
| Performance Coatings & Finishes Group | $ 5,461 | $ 3,593 |
| Fiberglass-Composite Pipe Group | 32,687 | 25,334 |
| Water Transmission Group | 151,523 | 92,194 |

| Segment | 2002 | 2001 |
|---|---|---|
| Infrastructure Products Group | 26,495 | 22,815 |
| Total | $ 216,166 | $ 143,936 |

(vi)

There was no significant change in competitive conditions or the competitive position of the Company in the industries and localities in which it operates. There is no knowledge of any competitive situation which would be material to an understanding of the business.

(vii)

Sales contracts in all of the Company's business segments normally consist of purchase orders, which in some cases are issued pursuant to master purchase agreements. Longer-term contracts seldom involve commitments of more than one year by the Company, and exceptions are not deemed



material by management. Payment is normally due from 30 to 60 days after shipment, with progress payments prior to shipment in some circumstances. It is the Company's practice to require letters of credit prior to shipment of foreign orders, subject to limited exceptions. The Company does not typically extend long-term credit to purchasers of its products.

(2) a) Approximate expense during each of the last three fiscal years for Research and Development costs is shown under the caption in Note (1) of Notes to Consolidated Financial Statements on page 32 of the Annual Report, and is incorporated herein by reference.

b) The Company's business is not dependent on any single customer or few customers, the loss of any one or more of whom would have a material adverse effect on its business.

c) For many years the Company has been consistently installing or improving devices to control or eliminate the discharge of pollutants into the environment. Accordingly, compliance with federal, state, and locally enacted provisions relating to protection of the environment is not having, and is not expected to have, a material effect upon the Company's capital expenditures, earnings, or competitive position.

d) At year-end the Company and its consolidated subsidiaries employed approximately 2,800 persons. Of those, approximately 700 were covered by labor union contracts. There are four separate bargaining agreements subject to renegotiation in 2003.

**(d)**

**FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS AND EXPORT SALES.**

The information contained in Notes (1), (5) and (17) of Notes to Consolidated Financial Statements on pages 32, 33, 34, 35, 42 and 43 of the Annual Report is incorporated herein by reference.

Export sales in the aggregate from U.S. operations during the last three fiscal years were:

| | In thousands |
|---|---|
| 2002 | $ 26,372 |
| 2001 | 35,952 |
| 2000 | 30,665 |

**ITEM 2 PROPERTIES**

(a)

The location and general character of principal plants and other materially important physical properties used in the Company's operations are tabulated below. Property is owned in fee simple except where otherwise indicated by footnote. In addition to the property shown, the Company owns vacant land adjacent to or in the proximity of some of its operating locations and holds this property available for use when it may be needed to accommodate expanded or new operations. Property listed does not include any temporary project sites which are generally leased for the duration of the respective projects or leased or owned warehouses that could be easily replaced. With the exception of the Kailua, Oahu property, shown under the Infrastructure Products industry segment, there are no material leases with respect to which expiration or inability to renew would have any material adverse effect on the Company's operations. The lease term on the Kailua property extends to the year 2052. Kailua is the principal source of quarried rock and aggregates for the Company's operations on Oahu, Hawaii; and, in management's opinion, rock reserves are adequate for its requirements during the term of the lease.

(b)

The Company believes that its existing facilities are adequate for current and presently foreseeable operations. Because of the cyclical nature of certain of the Company's operations, and the substantial amounts involved in some individual orders, the level of utilization of particular facilities may vary significantly from time to time in the normal course of operations.

4

| **Industry Segment Group**<br>**Division**<br>**Location** | **Description** |
|---|---|
| PERFORMANCE COATINGS & FINISHES GROUP | |
| Coatings Division USA | |
| Alpharetta, GA | *Office |
| Brea, CA | Office, Laboratory, Warehouse |
| Little Rock, AR | Office, Plant |
| Houston, TX | Warehouse |
| Ameron B.V. | |
| Geldermalsen, The Netherlands | Office, Plant |
| Huthwaite, UK | Office, Plant |
| Ameron (UK) Limited | |
| Hull, UK | Office, Plant |
| Ameron (Australia) Pty. Limited | |
| Sydney, Australia | Office, Plant |
| Adelaide, Australia | Plant |
| Ameron (New Zealand) Limited | |
| Auckland, New Zealand | Office, Plant |
| FIBERGLASS-COMPOSITE PIPE GROUP | |
| Fiberglass Pipe Division USA | |
| Houston, TX | *Office |
| Burkburnett, TX | Office, Plant |
| Centron International, Inc. | |
| Mineral Wells, TX | Office, Plant |
| Ameron B.V. | |
| Geldermalsen, The Netherlands | Office, Plant |
| Ameron (Pte) Ltd. | |

| Industry Segment Group<br>Division<br>Location | Description |
|---|---|
| Singapore | *Office, Plant |
| Ameron Malaysia Sdn. Bhd. | |
| Malaysia | *Office, Plant |
| WATER TRANSMISSION GROUP | |
| Rancho Cucamonga, CA | *Office |
| Etiwanda, CA | Office, Plant |
| Fontana, CA | Office, Plant |
| Lakeside, CA | Office, Plant |
| Phoenix, AZ | Office, Plant |
| Tracy, CA | Office, Plant |
| Protective Linings Division | |
| Brea, CA | Office, Plant |
| Fabrication Plant | |
| South Gate, CA | Office, Plant |
| American Pipe & Construction International | |



| | |
|---|---|
| Bogota, Colombia | Office, Plant |
| INFRASTRUCTURE PRODUCTS GROUP | |
| Hawaii Division | |
| Honolulu, Oahu, HI | *Office, Plant |
| Kailua, Oahu, HI | *Plant, Quarry |
| Barbers Point, Oahu, HI | Office, Plant |
| Puunene, Maui, HI | *Office, Plant, Quarry |
| Pole Products Division | |
| Ventura, CA | *Office |
| Fillmore, CA | Office, Plant |
| Oakland, CA | *Plant |
| Everett, WA | *Office, Plant |
| Tulsa, OK | *Office, Plant |
| Anniston, AL | *Office, Plant |
| CORPORATE | |
| Corporate Headquarters | |
| Pasadena, CA | *Office |
| Corporate Research & Engineering | |
| South Gate, CA | Office, Laboratory |

* Leased

**ITEM 3 LEGAL PROCEEDINGS**

An action was filed in 1992 in the U.S. District Court for the District of Arizona by the Central Arizona Water Conservation District ("CAWCD") seeking damages against several parties, including the Company and the Company's customer, Peter Kiewit Sons Company ("Kiewit"), in connection with six prestressed concrete pipe siphons furnished and installed in the 1970's as part of the Central Arizona Project ("CAP"), a federal project to bring water from the Colorado River to Arizona. The CAWCD also filed separate actions against the U.S. Bureau of Reclamation ("USBR") in the U.S. Court of Claims and with the Arizona Projects Office of the USBR in connection with the CAP siphons. The CAWCD alleged that the six CAP siphons were defective and that the USBR and the defendants in the U.S. District Court action were liable for damages for the repair or replacement of those siphons. On September 14, 1994, the U.S. District Court granted the Company's motion to dismiss the CAWCD action and entered judgment against the CAWCD and in favor of the Company and its co-defendants.

Separately, on September 28, 1995, the Contracting Officer for the USBR issued a final decision claiming for the USBR approximately $40 million in damages against Kiewit, based in part on the Contracting Officer's finding that the siphons supplied by the Company were defective. That claim amount was considered by the Company to be duplicative of the damages sought by the CAWCD for the repair or replacement of the siphons in the aforementioned action in the U.S. District Court for the District of Arizona. The Contracting Officer's final decision was appealed by Kiewit to the U.S. Department of the Interior Board of Contract Appeals ("IBCA"). The Company actively cooperated with and assisted Kiewit in the administrative appeal of that final decision before the IBCA. Trial on that appeal commenced in November 2000, however the proceeding was stayed with the concurrence of



the parties pending efforts aimed at settlement of the entire matter. Settlement efforts were then undertaken, during which the IBCA appeal was suspended.

As of November 30, 2002, tentative settlements had been reached among the USBR, Kiewit, the Company and various insurance carriers. Since November 30, 2002, those settlements have been finalized and the entire matter, including the aforementioned CAWCD claim, has been resolved on economic terms that did not result in an adverse material effect on the financial position of the Company or its results of operations. The Company will receive sufficient reimbursement from its own and a supplier's insurance companies to fully cover the settlement.

The Company is one of numerous defendants in various pending lawsuits involving, as of November 30, 2002, some 8,382 individuals or their representatives alleging personal injury from exposure to asbestos-containing products. None of such lawsuits specifies any dollar amount sought as damages by such individuals or their representatives, and at this time the Company is not aware of the extent of injuries allegedly suffered by the individuals or the facts supporting the claim that such injuries were caused by the Company's products. Based upon the information available to it at this time, the Company is not in a position to evaluate its potential exposure, if any, as a result of these claims. The Company intends to vigorously defend all asbestos-related lawsuits.

In addition to the above, certain other claims, suits and complaints that arise in the ordinary course of business, have been filed or are pending against the Company. Management believes that these matters are either adequately reserved, covered by insurance, or would not have a material effect on the Company's financial position or its results of operations if disposed of unfavorably.

The Company is subject to federal, state and local laws and regulations concerning the environment and is currently participating in administrative proceedings at several sites under these laws. While the Company finds it difficult to estimate with any certainty the total cost of remediation at the several sites, on the basis of currently available information and reserves provided, the Company believes that the outcome of such environmental regulatory proceedings will not have a material effect on the Company's financial position or its results of operations.

**ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

(Not Applicable)

**ITEM 4A EXECUTIVE OFFICERS OF THE REGISTRANT**

The following sets forth information with respect to individuals who served as executive officers as of November 30, 2002 and who are not directors of the Company. All executive officers are appointed by the Board of Directors to serve at the discretion of the Board of Directors.

| Name | Age | Title and Year Elected as Officer | |
|---|---|---|---|
| Thomas P. Giese | 58 | Vice President; Group President Water Transmission Group | 1997 |
| James R. McLaughlin | 55 | Vice President-Treasurer & Controller | 1997 |
| Gordon G. Robertson | 63 | Vice President; Group President Fiberglass-Composite Pipe Group | 1997 |
| Javier Solis | 56 | Senior Vice President of Administration, Secretary & General Counsel | 1984 |
| Gary Wagner | 51 | Senior Vice President & Chief Financial Officer | 1990 |

All of the executive officers named above have held high level managerial or executive positions with the Company for more than the past five years. Gordon Robertson retired in December 2002.

8

**PART II**

**ITEM 5 MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS**

The Common Stock, $2.50 Par Value, of the Company, its only outstanding class of common equity, is traded on the New York Stock Exchange, the only exchange on which it is presently listed. On February 11, 2003, there were 1,172 stockholders of record of such stock. Information regarding stock compensation plans is contained in Note (12) on page 37 and 38 of the Annual Report, and is incorporated herein by reference.

Dividends have been paid each quarter during the prior two years. Information as to the amount of dividends paid during the reporting period and the high and low prices of the Company's Common Stock during that period are set out in Note (16) on page 42 of the Annual Report, which information is incorporated herein by reference.

Terms of lending agreements which place restrictions on cash dividends are discussed in Note (10) on pages 36 and 37 of the Annual Report, and is incorporated herein by reference.

**ITEM 6 SELECTED FINANCIAL DATA**

The information required by this item is contained in the Selected Consolidated Financial Information shown on page 20 of the Annual Report, and is incorporated herein by reference.

**ITEM 7 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The information required by this item is contained in Management's Discussion and Analysis of Financial Condition and Results of Operations section shown on pages 21 through 26 and Note (1) pages 32, 33 and 34 of the Annual Report, and is incorporated herein by reference.

**ITEM 7A QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The information required by this Item is contained on page 25 of the Annual Report under the caption Market Risks, and is incorporated herein by reference. At November 30, 2002, the Company had foreign currency forward contracts with an aggregate face value of $6,623,000. In January 2003, the Company finalized a three-year, floating rate, revolving credit facility which permits borrowings up to



$100,000,000, and issued seven-year notes payable totaling $50,000,000 at a fixed rate of 5.36%. Future debt maturities are as follows, adjusted to reflect the refinancing that occurred in January 2003:

| | Expected Maturity Date | | | | | | Total Outstanding As of November 30, 2002 | |
|---|---|---|---|---|---|---|---|---|
| | **2003** | **2004** | **2005** | **2006** | **2007** | **Thereafter** | **Recorded Value** | **Fair Value** |
| Liabilities (US$ in thousands) | | | | | | | | |
| Long Term Debt: | | | | | | | | |
| Fixed-rate notes, payable in US$ | $ 8,333 | $ 8,333 | $ 8,333 | $ 8,334 | $ | $ | $ 33,333 | $ 35,577 |
| Average interest rate | 7.92% | 7.92% | 7.92% | 7.92% | | | 7.92% | |
| Fixed-rate notes, payable in US$ | | | 10,000 | 10,000 | 10,000 | 20,000 | 50,000 | 50,000 |
| Average interest rate | | | 5.36% | 5.36% | 5.36% | 5.36% | 5.36% | |
| Variable-rate bank revolving credit facilities, payable in US$ | | | | 12,123 | | | 12,123 | 12,123 |
| Average interest rate | | | | | | | 2.00% | |
| Variable-rate industrial development bonds, payable in US$ | | | | | | 7,200 | 7,200 | 7,200 |
| Average interest rate | | | | | | | 1.25% | |
| Variable-rate industrial development bonds, payable in US$ | | | | | | 8,500 | 8,500 | 8,500 |
| Average interest rate | | | | | | | 1.40% | |

**ITEM 8 FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

The Consolidated Financial Statements as of November 30, 2002 and 2001 and for each of the three years in the period ended November 30, 2002 and the report thereon of Deloitte & Touche LLP dated February 3, 2003, comprising pages 27 through 44 of the Annual Report, are incorporated herein by reference.

**ITEM 9 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

(Not applicable)

**PART III**

**ITEM 10 DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT**

Information with respect to the directors is contained under the section entitled, "Election of Directors" in the Company's Proxy Statement which was filed on February 21, 2003 in connection with the Annual Meeting of Stockholders to be held on March 26, 2003. Such information is incorporated herein by reference.

Information with respect to the executive officers who are not directors of the Company is located in Part I, Item 4A of this report.



**ITEM 11 EXECUTIVE COMPENSATION***

**ITEM 12 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS***

**ITEM 13 CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS***

*
The information required by Items 11, 12 and 13 is contained in the Company's Proxy Statement which was filed on February 21, 2003 in connection with the 2003 Annual Meeting of Stockholders to be held on March 26, 2003. Such information is incorporated herein by reference.



## PART IV

**ITEM 14 CONTROLS AND PROCEDURES**

The consolidated financial statements included in the Annual Report and incorporated by reference herein were prepared by management, which is responsible for their fairness, integrity, and objectivity. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, and include amounts based on management's reasonable estimates and judgments. The other financial information contained in this report has been prepared in a manner consistent with the preparation of the consolidated financial statements.

Management has established, maintains and necessarily relies on the Company's system of internal controls and disclosure controls. This system is designed to provide reasonable, but not absolute, assurance that a) the Company's transactions are properly authorized, b) the Company's assets are safeguarded against unauthorized or improper use, and c) the Company's transactions are properly recorded and reported. The concept of reasonable assurance is based on the recognition that in any system of controls there are certain inherent limitations and that the cost of such systems should not exceed the benefits to be derived.

A control system, no matter how well conceived and operated, cannot provide absolute assurance that the objectives of the control system will be met. No evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company will be detected. Judgments in decision-making can be faulty, and breakdowns can occur because of simple error or mistake. Additionally, any control can be circumvented by the individual acts of some persons, by collusion, or by management override of the control. Any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any system of controls will succeed under all potential future conditions. Controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

The Company's disclosure controls and procedures are designed to ensure that information required to be disclosed in the Company's periodic filings made in accordance with the rules and regulations promulgated by the U.S. Securities and Exchange Commission (the "Commission") is (a) recorded, processed, accumulated and summarized within the time periods specified by the Commission, (b) communicated to the Company's management, including its chief executive and financial officers, as appropriate to allow timely decisions regarding required disclosure, and (c) presented in the Company's periodic filings in a manner that fairly portrays the information being presented (i) in light of all available facts and circumstances relating to the matters disclosed, and (ii) in conformity with the disclosure requirements promulgated by the Commission.

Within 90 days prior to the filing of the Annual Report and this Form 10-K, an evaluation of the Company's disclosure controls and procedures was performed under the supervision and with the participation of the Company's management, including the chief executive and financial officers. Based on that evaluation, management, including the Company's chief executive and financial officers, concluded that (a) the Company's disclosure controls and procedures were effective in timely alerting management to material information relating to the Company that is required to be included in the Company's periodic filings and (b) the Company's system of internal controls was effective in providing reasonable assurance that the Company's financial statements are fairly presented in conformity with accounting principles generally accepted in the United States of America. Since the date of the evaluation, there have been no significant changes in the Company's system of disclosure or internal controls or in other factors that could significantly affect those controls.



**ITEM 15 EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K**

(a)(1) FINANCIAL STATEMENTS:

The financial statements to be filed hereunder are cross-referenced, in the index immediately following, to the Annual Report, as to sections incorporated herein by reference.

**INDEX TO FINANCIAL STATEMENTS**



(i) Summarized information as to the financial condition and results of operations for Ameron Saudi Arabia, Ltd., Bondstrand, Ltd, Oasis-Ameron, Ltd. and TAMCO is presented in Note (5) of Notes to Consolidated Financial Statements on page 34 and 35 of the Annual Report, and is incorporated herein by reference.

(a)(2) FINANCIAL STATEMENT SCHEDULES:

The following additional financial data should be read in conjunction with the consolidated financial statements in the Annual Report. Schedules not included with this additional financial data



have been omitted because they are either not applicable, not required, not significant, or the required information is provided in the consolidated financial statements in the Annual Report.

| Schedule | Schedules of Ameron |
|---|---|
| | Independent Auditors' Report |
| II | Valuation and Qualifying Accounts and Reserves |

**(a)** **(3)** **Exhibits**

| | |
|---|---|
| | Certification of Principal Executive Officer |
| | Certification of Principal Financial Officer |
| 3(i) | Certificate of Incorporation |
| 3(ii) | Bylaws |
| 4 | Instruments Defining the Rights of Security Holders, Including Indentures |
| 10 | Material Contracts |
| 13 | Annual Report |
| 21 | Subsidiaries of the Registrant |
| 23 | Independent Auditors' Consent |

**(b)** **Reports on Form 8-K**

One report on Form 8-K was filed by the Company during the last quarter of the fiscal year ended November 30, 2002 as follows:

September 27, 2002 reporting under Item 9, Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.



**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Stockholders of Ameron International Corporation:

We have audited the consolidated financial statements of Ameron International Corporation and subsidiaries (the "Company") as of November 30, 2002 and 2001, and for each of the three years in the period ended November 30, 2002, and have issued our report thereon dated February 3, 2003. Such financial statements and report are included in your 2002 Annual Report to Stockholders and are incorporated herein by reference. Our audits also included the financial statement schedule listed in Item 15(a)2. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Deloitte & Touche LLP
Los Angeles, California
February 3, 2003



**AMERON INTERNATIONAL CORPORATION AND CONSOLIDATED SUBSIDIARIES**
**SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS AND RESERVES**
**FOR THE YEAR ENDED NOVEMBER 30, 2002**
**(In thousands)**

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other | Balance at End of Year |
|---|---|---|---|---|---|
| *DEDUCTED FROM ASSET ACCOUNTS* | | | | | |
| Allowance for doubtful accounts | $ 6,699 | $ 1,300 | $ (1,496) | $ 149 | $ 6,652 |
| Reserve for realization of investments in joint ventures | 18,190 | (1,282) | | | 16,908 |
| Reserve for write-down of assets related to certain foreign joint ventures | 2,360 | | | | 2,360 |
| *INCLUDED IN CURRENT LIABILITIES* | | | | | |
| Reserve for pending claims and litigation | $ 8,227 | $ 210 | $ (3,170) | $ 41 | $ 5,308 |
| Other reserves | 292 | | (66) | 10 | 236 |
| Reserve for self-insured programs | 14,223 | 3,833 | (3,834) | | 14,222 |

16

**AMERON INTERNATIONAL CORPORATION AND CONSOLIDATED SUBSIDIARIES**
**SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS AND RESERVES**
**FOR THE YEAR ENDED NOVEMBER 30, 2001**
**(In thousands)**

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other | Balance at End of Year |
|---|---|---|---|---|---|
| *DEDUCTED FROM ASSET ACCOUNTS* | | | | | |
| Allowance for doubtful accounts | $ 6,616 | $ 1,738 | $ (1,649) | $ (6) | $ 6,699 |
| Reserve for realization of investments in joint ventures | 16,358 | 1,832 | | | 18,190 |
| Reserve for write-down of assets related to certain foreign joint ventures | 2,649 | | (289) | | 2,360 |
| *INCLUDED IN CURRENT LIABILITIES* | | | | | |
| Reserve for pending claims and litigation | $ 13,744 | $ 1,362 | $ (6,864) | $ (15) | $ 8,227 |
| Other reserves | 217 | 151 | (75) | (1) | 292 |
| Reserve for self-insured programs | 12,620 | 5,047 | (3,438) | (6) | 14,223 |

17

**AMERON INTERNATIONAL CORPORATION AND CONSOLIDATED SUBSIDIARIES**
**SCHEDULE II VALUATION AND QUALIFYING ACCOUNTS AND RESERVES**
**FOR THE YEAR ENDED NOVEMBER 30, 2000**
**(In thousands)**

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|
| *DEDUCTED FROM ASSET ACCOUNTS* | | | | |
| Allowance for doubtful accounts | $ 6,937 | $ 1,953 | $ (2,143) | $ (131) |
| Reserve for realization of investments in joint ventures | 14,183 | 2,175 | | |
| Reserve for write-down of assets related to certain foreign joint ventures | 2,698 | | (49) | |
| *INCLUDED IN CURRENT LIABILITIES* | | | | |
| Reserve for pending claims and litigation | $ 16,370 | $ 8,259 | $ (10,745) | $ (140) |
| Other reserves | 252 | 89 | (97) | (27) |
| Reserve for self-insured programs | 11,239 | 4,256 | (2,694) | (181) |
| *INCLUDED IN LONG-TERM LIABILITIES* | | | | |
| Other reserves | $ 650 | $ 126 | $ (47) | $ (729 |

We will promptly deliver, upon request, separate copies of the proxy statement and
to any stockholder residing at an address at which only one copy was mailed. And v
remove your name from the householding program within 30 days of receiving you
Requests should be addressed to Investor Relations at our principal executive office
eligible for householding, but you and other stockholders of record currently receiv
copies of these proxy materials, or if you hold stock in more than one account, and
you wish to receive only a single copy of each of these documents for your househo
contact Broadridge, either by calling toll-free at: 1 800 542-1061, or by writing to
Householding Department, 51 Mercedes Way, Edgewood, NY 11717.

If you are a beneficial stockholder and own your shares through a bank or broker, p
your bank or broker to request additional copies, or you may contact Broadridge, ei
toll-free at: 1 800 542-1061, or by writing to Broadridge, Householding Departme
Way, Edgewood, NY 11717.

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

6

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

PROPOSAL NO. 1
ELECTION OF DIRECTORS

The Company's Amended and Restated Certificate of Incorporation provides that th be divided into three classes, with the directors in each class having a three-year ter Board determines that vacancies (including vacancies created by increases in the nu directors) shall be filled by the stockholders, and except as otherwise provided by la on the Board may be filled only by the affirmative vote of a majority of the remaini A director elected by the Board to fill a vacancy (including a vacancy created by an the number of directors) shall serve for the remainder of the full term of the class of which the vacancy occurred and until such director's successor is elected and qualif

The Board currently consists of eleven directors, divided into the following three cl

- Class I directors: Sigmund Anderman, Alan S. Henricks and Bernard M. Notas, wh terms will expire at the Annual Meeting;
- Class II directors: Carl Buccellato, A. Barr Dolan, Frank Schultz and Marina Levin current terms will expire at the annual meeting of stockholders to be held in 2016; a
- Class III directors: Jonathan Corr, Craig Davis, Robert J. Levin and Jeb S. Spencer, current terms will expire at the annual meeting of stockholders to be held in 2017.

At each annual meeting of stockholders, the successors to directors whose terms wi will be elected to serve from the time of election and qualification until the third sub annual meeting of stockholders.

The terms of Messrs. Henricks and Notas will end as of the Annual Meeting. On M our Board redesignated Mr. Schultz from a Class II director into a Class I director, a from a Class III director into a Class I director, effective as of the Annual Meeting. also appointed Mr. Buccellato to the compensation committee effective March 27, 2 appointed Mr. Davis to the audit committee and Mr. Schultz to the technology com effective following the Annual Meeting. After the Annual Meeting, the Board will nine directors, with two vacancies in Classes II and III, to be filled by the affirmativ majority of the directors then in office.

Messrs. Anderman, Davis and Schultz have been nominated to serve as Class I dire each agreed to stand for election. Each director to be elected will hold office from th their election by the stockholders until the third subsequent annual meeting of stock until his successor is elected and has been qualified, or until such director's earlier d resignation or removal.

Shares represented by executed proxies will be voted, if authority to do so is not wi election of the three nominees named below. In the event that any nominee should b for election as a result of an unexpected occurrence, such shares will be voted for th such substitute nominee as the Board may propose. Each person nominated for elec agreed to serve if elected, and management has no reason to believe that any nomin unable to serve. Directors are elected by a plurality of the votes cast at the meeting.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE
FOR THE ELECTION OF EACH NAMED NOMINEE.

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

The following table sets forth, for the Class I nominees and our other current directo
continue in office after the Annual Meeting, information with respect to their ages a
position/office held with the Company:

| Name | Age | Position/Office Held With the Company |
|---|---|---|
| Class I Nominees for Election at the Annual Meeting | | |
| Sigmund Anderman | 73 | Director and Executive Chairman |
| Craig Davis (1)(2)(3) | 63 | Director |
| Frank Schultz (3)(5) | 76 | Director |
| Class II Directors Whose Terms Expire at the 2016 Annual Meeting of Stockholder | | |
| Carl Buccellato (2)(4) | 72 | Director |
| A. Barr Dolan (2)(4) | 65 | Director |
| Marina Levinson (1)(5) | 56 | Director |
| Class III Directors Whose Terms Expire at the 2017 Annual Meeting of Stockholde | | |
| Robert J. Levin (1)(3)(5) | 59 | Director |
| Jeb S. Spencer (4) | 46 | Director |
| Jonathan Corr | 48 | President, Chief Executive Officer and Director |

(1) Member of the audit committee of the Board.
(2) Member of the compensation committee of the Board.
(3) Member of the nominating and corporate governance committee of the Board.
(4) Member of the mergers and acquisitions committee of the Board.
(5) Member of the technology committee of the Board.

Set forth below is biographical information for the nominees and each person whos
office as a director will continue after the Annual Meeting. The following includes
information regarding our directors' individual experience, qualifications, attributes
led the Board to conclude that they should serve as directors.

Nominees for Election to a Three-Year Term Expiring at the 2018 Annual Meeting
Stockholders

Sigmund Anderman, our founder, has served as executive chairman since February
member of the Board since our inception in August 1997. Mr. Anderman previously
chief executive officer from August 1997 through January 2015. Mr. Anderman co-
American Home Shield Corporation, a home warranty company, in 1973, and serve
general counsel until 1979 and as its chief executive officer from 1979 to 1982. Mr.
founded CompuFund, Inc., a computerized mortgage banking company, in 1982 an
chief executive officer until 1991. Mr. Anderman founded Inspectech Corporation,
computerized home inspection company, in 1991 and served as its chief executive o
1998. Mr. Anderman holds a Bachelor of Arts degree in Education from City Unive
York and a Juris Doctor from New York University. The Board has concluded that
Anderman should serve on the Board as executive chairman based on his extensive

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

leadership experience, knowledge of our company as founder and former chief exec
and comprehensive knowledge of the mortgage and mortgage technology industries
Craig Davis serves as the Board's lead independent director and has served on the B
January 2004. From September 2003 to the present, Mr. Davis has been a private in
December 1996 to September 2003, Mr. Davis served as president of the Home Loa
Insurance Services Group at Washington Mutual, a national bank. From January 19
December 1996, Mr. Davis held various positions at American Savings Bank, a fina
company, including as executive vice president and director of Mortgage Originatio
president of several ASB Subsidiaries. From May 1982 to January 1989, Mr. Davis
vice president at Griffin Financial Services, a financial services company and subsid
Savings of America. Mr. Davis has served on numerous boards and councils includi
Estate Board of Governors of the Mortgage Bankers Association and Fannie Mae's
Advisory Council. Mr. Davis holds Bachelor of Arts degrees in English and History
States International University. The Board has concluded that Mr. Davis should ser
Board and the compensation, audit and nominating and corporate governance comm
on his extensive experience in the residential mortgage industry and his service as a
some of the largest residential mortgage lenders in the United States.

8

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

Frank Schultz chairs the Board's nominating and corporate governance committee a
on the Board since June 2000. From 1995 to the present, Mr. Schultz has been a pri
From 1992 to 1995, Mr. Schultz served as chief executive officer, president and cha
board of directors of ITT Financial Corp., a financial services company. From 1983
Schultz was an executive vice president at Bank of America, a financial services co
which he oversaw consumer marketing, credit card and mortgage divisions. Mr. Sch
previously has served as a member of Fannie Mae's National Advisory Board and a
the Mortgage Bankers Association's Presidents' Council. Mr. Schultz holds a Bach
degree from Princeton University and a Master of Business Administration degree f
University. The Board has concluded that Mr. Schultz should serve on the Board an
nominating and corporate governance committee based on his extensive experience
executive and board member of companies in the mortgage and financial services in

Directors Continuing in Office Until the 2016 Annual Meeting of Stockholders

Carl Buccellato has served on the Board since December 1997 and will chair our co
committee beginning immediately following the Annual Meeting. Since March 201
Buccellato has been a private investor. From May 2008 to February 2012, Mr. Bucc
as chief executive officer and a director of SavingStreet, LLC, an e-commerce comp
1996 to May 2008, Mr. Buccellato was a private investor and, from June 2000 to M
served as a consultant to Ultrastrip Technologies, currently known as Echosphere T
an engineering, technology development and manufacturing company. Mr. Buccella
co-founder of Homeowners Group, Inc., a real estate services company, and served
president and chief executive officer from 1982 to 1996. Mr. Buccellato has also se
variety of industry boards, including the President's Advisory Council on Real Esta
Estate Buyers Council. The Board has concluded that Mr. Buccellato should serve o
and the compensation committee based on his experience in founding and managing
nationwide real estate services company, and his extensive background in advising
a director of many high growth companies.

A. Barr Dolan has served on the Board since June 2005 and was previously a memb
Board from December 1997 to November 2000. From 1982 to April 2010, Mr. Dola
general partner of Charter Ventures, a venture capital firm. From 1986 to May 2008
was a member of the board of directors for Heska Corporation, a veterinary product
Mr. Dolan is a member of the board of directors for several private companies, inclu
Inc. and CMD Consulting. Mr. Dolan holds a Bachelor of Arts degree in Chemistry
of Science degree in Engineering from Cornell University, a Master of Arts degree
Science from Harvard University and a Master of Business Administration degree f
University. The Board has concluded that Mr. Dolan should serve on the Board and
compensation committee based on his significant experience in analyzing, investing
serving on the boards of directors of many start-up and high growth companies.

Marina Levinson has served on the Board since August 2014 and will chair our tech
committee beginning immediately following the Annual Meeting. Ms. Levinson is t
and chief executive officer of CIO Advisory Group, LLC. She is also a partner at th
capital firm Benhamou Global Ventures and has chaired the Ellie Mae Technology
Board since March 2012. Ms. Levinson is a member of the board of directors of Qu
private company. From 2005-2011, Ms. Levinson served as senior vice president an

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

information officer for NetApp, Inc. From 1999-2005, she served as vice president information officer for Palm, Inc., having earlier served as senior director of global 3Com. The Board has concluded that Ms. Levinson should serve on the Board and t committee based on her extensive enterprise technology, business process and corp leadership experience.

Directors Continuing in Office Until the 2017 Annual Meeting of Stockholders

Robert J. Levin currently chairs both the audit committee and, until the date of our Meeting, the technology committee of our Board, and has served on the Board since 2009. From May 2009 to the present, Mr. Levin has been a consultant. From Augus February 2009, Mr. Levin was a senior advisor to Fannie Mae. From May 1981 to Mr. Levin served in a variety of executive positions at Fannie Mae, including servi business officer from January 2006 to August 2008, interim chief financial officer f December 2004 to December 2005 and executive vice president for housing and co development from August 1998 to December 2004. Mr. Levin currently serves as a the board of trustees for Morehouse College and the Bladder Cancer Advocacy Net Levin holds a Bachelor of Arts degree in Economics from the University of North Chapel Hill and a Master of Business Administration degree from the University of Board has concluded that Mr. Levin should serve on the Board and the audit and no corporate governance committees based on his extensive experience as a key execu years, serving a variety of functions for Fannie Mae, the largest investor in residen in the United States.

Jeb S. Spencer chairs the Board's mergers and acquisitions committee and has serv Board since August 2011. From September 2007 to the present, Mr. Spencer has se managing partner of TVC Capital, a private equity and venture capital firm, of whic co-founder. From September 2002 to April 2005, Mr. Spencer served as chief execu Del Mar DataTrac, a mortgage lending automation solutions company, and as its ch board of directors

9

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

from 2002 to 2005 and from 2008 to 2011. From December 1999 to April 2001, Mr
served as president and a member of the board of directors of Backwire.com, Inc., a
publishing company, of which he was a co-founder. Mr. Spencer was chairman of t
directors of Accordent Technologies, a video content management company. Mr. S
member of the board of directors for several private companies, including Centage
Edgewave, Inc., LocationSmart, Inc., HALO Business Intelligence Inc., Levels Bey
ReverseVision, Inc. Mr. Spencer holds a Bachelor of Arts degree in Political Scienc
Boston College and a Master of Business Administration degree from Harvard Univ
Board has concluded that Mr. Spencer should serve on the Board based on his exter
background in the software industry and his significant experience advising and ser
boards of directors of many start-up and high growth companies, including compan
mortgage and software industries.

Jonathan Corr, our chief executive officer since February 2015 and president since
2013, has served on the Board since February 2015. Previously, Mr. Corr served as
operating officer from November 2011 to February 2015, executive vice president a
strategy officer from November 2009 to November 2011, as chief strategy officer fr
2005 to November 2009 and as the Company's senior vice president of product mar
October 2002 to August 2005. Prior to joining the Company, Mr. Corr served in exe
management positions at PeopleSoft, Inc., Netscape Communications Corporation a
Kana/Broadbase Software/Rubric, a number of software companies that combined t
acquisition. The Board has concluded Mr. Corr should serve on the Board based on
experience, deep knowledge of our Company, and strategic mortgage industry and
industry technology knowledge.

Executive Officers

The following is biographical information for our executive officers not discussed a

| Name | Age | Position(s) |
|---|---|---|
| Limin Hu | 53 | EVP, Chief Technology Officer |
| Edgar A. Luce | 64 | EVP, Finance & Administration, Chief Financia |
| Cathleen Schreiner Gates | 60 | EVP, Sales & Marketing |
| Joseph Tyrrell | 49 | EVP, Corporate Strategy |

Limin Hu, one of our founders, has served as our chief technology officer since the
the Company in August 1997 and as our executive vice president and chief technolo
since November 2009. From January 1996 to August 1997, Mr. Hu served as chief
officer and president of Hugo Technologies, Inc., a technology consulting firm. Fro
1994 to January 1996, he served as vice president and general manager at Teknekro
Corporation, a software consulting company, and as its Director of Systems Techno
March 1994 to December 1994. From December 1990 to March 1994, Mr. Hu held
research positions at IBM Research Center. Mr. Hu holds a Bachelor of Science deg
Electrical Engineering from National Taiwan University and a Ph.D. in Electrical E
and Computer Science from the University of California at Berkeley.

Edgar A. Luce has served as our chief financial officer since July 2005 and as our e
president and chief financial officer since November 2009. From November 2004 to
Mr. Luce served as our acting chief financial officer. From January 2001 to April 20
served as chief financial officer for Sanarus Medical, Inc., a medical device compan

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

March 2000 to January 2001, he was chief financial officer, secretary and treasurer
Corporation, a cardiology imaging software company. From February 1997 to Marc
Luce was chief financial officer at Biex, Inc., a healthcare company, and from Augu
February 1997, he served as vice president, finance and administration and corporat
Penederm Inc., a public dermatology products company. Mr. Luce holds a Bachelor
degree in Economics from Stanford University and a Master of Business Administr
in Finance from the University of California at Los Angeles.

Cathleen Schreiner Gates has served as our executive vice president of sales & mar
March 2015, overseeing all sales, marketing, client management, professional servi
customer support and training. Previously, Ms. Schreiner Gates served as our senior
president of sales and client services from February 2012 to March 2015. From Janu
December 2011 Ms. Schreiner Gates served as senior vice president of sales and cli
for Bersin & Associates and from October 2008 to December 2010 she served as vi
of sales, business development and client success for Clickability, Inc. She has held
senior management positions with MarketTools, Inc. and Keynote Systems/Vividen
Schreiner Gates holds an MBA in finance from the Rutgers Graduate School of Ma
a BA in French literature from Douglass College-Rutgers University.

Joseph Tyrrell has served as our executive vice president of corporate strategy since
overseeing our product strategy, product management and our business and corpora
development efforts involving our network of current and potential business partner
and acquisition strategies. Mr. Tyrrell has been with our company since 2002 and

10

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

previously held the positions of senior vice president of corporate strategy from Ma
March 2015 and senior vice president of client management and business developm
August 2013 to March 2014. Prior to joining Ellie Mae, Mr. Tyrrell served as vice p
Providian Financial in addition to other executive positions within the mortgage ind
Tyrrell holds a Bachelors of Art in Business Management from St. Mary's College.

Independence of the Board of Directors

As required under the rules and regulations of the New York Stock Exchange (the "
majority of the members of a listed company's board of directors must qualify as "i
affirmatively determined by the Board. The Board consults with the Company's cou
that the Board's determinations are consistent with all relevant securities and other
regulations regarding the definition of "independent," including those set forth in pe
standards of the NYSE, as in effect from time to time.

Consistent with these considerations, after review of all relevant transactions or rela
between each director, or any of his or her family members, and the Company, its se
management and its independent registered public accounting firm, the Board has a
determined that Messrs. Buccellato, Davis, Dolan, Levin and Schultz, and Ms. Levi
independent directors within the meaning of the applicable NYSE listing standards.

As required under the NYSE rules and regulations, our independent directors meet
scheduled executive sessions at which only independent directors are present. The l
independent director, or if unavailable another independent director designee, presi
executive sessions. Each of our audit committee, compensation committee, and non
corporate governance committee is composed entirely of directors determined by th
independent within the meaning of the NYSE rules and regulations.

Information Regarding the Board of Directors and its Committees

Board Responsibilities; Risk Oversight

The Board is responsible for, among other things, overseeing the conduct of our bus
reviewing and, where appropriate, approving our major financial objectives, plans a
and reviewing the performance of our chief executive officer and other members of
based on reports from the compensation committee. Following the end of each year
conducts a self-evaluation, which includes a review of any areas in which the Board
management believes the Board can make a better contribution to our corporate gov
well as a review of the committee structure and an assessment of the Board's compl
corporate governance principles. In fulfilling the Board's responsibilities, directors
access to our management and independent advisors. With respect to the Board's ro
oversight, the audit committee discusses with management our policies with respect
assessment and risk management and our significant financial risk exposures and th
management has taken to limit, monitor or control such exposures. The audit comm
to the full Board with respect to these matters, among others.

Board Leadership

Chairman

Mr. Anderman currently serves as our chairman of the Board and holds the title of e
chairman. Mr. Corr serves as our chief executive officer. The Board has not adopted
policy on whether the same person should serve as both the chief executive officer a
of the Board or, if the roles are separate, whether the chairman should be selected fr

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

non-employee directors or should be an employee. The Board believes it is appropr the discretion and flexibility to make these determinations from time to time as nee appropriate leadership for the Company. At this time, the Board believes that it has best Board leadership structure for the Company and our stockholders by appointin Anderman as our executive chairman and Mr. Corr as our chief executive officer.

Lead Independent Director

Mr. Davis currently serves as the lead independent director for a term expiring imm the Annual Meeting. The independent directors have designated Mr. Davis to conti the lead independent director until the 2016 annual meeting of stockholders. The le independent director presides at all meetings of the Board at which the chairman or executive officer are not present, including executive sessions of the Board and the directors, briefs the chairman of the Board on any issues arising in the executive se facilitates discussions among independent directors on key issues and concerns out meetings, suggests calling Board meetings to the chairman of the Board when appr as a liaison between the chairman and the other directors, approves information sen collaborates with the chairman of the Board to set meeting agendas and Board info assists the chairs of the committees of the Board as requested, is available for cons direct communication with major stockholders upon request and performs such oth and responsibilities as set forth in the our corporate governance guidelines or as req Board or the independent directors from time to time. The lead independent directo authority to call additional executive

11

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

sessions of the independent directors and to encourage direct dialogue between all c
management, set the agenda for executive sessions of the Board and independent di
retain outside advisors and consultants that will report directly to the Board on boar
In performing the duties described above, the lead independent director is expected
with the chairs of the appropriate Board committees. The lead independent director
serve as the chair of the nominating and corporate governance committee.

Board Committees

The Board has the following standing committees: an audit committee; a compensa
committee; a nominating and corporate governance committee; a mergers and acqu
("M&A") committee and a technology committee. The composition and responsibil
committee are described below. Members serve on these committees until their resi
until otherwise determined by the Board.

The members of each of these committees as of December 31, 2014 are identified b
terms of directors Alan S. Henricks and Bernard M. Notas will end at our Annual M

| Audit Committee | Compensation Committee | Nominating and Corporate Governance Committee | M&A Committee | Techn Comn |
|---|---|---|---|---|
| Robert J. Levin (chair) | Bernard M. Notas (chair) | Frank Schultz (chair) | Jeb Spencer (chair) | Rober (chair |
| Alan S. Henricks | Craig Davis | Craig Davis | Carl Buccellato | Alan S |
| Marina Levinson | A. Barr Dolan | Robert J. Levin | A. Barr Dolan | Marin |
| Bernard M. Notas | | | | Berna |

At its March 23, 2015 meeting, our Board reconstituted the committees of the Boar
the adjournment of the Annual Meeting, as follows:

| Audit Committee | Compensation Committee | Nominating and Corporate Governance Committee | M&A Committee | Techn Comn |
|---|---|---|---|---|
| Robert J. Levin (chair) | Carl Buccellato (chair)* | Frank Schultz (chair) | Jeb Spencer (chair) | Marin (chair |
| Craig Davis | Craig Davis | Craig Davis | Carl Buccellato | Rober |
| Marina Levinson | A. Barr Dolan | Robert J. Levin | A. Barr Dolan | Frank |

*Mr. Buccellato was made a member of our compensation committee effective Ma

Audit Committee

The audit committee oversees our corporate accounting and financial reporting proc
other matters, the audit committee: evaluates the independent auditors' qualificatio
independence and performance; determines the engagement of the independent aud
and approves the scope of the annual audit and the audit fee; discusses with manage
independent auditors the results of the annual audit and the review of our quarterly
financial statements; approves the retention of the independent auditors to perform
permissible non-audit services; monitors the rotation of partners of the independent
the Ellie Mae engagement team as required by law; reviews our critical accounting
estimates; reviews and approves all material transactions with any related party; rev

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

corporate code of business conduct and ethics; and annually reviews the audit comm
and the committee's performance. Until our Annual Meeting, our audit committee s
directors Robert J. Levin, Alan S. Henricks, Bernard M. Notas and Marina Levinso
adjournment of the Annual Meeting, the audit committee will be reconstituted to co
directors Robert J. Levin, Craig Davis and Marina Levinson. Mr. Levin serves and
to serve in fiscal 2015 as the chairman of the audit committee. The audit committee
satisfies (and as will be constituted will satisfy) the independence requirements of t
the audit committee director independence requirements established by the SEC tha
companies listed on the NYSE. The Board has determined that Mr. Levin is an audi
financial expert as defined under the applicable rules of the SEC and has the financi
accounting or related financial management expertise required under applicable NY
regulations. This designation is a disclosure requirement of the SEC and does not in
Mr. Levin any duties, obligations, or liabilities greater than that which would other
imposed by virtue of their membership on the Board or the audit committee. In addi
designation does not affect the duties, obligations, or liabilities of any other directo
committee member. The Board has determined that

12

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

each audit committee member has sufficient knowledge in reading and understandi
statements to serve on the audit committee. All of the members of the audit commit
independent directors as defined under applicable SEC and NYSE rules and regulat
audit committee operates under a written charter that satisfies the applicable standa
and the NYSE. A copy of the audit committee charter and our code of business con
ethics are available on the Company's website at
http://www.elliemae.com/about/investor-relations/corporate-governance.

Compensation Committee

The compensation committee reviews and recommends policies relating to compen
benefits of our officers and employees. The compensation committee reviews and a
corporate goals and objectives relevant to the compensation of our chief executive o
other executive officers, evaluates the performance of these officers in light of thos
objectives, and sets the compensation of these officers based on such evaluations. T
compensation committee also oversees the issuance of stock options and other awa
stock plans. In addition, the compensation committee has authority to retain and fu
compensation consultants, independent legal counsel and other compensation advis
generally responsible for considering the independence of such advisers prior to sel
The compensation committee will review and evaluate, at least annually, the perfor
compensation committee and its members, including compliance of the compensati
with its charter. In fulfilling its responsibilities, the compensation committee may d
all of its responsibilities to a subcommittee of the compensation committee, but onl
consistent with our Amended and Restated Certificate of Incorporation and Amend
Restated Bylaws, Section 162(m) of the Internal Revenue Code of 1986, as amende
extent applicable), NYSE rules and other applicable law. Until our Annual Meeting
compensation committee shall consist of directors Carl Buccellato (appointed effec
2015), Bernard M. Notas, Craig Davis and A. Barr Dolan. At the adjournment of th
Meeting, the compensation committee will be reconstituted to consist of directors C
Buccellato, Craig Davis and A. Barr Dolan. Mr. Notas will continue to serve as cha
compensation committee until the Annual Meeting when Mr. Buccellato shall beco
All of the members of the compensation committee are independent under the appli
and regulations of the SEC, the NYSE and the Internal Revenue Code. In March 20
adopted a new charter for the compensation committee. A copy of the charter is ava
Company's website at http://www.elliemae.com/about/investor-relations/corporate-

Nominating and Corporate Governance Committee

The nominating and corporate governance committee is responsible for making rec
regarding candidates for directorships and the size and composition of the Board. In
nominating and corporate governance committee is responsible for overseeing our c
governance guidelines and reporting and making recommendations concerning gov
matters. The nominating and corporate governance committee will review and eval
annually, the performance of the nominating and corporate governance committee a
members, including compliance of the nominating and corporate governance comm
charter. The current and continuing members of the nominating and corporate gove
committee are Craig Davis, Robert J. Levin and Frank Schultz, with Mr. Schultz se
chairman of the committee. In March 2015, our Board adopted a new charter for th

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

and corporate governance committee. A copy of the charter and our corporate gover
guidelines are available on the Company's website at
http://www.elliemae.com/about/investor-relations/corporate-governance.

Mergers and Acquisitions Committee

The M&A committee was formed in August 2013 and is responsible for reviewing
acquisition strategy no less than annually, as well as reviewing potential mergers, a
investments or dispositions of material assets or a material portion of any business (
Transactions") and reporting its conclusions and recommendations to the Board, as
Among other matters, the M&A committee: reviews with management and the Boa
potential Major Transaction and how the Major Transaction fits with the Company'
plans and acquisition strategy; has the authority to evaluate and conduct diligence w
potential acquisition and investment candidates on behalf of the Company; reviews
management the integration of any acquired businesses and whether the Major Tra
the Company's business objectives and strategic plans; and has the ability to retain
accounting or other consultants or advisors to advise the M&A committee without s
approval. In addition, the M&A committee will review and evaluate, at least annua
performance of the M&A committee and its members, including compliance of the
committee with its charter. The current and continuing members of the M&A comm
Buccellato, A. Barr Dolan and Jeb Spencer, with Mr. Spencer serving as chairman
committee.

Technology Committee

The technology committee was formed in December 2014 and is responsible for ov
Company's information technology ("IT") strategy, operations, policies and contro
respect to product development, risk management, IT security, regulatory matters a
controls. Among other matters, the technology committee reviews

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

reports from management or other third parties relating to the Company's IT strateg operations, focusing on IT security, "cloud" service capacity and product reliability committee has the ability to retain independent counsel or outside experts and advis deems necessary and without seeking Board approval. In addition, the technology c review and evaluate, at least annually, the performance of the technology committe members, including compliance of the technology committee with its charter. Until Meeting, our technology committee shall consist of directors Alan S. Henricks, Rob Marina Levinson and Bernard M. Notas. At the adjournment of the Annual Meeting technology committee will be reconstituted to consist of directors Marina Levinson Levin and Frank Schultz. Mr. Levin will continue to serve as chairman of the techn committee until the Annual Meeting when Ms. Levinson shall become chairman.

Meetings of the Board of Directors, Board and Committee Member Attendance and Meeting Attendance

The Board met 11 times during last year. The audit committee met 16 times, the co committee met nine times, the nominating and corporate governance committee me M&A committee met six times and the technology committee did not meet last yea 2014, each Board member attended 75% or more of the aggregate of the meetings o and of the committees on which he served.

We encourage all of our directors and nominees for director to attend our annual me stockholders; however, attendance is not mandatory. All of our directors attended o meeting of stockholders in 2014.

Stockholder Communications with the Board of Directors

Should stockholders wish to communicate with the Board or any specified individu including our lead independent director, such correspondence should be sent to the the Secretary, at Ellie Mae, Inc., 4420 Rosewood Drive, Suite 500, Pleasanton, Cal The Secretary will forward the communication to the Board or any specified indivi as appropriate.

Stockholder Recommendations and Nominations for Membership on our Board of

The policy of our nominating and corporate governance committee is to consider p submitted stockholder recommendations for candidates for membership on the Boa evaluating such recommendations, the nominating and corporate governance comm address the membership criteria set forth under "Director Qualifications." Any stoc recommendations proposed for consideration by the nominating and corporate gove committee should be provided in writing and should be addressed to our Secretary Inc., 4420 Rosewood Drive, Suite 500, Pleasanton, California 94588. Stockholder recommendations must include the nominee's name and qualifications for member Board, a document signed by the candidate indicating the candidate's willingness t elected, and evidence of the stockholder's ownership of our common stock.

In addition to stockholder recommendations of candidates for membership on the B stockholder may nominate an individual for election to our Board in the manner set in accordance with the provisions of, our Amended and Restated Bylaws. Under Se our Bylaws, for a stockholder to make any nomination for election to the Board at a meeting, the stockholder must provide notice to the Company, which notice must b or mailed and received at, the Company's principal executive offices not less than 9

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

more than 120 days prior to the one-year anniversary of the preceding year's annual
provided, that if the date of the annual meeting is more than 30 days before or more
after such anniversary date, the stockholder's notice must be delivered, or mailed ar
later than 90 days prior to the date of the annual meeting or, if later, the 10th day fo
date on which public disclosure of the date of such annual meeting is made. Further
supplements to such notice may be required at the times and in the forms required u
Bylaws. Accordingly, assuming that the annual meeting of our stockholders to be he
occurs within 30 days before or 60 days after the first anniversary date of the Annua
any such notice of a nomination delivered by or on behalf of a stockholder pursuant
2.5 of our Bylaws must be received no earlier than February 18, 2016 and no later t
2016.

As set forth in our Bylaws, submissions must include the name and address of the p
nominee, information regarding the proposed nominee that is required to be disclos
statement or other filings in a contested election pursuant to Section 14(a) under the
Act, information regarding the proposed nominee's indirect and direct interests in s
Company's common stock, and a completed and signed questionnaire, representatio
agreement of the proposed nominee. Our Bylaws also specify further requirements
and content of a stockholder's notice. We recommend that any stockholder wishing
nomination for director review a copy of our Bylaws, as amended and restated to da
available, without charge, from our Secretary, at Ellie Mae, Inc., 4420 Rosewood D
500, Pleasanton, California 94588.

14

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

Director Qualifications
Our corporate governance guidelines contain membership criteria that apply to nom
election to our Board. In recommending candidates for election to the Board, the in
members of the nominating and corporate governance committee may consider the
criteria, among others the nominating and corporate governance committee shall de
appropriate: diversity of personal and professional background, perspective and exp
personal and professional integrity, ethics and values; experience in corporate mana
operations or finance, such as serving as an officer or former officer of a publicly h
and a general understanding of marketing, finance and other elements relevant to th
publicly-traded company in today's business environment; experience in the Compa
and with relevant social policy concerns; experience as a board member or executiv
another publicly held company; academic expertise in an area of the Company's op
practical and mature business judgment, including ability to make independent anal
inquiries; diversity of business or career experience relevant to the success of the C
any other relevant qualifications, attributes or skills. The Board evaluates each indi
context of the Board as a whole, with the objective of assembling a group that can b
the success of the business and represent stockholder interests through the exercise
judgment using its diversity of experience in these various areas.
The Board considers a number of factors in its evaluation of diversity, including ge
and ethnicity. As indicated above, diversity is one factor among many that the Boar
when evaluating director candidates. The nominating and corporate governance co
monitors its assessment of diversity as part of its annual self-evaluation process. Th
and corporate governance committee will reassess the qualifications of a director, i
director's attendance, involvement at Board and committee meetings and contributi
diversity, prior to recommending a director for re-election. Nominees will be scree
each candidate has qualifications which complement the overall core competencies
The screening process for new nominees includes conducting a background investi
independence determination.
Compensation Committee Interlocks and Insider Participation
During 2014, the compensation committee was composed of Craig Davis, A. Barr I
Bernard M. Notas, with Mr. Notas serving as the chairman of the committee. None
members of the compensation committee is or has at any time during last year been
employee of ours or was formerly an officer of ours. None of our executive officers
serves or in the last year has served as a member of the board of directors or compe
committee of any entity that has one or more executive officers serving on the Boar
compensation committee.
Risk Assessment and Compensation Practices
Our management assesses and discusses with the compensation committee our com
policies and practices for our employees as they relate to our risk management and,
this assessment, we believe that any risks arising from such policies and practices a
reasonably likely to have a material adverse effect on us in the future.
Our employees' base salaries are fixed in amount and thus we do not believe that th
excessive risk-taking. While performance-based cash bonuses and sales commissio
achievement of short-term or annual goals, which may encourage the taking of sho

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

the expense of long-term results, we believe that our compensation policies help mi
and our performance-based cash bonuses and sales commissions are limited, repres
portion of the total compensation opportunities available to most employees. We al
our performance-based cash bonuses and sales commissions appropriately balance
desire to focus our employees on specific short-term goals important to our success
encourage unnecessary or excessive risk-taking.

A significant proportion of the compensation provided to our employees is in the fo
long-term equity-based incentives that we believe are important to help further alig
employees' interests with those of our stockholders. We do not believe that these e
incentives encourage unnecessary or excessive risk taking because vesting schedule
staggered and their ultimate value is tied to our stock price.

This Proxy Statement, including the preceding paragraphs, contains forward-lookin
We have based these forward-looking statements largely on our current expectation
projections about future events. Forward-looking statements contained in this Prox
should be considered in light of the many uncertainties that affect our business and
those factors discussed from time to time in our public reports filed with the SEC, s
discussed under the heading, "Risk Factors," in our most recent Annual Report on F
as may be updated in subsequent SEC filings.

15

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

PROPOSAL NO. 2
RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The audit committee of the Board has engaged Grant Thornton LLP as our indepen
public accounting firm for the year ending December 31, 2015, and is seeking ratifi
selection by our stockholders at the Annual Meeting. Grant Thornton LLP has audit
financial statements since the year ended December 31, 2002. Representatives of G
LLP are expected to be present at the Annual Meeting. They will have an opportuni
statement if they so desire and will be available to respond to appropriate questions.

Neither our Bylaws nor other governing documents or applicable law require stockh
ratification of the selection of Grant Thornton LLP as our independent registered pu
accounting firm. However, the audit committee is submitting the selection of Grant
LLP to our stockholders for ratification as a matter of good corporate practice. If ou
fail to ratify the selection, the audit committee will reconsider whether or not to reta
Thornton LLP. Even if the selection is ratified, the audit committee in its discretion
the appointment of a different independent registered public accounting firm at any
the year if they determine that such a change would be in the best interests of the Co
our stockholders.

To be approved, the ratification of the selection of Grant Thornton LLP as our indep
registered public accounting firm must receive a "FOR" vote from the holders of a
voting power of the shares of common stock which are present in person or represen
and entitled to vote on the proposal. Abstentions and broker non-votes will be coun
quorum. Abstentions will have the same effect as an "AGAINST" vote for purposes
whether this matter has been approved. Broker non-votes will have no effect on the
this proposal.

Principal Accountant Fees and Services

The following table provides information regarding the fees incurred by Grant Thor
relation to the years ended December 31, 2014 and 2013. All fees described below
by the audit committee.

| | Year Ended 31, 2014 |
|---|---|
| Audit Fees | $771,175 |
| Audit-Related Fees | — |
| Tax Fees | — |
| All Other Fees | — |
| Total Fees | $771,175 |

Audit Fees

Audit fees of Grant Thornton LLP during 2014 and 2013 included the audits of Co
consolidated financial statements, the reviews of each of the quarterly condensed co
financial statements included in the Company's Quarterly Reports on Form 10-Q, s
rendered in connection with our registration statements on Form S-8, comfort letter
other matters related to the SEC.

Audit-Related Fees

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

There were no audit-related fees paid to Grant Thornton LLP during 2014 and 2013
Tax Fees
There were no tax fees paid to Grant Thornton LLP during 2014 and 2013. The Co
engages a different third-party service provider for its tax services.
All Other Fees
There were no other fees of Grant Thornton LLP during 2014 and 2013.
Pre-Approval Policies and Procedures
The audit committee pre-approves all audit and non-audit services provided by its i
registered public accounting firm. This policy is set forth in the charter of the audit
and available at http://www.elliemae.com/about/investor-relations/corporate-gover

16

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

The audit committee approved all audit and tax consulting services provided by Gra
LLP for 2014 and 2013 and the estimated costs of those services. Actual amounts b
extent in excess of the estimated amounts, were periodically reviewed and approved
committee.

The audit committee considered whether the non-audit services rendered by Grant T
were compatible with maintaining Grant Thornton LLP's independence and conclu
were so compatible.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE RATIFICA
THE SELECTION OF GRANT THORNTON LLP AS OUR INDEPENDENT REG
PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 201

17

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

PROPOSAL NO. 3
ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION
Pursuant to Section 14A of the Exchange Act, the Company is providing stockholde
advisory (non-binding) vote to approve compensation programs for our named exec
(sometimes referred to as "say on pay"). Accordingly, you may vote on the followi
the Annual Meeting:
"Resolved, that the stockholders approve, on a non-binding advisory basis, the com
the named executive officers, as disclosed in this Proxy Statement, pursuant to the c
disclosure rules of the Securities and Exchange Commission including the Compen
Discussion and Analysis, the accompanying compensation tables and the related na
disclosure that accompany the compensation tables."
To be approved, this proposal must receive a "FOR" vote from the holders of a maj
power of the shares of common stock which are present in person or represented by
entitled to vote on the proposal. Abstentions and broker non-votes will be counted t
quorum. Abstentions will have the same effect as an "AGAINST" vote for purposes
whether this matter has been approved. Broker non-votes will have no effect on the
this proposal.
This vote is nonbinding. The Board and the compensation committee, which is com
independent directors, expect to take into account the outcome of the vote when co
future executive compensation decisions to the extent they can determine the cause
any significant negative voting results. Consistent with the stated preference of a m
stockholders, the Board and the compensation committee determined that we will h
pay vote every year. Unless the Board and the compensation committee modify the
the frequency of future say on pay votes, the next say on pay vote will be held at the
meeting of stockholders.
As described in detail under "Compensation Discussion and Analysis," our compen
are designed to motivate our executives to create a successful company. Our philos
make a significant percentage of an executive officer's compensation tied to stockh
and to keep cash compensation to a competitive level while providing the opportuni
well-rewarded through equity if we perform well over time. We believe that our co
program, with its balance of short-term incentives (including performance bonuses)
long-term incentives (including equity awards), rewards sustained performance that
with long-term stockholder interests. Stockholders are encouraged to read the Comp
Discussion and Analysis, the accompanying compensation tables and the related na
disclosure.
THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVA
ADVISORY BASIS, OF THE COMPENSATION OF OUR NAMED EXECUTIV
AS DISCLOSED IN THE COMPENSATION DISCUSSION AND ANALYSIS, T
ACCOMPANYING COMPENSATION TABLES AND THE RELATED NARRA
DISCLOSURE INCLUDED IN THIS PROXY STATEMENT.

18

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

PROPOSAL NO. 4
APPROVAL OF AMENDMENTS TO OUR CERTIFICATE OF INCORPORATI
ELIMINATE SUPERMAJORITY VOTING PROVISIONS

We are proposing amendments to our current Amended and Restated Certificate of to eliminate the supermajority voting provisions contained therein.

Background

At our 2014 annual meeting of stockholders, approximately 90% of our stockholde and approved a proposal to direct the Board to take steps necessary to eliminate the voting provisions contained in our current Amended and Restated Certificate of Inc and Bylaws. As a result, the Board evaluated the voting requirements imposed by o and Restated Certificate of Incorporation and Bylaws and the Board believes that th "majority of outstanding shares" voting requirement which will replace the current voting requirement will continue to provide protection against proposals that are ha stockholders. The Board believes that a "majority of outstanding shares" standard is outcome that responds to stockholder feedback while appropriately maintaining the defensive posture against hostile takeovers.

For these reasons and in light of the strong stockholder support of this proposal at t annual meeting of stockholders, and based on the Board's evaluation of our corpora practices and the best interests of the Company and its stockholders, we are asking stockholders to approve amendments to our Amended and Restated Certificate of In to eliminate the supermajority voting provisions contained therein. The Board appro recommends that our stockholders approve the proposed amendments to our curren and Restated Certificate of Incorporation as set out below and in Appendix A.

Proposed Amendments to our Current Amended and Restated Certificate of Incorpo

Approval of this Proposal 4 will result in the following changes to our current Ame Restated Certificate of Incorporation:

- Directors and Powers. Article V, Paragraph B(1) will provide that the Company's C Incorporation or Bylaws may be rescinded, altered, amended or repealed in any res affirmative vote of the holders of at least a majority of the voting power of all of th then-outstanding shares of the Voting Stock.
- Amendments to Certificate of Incorporation. Article VIII will provide that the affir the holders of at least a majority of the voting power of all of the then-outstanding s Voting Stock, voting together as a single class, shall be required to alter, amend or all of Section B of Article IV (Terms of the Preferred Stock), Article V (Directors a Article VII (Limitation of Liability and Indemnification) or this Article VIII (Amen Certificate of Incorporation).

The summary of the proposed amendments to Article V, Paragraph B(1) and VIII o Amended and Restated Certificate of Incorporation set forth above is qualified in it the Second Amended and Restated Certificate of Incorporation, which shows the te proposed amendments, which is attached as Appendix A to this Proxy Statement. T be deleted is stricken through and additions to text are indicated by underlining as s Appendix A.

The approval of the proposed amendments to our current Amended and Restated Ce Incorporation requires the affirmative vote of the holders of at least 66 2/3% of the

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

capital stock issued and outstanding and entitled to vote. If this proposal is approve
stockholders, we intend to promptly file the Second Amended and Restated Certific
Incorporation with the State of Delaware. Our Amended and Restated Bylaws refle
elimination of supermajority voting provisions was approved by our Board and bec
as of July 11, 2014.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THIS PROPOSA
ADOPT THE COMPANY'S SECOND AMENDED AND RESTATED CERTIFIC
INCORPORATION TO ELIMINATE ALL SUPERMAJORITY VOTING PROVI

19

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANA

The following table presents information regarding the beneficial ownership of our stock as of March 31, 2015 by:

- each person known by us to beneficially own more than 5% of our outstanding shar stock;
- each named executive officer as set forth in the summary compensation table below
- each of our directors; and
- all current executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and ger includes voting or investment power with respect to securities. Unless otherwise inc to our knowledge, the persons named in the table have sole voting and sole investm with respect to all shares beneficially owned, subject to community property laws w applicable. Shares of our common stock (i) subject to options that are currently exer exercisable within 60 days of March 31, 2015 and (ii) subject to restricted stock uni within 60 days of March 31, 2015, are deemed to be outstanding and to be beneficia the person holding the options or restricted stock units, as applicable, for the purpos computing the percentage ownership of that person, but are not treated as outstandin purpose of computing the percentage ownership of any other person.

Percentage ownership of our common stock in the table below is based on 29,274,6 our common stock issued and outstanding on March 31, 2015. Except as set forth b address of each of the individuals and entities named below is c/o Ellie Mae, Inc., 4 Rosewood Drive, Suite 500, Pleasanton, California 94588.

| | Shares of Common Stock Beneficiall | | |
|---|---|---|---|
| Name of Beneficial Owner | Common Stock | Options Exercisable Within 60 Days | Shares Beneficiall Owned |
| 5% Stockholders: | | | |
| PRIMECAP Management Company (2) | 3,813,245 | — | 3,813,245 |
| Tremblant Capital Group (3) | 1,694,837 | — | 1,694,837 |
| Frontier Capital Management Co., LLC (4) | 1,598,386 | — | 1,598,386 |
| Entities affiliated with BlackRock Inc. (5) | 1,623,636 | — | 1,623,636 |
| The Vanguard Group (6) | 1,697,229 | — | 1,697,229 |
| Sylebra Capital Management (7) | 1,939,783 | — | 1,939,783 |
| Jackson Square Partners, LLC (8) | 1,449,098 | — | 1,449,098 |
| Named Executive Officers and Directors: | | | |
| Sigmund Anderman (9) | 587,962 | 77,086 | 665,048 |
| Edgar Luce (10) | 72,550 | 102,546 | 175,096 |
| Jonathan Corr (11) | 158,616 | 74,404 | 233,020 |
| Limin Hu (12) | 268,348 | 65,107 | 333,455 |
| Carl Buccellato (13) | 38,365 | 73,332 | 111,697 |
| Craig Davis (14) | 58,332 | 88,998 | 147,330 |
| A. Barr Dolan | — | 62,666 | 62,666 |
| Alan S. Henricks (15) | 6,700 | 12,000 | 18,700 |

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

| | | | |
|---|---|---|---|
| Robert J. Levin (16) | 6,340 | 72,666 | 79,006 |
| Bernard M. Notas (17) | 133,667 | 3,000 | 136,667 |
| Frank Schultz | — | 4,000 | 4,000 |
| Jeb Spencer | 1,005 | 37,517 | 38,522 |
| Marina Levinson | — | — | — |
| All 15 directors and executive officers as a group (18) | 1,344,336 | 759,929 | 2,104,265 |

* Represents beneficial ownership of less than one percent of the outstanding shares stock.

20

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

(1) Represents shares of common stock held, common stock held in escrow for 2012 Shares, 2013 Performance Shares and 2014 Performance Shares, options that are within 60 days of March 31, 2015, and restricted stock units that vest within 60 31, 2015, by such individuals. Includes shares held in the beneficial owner's nan with others, or in the name of a bank, nominee or trustee for the beneficial owne Reported numbers do not include options that vest more than 60 days after Marc

(2) Based on information set forth in an Amendment No. 3 to Schedule 13G filed w February 13, 2015. The address of PRIMECAP Management Company is 225 S Ave., #400, Pasadena, California 91101.

(3) Based on information set forth in an Amendment No. 1 to Schedule 13G filed w February 17, 2015. The address of Tremblant Capital Group is 767 Fifth Avenue New York 10153.

(4) Based on information set forth in an Amendment No. 1 to Schedule 13G filed w February 13, 2015. The address of Frontier Capital Management Co., LLC is 99 Boston, Massachusetts 02110.

(5) Based on information set forth in a Schedule 13G filed with the SEC on January BlackRock Inc., BlackRock (Luxembourg) S.A., BlackRock Advisors, LLC, Bla Management Canada Limited, BlackRock Fund Advisors, BlackRock Institution Company, N.A., BlackRock International Limited, BlackRock Investment Mana Ltd, and BlackRock Investment Management, LLC have shared voting or dispos over these shares. The address of BlackRock Inc. is 40 East 52nd Street, New Y York 10022.

(6) Based on information set forth in a Schedule 13G filed with the SEC on Februar a result of serving as investment managers, (i) Vanguard Fiduciary Trust Compa wholly-owned subsidiary of The Vanguard Group, Inc. ("The Vanguard Group" beneficial owner of 32,330 shares and (ii) Vanguard Investments Australia, Ltd. wholly-owned subsidiary of The Vanguard Group, is the beneficial owner of 1,2 address of The Vanguard Group is 100 Vanguard Blvd., Malvern, Pennsylvania

(7) Based on information set forth in a Schedule 13G filed with the SEC on Februar Sylebra HK Company Limited ("Sylebra HK") may be deemed to be a beneficia shares by virtue of its position as investment advisor to Sylebra Capital Manage Jeffrey Richard Fieler and Daniel Patrick Gibson, who serve as directors to Syle who equally share ownership of Sylebra HK, may be deemed to be beneficial ow shares. The address of Sylebra Capital Management is 20th Floor, 28 Hennessy Chai, Hong Kong.

(8) Based on information set forth in a Schedule 13G filed with the SEC on Februar The address of Jackson Square Partners, LLC is 101 California Street, Suite 375 Francisco, CA 94111.

(9) Includes 204,837 shares held by The Sigmund and Susan Anderman Family Tru shares held by the Sigmund Anderman TTEE Sigmund Anderman 2014 GRAT 12/12/2014, 100,000 shares held by Susan Anderman TTEE Susan Anderman 20 U/A DTD 12/12/2014, 10,000 shares held by Sigmund Anderman, 110,000 shar escrow for 2012 Performance Shares, 27,500 shares held in escrow for 2013 Per Shares, and 35,625 shares held in escrow for 2014 Performance Shares.

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

(10) Includes 44,000 shares held in escrow for 2012 Performance Shares, 9,626 shar escrow for 2013 Performance Shares, 14,250 shares held in escrow for 2014 Pe Shares and 4,674 ESPP shares.

(11) Includes 70,341 shares held by Jonathan & Rae Corr 2006 Family Trust DTD 1 56,000 shares held in escrow for 2012 Performance Shares, 13,750 shares held 2013 Performance Shares, and 18,525 shares held in escrow for 2014 Performa

(12) Includes 204,361 shares held by Limin Hu, 44,000 shares held in escrow for th Performance Awards, 6,875 shares held in escrow for 2013 Performance Share shares held in escrow for 2014 Performance Shares, and 1,000 ESPP shares.

(13) Includes 38,365 shares held jointly by Carl Buccellato and Mary Ellen Buccella

(14) Includes 16,666 shares held by Craig S Davis Trustee & Lecia A Davis Trustee Family Trust Dated 12/8/1995.

(15) Includes 6,700 shares held by The Henricks Family Trust.

(16) Includes 6,340 shares held jointly by Robert and Abby Levin.

(17) Includes 113,667 shares held by The Notas Family Trust.

(18) Includes shares held by Cathleen Schreiner Gates, executive vice president of s marketing, and Joseph Tyrrell, executive vice president of corporate strategy, w appointed as executive officers on March 23, 2015.

21

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's directors and executive persons who own more than 10% of a registered class of the Company's equity secu with the SEC initial reports of ownership and reports of changes in ownership of co and other equity securities of the Company. Officers, directors and greater than 10% are required by SEC regulations to furnish the Company with copies of all Section they file.

To the Company's knowledge, based solely on a review of the copies of such report the Company and written representations that no other reports were required, during year ended December 31, 2014, all Section 16(a) filing requirements applicable to c directors and greater than 10% stockholders were complied with except that Mr. Lu Form 4 on one occasion but a Form 4 was subsequently filed and all transactions ar this Proxy Statement.

DIRECTOR COMPENSATION

Our non-employee director compensation policy currently provides that each non-e director receives an annual cash retainer of $32,000. Our lead independent director additional annual cash retainer of $15,000. In addition, all non-employee directors one or more committees are eligible to receive the following annual committee fees

| Committee | Chair |
|---|---|
| Audit committee | $15,000 |
| Compensation committee | 12,000 |
| Nominating and corporate governance committee | 7,500 |
| Mergers and acquisitions committee | 9,000 |
| Technology committee(1) | 10,000 |

(1) Since the technology committee was formed on December 19, 2014, the technol committee fees were prorated with the chair of the technology committee receivi and the members of the technology committee (other than the chair) receiving $ their service on the committee in 2014.

Based upon a recommendation by the compensation committee, on March 23, 2015 approved certain increases to the non-employee director compensation policy to tak immediately after the Annual Meeting, increasing the annual cash retainer for each our audit committee to $12,000, or $20,000 in the case of the chairman of the audit well as increasing the annual cash retainer paid to our lead independent director to non-employee director will continue to receive an annual cash retainer of $32,000. non-employee directors who serve on one or more committees will be eligible to re following revised annual committee fees:

| Committee | Chair |
|---|---|
| Audit committee | $20,000 |
| Compensation committee | 12,000 |
| Nominating and corporate governance committee | 7,500 |
| Mergers and acquisitions committee | 9,000 |

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

| | |
|---|---|
| Technology committee | 10,000 |

Other than the annual retainers and committee fees described above, non-employee
not entitled to receive any cash fees in connection with their service on our Board. I
newly elected or appointed non-employee directors are entitled to receive an option
restricted stock units equal to $150,000, plus a pro-rata portion of the annual stock o
restricted stock grant described below based on when the director joins our Board re
date of the previous year's annual meeting, upon initial election or appointment to t
addition, our non-employee directors are entitled to receive both an option to purcha
our common stock with a $100,000 value based on the Black-Scholes option pricing
restricted stock units with a $100,000 value automatically immediately after each an
of stockholders. Options granted to non-employee directors will have a per share ex
equal to the closing trading price of our common stock as of the date of grant. The i
restricted stock unit grant will vest 1/3rd on each anniversary of the date of grant ov
from the date of grant. The initial pro-rata portion of the annual stock option grant v
equal monthly installments until the date of the next annual meeting of stockholders
initial pro-rata portion of the annual restrict stock grant vests in full on the date of th
meeting of stockholders. Subsequent annual option grants

22

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

will vest in equal monthly installments over one year from the date of grant and sub
annual restricted stock unit grants will vest 100% on the first anniversary of the dat
directors who are employees are compensated for their service as employees and do
any additional compensation for their service on the Board.

The following table sets forth information concerning the compensation paid or acc
services rendered to us in all capacities by our non-employee directors during the fi
ended December 31, 2014.

| Name | Fees Earned or Paid in Cash | Option Awards (1) | Stock Awards (2) |
|---|---|---|---|
| Carl Buccellato | 34,317 | 143,959 | — |
| Craig Davis | 47,992 | 143,959 | — |
| A. Barr Dolan | 43,517 | 143,959 | — |
| Alan S. Henricks | 43,291 | 143,959 | — |
| Robert J. Levin | 43,999 | 143,959 | — |
| Marina Levinson | 15,038 | — | 300,389 |
| Bernard M. Notas | 50,291 | 143,959 | — |
| Frank Schultz | 35,958 | 143,959 | — |
| Jeb S. Spencer | 38,500 | 143,959 | — |

(1) Amounts do not reflect compensation actually received by the director. Instead, represent aggregate grant date fair value of options granted during 2014 compute accordance with ASC Topic 718 Stock Compensation. The valuation assumptio determining such amounts are described in Notes 2 and 10 of the Consolidated F Statements included in our Annual Report on Form 10-K for the year ended Dec 2014.

(2) Amounts do not reflect compensation actually received by the director. Instead t included in the “Stock Awards” column represent the grant date fair value of aw calculated in accordance with ASC Topic 718. For a discussion of the assumptio the valuations reflected in this column, see Notes 2 and 10 of the Consolidated F Statements included in our Annual Report on Form 10-K for the year ended Dec 2014.

The following table shows the number of shares subject to outstanding and unexerc
awards and the number of shares subject to outstanding stock awards held by each o
non-employee directors as of December 31, 2014:

| Name | Number of Shares Subject to Outstanding Options as of 12/31/14 |
|---|---|
| Carl Buccellato | 73,332 |
| Craig Davis | 88,998 |

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

| | |
|---|---|
| A. Barr Dolan | 62,666 |
| Alan S. Henricks | 24,000 |
| Robert J. Levin | 72,666 |
| Marina Levinson | — |
| Bernard M. Notas | 46,000 |
| Frank Schultz | 19,550 |
| Jeb S. Spencer | 37,517 |

23

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

COMPENSATION DISCUSSION AND ANALYSIS

This section discusses the principles underlying our policies and decisions with resp
compensation of our executive officers who are named in the "2014 Summary Com
Table" and the material factors relevant to an analysis of these policies and decision
executive officers for 2014 were as follows: Sigmund Anderman, chief executive o
Luce, executive vice president and chief financial officer; Jonathan Corr, president
operating officer; Limin Hu, executive vice president and chief technology officer;
executive vice president and general counsel. Ms. Lee resigned from the Company
September 2, 2014. Effective January 5, 2015, Mr. Anderman became our executiv
and Jonathan Corr became our president and chief executive officer. However, as th
in this section relates to fiscal year 2014, we refer to Mr. Anderman as our chief exe
and Mr. Corr as our president and chief operating officer.

Good Governance and Best Practices

We endeavor to maintain sound governance standards consistent with our executive
compensation policies and practices. The compensation committee evaluates our ex
compensation program on a regular basis to ensure that it is consistent with our sho
long-term goals given the dynamic nature of our business and the market in which
for executive talent. The following policies and practices were in effect during fisca

- Independent Compensation Committee. The compensation committee is comprised independent directors.
- Independent Compensation Committee Advisors. The compensation committee eng compensation consultant, Compensia, Inc. ("Compensia"), to assist with its fiscal 2 compensation reviews. Compensia performed no other consulting or other services
- Annual Executive Compensation Review. The compensation committee conducts a review and approval of our compensation strategy, including a review of our compe group used for comparative purposes and a review of our compensation-related risk ensure that our compensation-related risks are not reasonably likely to have a mater effect on our Company.
- Executive Compensation Policies and Practices. Our compensation philosophy and corporate governance policies and practices are complemented by several specific c practices that are designed to align our executive compensation with long-term stoc interests, including the following:
- Compensation At-Risk. Our executive compensation program is designed so that a portion of compensation is "at risk" based on corporate performance, as well as equ align the interests of our executive officers and stockholders;
- No Post-Employment Tax Reimbursements. We do not provide any tax reimbursen (including "gross-ups") on any severance or change-in-control payments or benefit
- "Double-Trigger" Change-in-Control Arrangements. All change-in-control paymen are based on a "double-trigger" arrangement (that is, they require both a change-in- Company plus a qualifying termination of employment before payments and benefi
- Performance-Based Incentives. We use performance-based short- and long-term in
- Multi-Year Vesting Requirements. The equity awards granted to our named executi vest or are earned over multi-year periods, consistent with current market practice a retention objectives;

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

- No Retirement Plans. We do not currently offer, nor do we have plans to provide, p arrangements, retirement plans or nonqualified deferred compensation plans or arra our named executive officers other than the plans available to all employees;
- Limited Perquisites. We provide limited perquisites or other personal benefits to ou executive officers;
- No Tax Reimbursements. We do not provide any tax reimbursement payments (inc "gross-ups") on any perquisites or other personal benefits, other than standard reloc
- No Special Health or Welfare Benefits. Our named executive officers participate in Company-sponsored health and welfare benefits programs on the same basis as our full-time, salaried employees;
- Pledging Prohibited. Our named executive officers and Board members are prohibi pledging our common stock as collateral to secure loans and our executive officers members may not

24

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

purchase put and call options or engage in any other hedging transactions through R
trading plans.

- Succession Planning. We review the risks associated with key executive officer pos
ensure adequate succession plans are in place; and
- Compensation Risk. The compensation committee regularly reviews our compensa
risk. The compensation committee has determined the Company's compensation pr
create inappropriate or excessive risk that is likely to have a material adverse effect
Company.

Objectives and Philosophy of Our Executive Compensation Program

We recognize that our ability to excel depends on the integrity, knowledge, imagina
diversity and teamwork of our named executive officers. To this end, we strive to cr
environment of mutual respect, encouragement and teamwork that rewards commit
performance and that is responsive to the needs of our named executive officers. Th
and objectives of our compensation and benefits programs for our employees gener
our named executive officers specifically, are to:

- attract, engage and retain individuals of superior ability, experience and managerial
enabling us to be an employer of choice in the highly-competitive and dynamic info
technology industry;
- ensure compensation is closely aligned with our corporate strategies, business and f
objectives and the long-term interests of our stockholders;
- motivate and reward executives whose knowledge, skills and performance ensure o
success;
- ensure that the elements of compensation, individually and in the aggregate, do not
excessive risk-taking; and
- ensure that total compensation is fair, reasonable and competitive.

The compensation components described below simultaneously fulfill one or more
principles and objectives.

Components of Our Executive Compensation Program

The individual components of our executive compensation program consist primari
salary, (ii) performance-based bonuses, (iii) equity incentives, (iv) retirement saving
opportunities, (v) post-termination benefits and (vi) various other employee benefits
each of these components as related but distinct, reviewing them each individually,
collectively to ensure that the total compensation paid to our named executive offic
objectives of our executive compensation program as detailed above. Not all compe
components are provided to each named executive officer. Instead, we determine th
level for each compensation component based in part, but not exclusively, on our u
of the market in which we compete for talent based on the experience of members o
the length of service of our named executive officers, internal parity of the compens
our executives, the criticality of the executive for our business, the marketability of
in the market, our overall performance and other considerations we deem relevant. 
compensation committee endeavors to make compensation decisions that are consis
recruiting and retention goals. We review each compensation component for interna
consistency between named executive officers with similar levels of responsibility.

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

We strive to achieve an appropriate mix between equity incentive awards and cash p
order to meet our objectives. We do not currently have any policies for allocating co
between short- and long-term compensation or cash and non-cash. While we utilize
and long-term compensation components, our strategy with respect to the compensa
named executive officers is to tie a greater percentage of their total compensation to
performance-based compensation, which we achieve through the use of annual bonu
equity incentives. Base salaries paid to our named executive officers are kept at a co
level, as determined by members of the compensation committee and other member
based on their experience and their review of market data, with the opportunity for e
executive officer to achieve higher total compensation through bonuses and equity i
we perform well over time. We emphasize equity compensation because we believe
the achievement of our business and financial objectives will be reflected in the valu
equity, thereby increasing stockholder value, our named executive officers will be i
achieve these objectives when a larger percentage of their total compensation is tied
of our stock. In order to accomplish these goals, we use stock options, restricted sto
performance shares ("Performance Shares") as a significant component of compens
offer competitive base salaries, we believe bonuses and stock-based compensation a
motivators in retaining and rewarding employees for technology companies.

Each of the individual components of our named executive officers' compensation i
more detail below. While we have identified particular compensation objectives tha
component of our named executive officers' compensation serves, our compensatio
designed to be flexible and complementary and to collectively serve all

25

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

of the compensation objectives described above. Accordingly, whether or not speci
mentioned below, we believe that, as a part of our overall executive compensation p
individual element, to a greater or lesser extent, serves each of our objectives.

Compensation Determination Process

Compensation of our named executive officers has historically been highly individu resulting from independent negotiations between us and the chief executive officer, such individuals, and based on a variety of informal factors considered at the time c applicable compensation decisions including, in addition to the factors listed above:

- our financial condition and available resources;
- the need for a particular position to be filled;
- the competitive market;
- the length of service of the named executive officer; and
- comparisons to the compensation levels of our other executives.

Our chief executive officer, and, in the case of our chief executive officer, the Boar reviews the performance of each of our named executive officers on an annual basis do not set a predetermined time for such review. Our chief executive officer, based experience and his review of our executives' performance, recommends compensat our named executive officers, other than himself, to the compensation committee fo With respect to compensation levels for our chief executive officer, the compensatio makes recommendations to the Board for approval.

The compensation committee engages Compensia, an independent compensation co with substantial experience in the technology sector, to evaluate our levels and type compensation and to recommend changes from time to time as appropriate.

On an annual basis, Compensia recommends to the compensation committee for ap group of companies determined based on an analysis of companies in our industry a relative revenue and market capitalization to be used in evaluating our compensatio peer group is revised as necessary and is comprised of companies in the software ar software services industry with revenue and market capitalization that we believe re competitive market we will face as a high growth public company. In December 20 Compensia updated the peer group by adding certain companies that had recently co initial public offerings and removing companies included as part of the peer group f 2013 that were acquired by other companies. The peer group recommended by Con approved by our compensation committee for purposes of evaluating compensation 2014 was comprised of the following companies:

| | | |
|---|---|---|
| American Software | Angie's List | Bazaarvoice |
| Cornerstone OnDemand | Demandware | Financial Engines |
| Guidance Software | Jive Software | Live Person |
| LogMeln | Marketo | Open Table |
| Sci Quest | SPS Commerce | Tangoe |
| Trulia | Vocus | Yelp |

In addition to the peer group, the compensation committee reviews broader market Radford survey. The Radford survey data consists of survey information from a bro technology companies with revenues similar to ours. The Radford survey data was into the Compensia market study provided to the compensation committee. Togethe

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

the peer and Radford data as the market data. Depending on the position, the comm
favor one set of data or the other or look at a blend based on the robustness of the da
the closeness of the market data to the responsibilities and duties of the executive.

Base Salaries

In general, base salaries for our named executive officers were initially established
arm's-length negotiation at the time a named executive officer was hired, taking int
named executive officer's qualifications, experience and salary prior to joining the
strive to maintain base salaries for our named executive officers that are competitive
remaining cost-effective.

Periodic adjustments to the base salaries of our named executive officers are based
each executive's responsibilities, individual contribution, prior experience and susta
performance. Decisions regarding salary increases may

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

take into account the executive's current salary and equity ownership, and the salari
executive's peers within the Company. Base salaries are typically reviewed as part o
promotion process or upon other significant changes in responsibility.

In determining 2014 base salaries for our executives, Compensia provided updated
showing base salaries for similarly situated executives at the 25th, 50th, 60th and 75th
In evaluating the market data provided by Compensia, the weight the compensation
gave to the market data varied by executive based on how closely the executive's p
responsibilities appeared to match those for the position the executive was matched
market data. The compensation committee and the Board referred to this market dat
experience in setting 2014 compensation levels for our executive officers in order to
their decisions were competitive and reasonable. Following its review, the compens
committee determined to increase only our general counsel's salary to $275,000, wh
compensation committee determined was warranted to provide her with a market-co
salary reflective of her performance and to align her compensation more closely wi
named executive officers. Base salaries for fiscal year 2014 were as follows:

| Name and Principal Position | New Base Salary |
|---|---|
| Sigmund Anderman, Chief Executive Officer | $410,000 |
| Jonathan Corr, President and Chief Operating Officer | 310,000 |
| Edgar Luce, EVP & Chief Financial Officer | 280,000 |
| Limin Hu, EVP & Chief Technology Officer | 270,000 |
| Elisa Lee, EVP & General Counsel | 275,000 |

The actual base salaries paid to all of our named executive officers during fiscal yea
forth in the "2014 Summary Compensation Table."

Annual Cash Bonuses

In addition to base salaries, annual performance-based cash bonus opportunities hav
awarded to our named executive officers when the compensation committee, upon t
recommendation of our chief executive officer (other than with respect to his own a
bonus opportunity), and the Board, upon recommendation of the compensation com
annual cash bonus for our chief executive officer, have determined that such an ince
necessary to align our corporate goals with the cash compensation payable to an exe
Historically, annual cash bonus opportunities have been awarded to each of our nam
officers.

In January 2014, the compensation committee reviewed the executive cash bonus o
for fiscal year 2014 against the market data, and determined that it would keep cash
bonuses for our executives as a percentage of their base salaries at the same levels a
approving the cash bonus targets, the compensation committee considered the mark
understand how the target bonuses and the target total cash compensation compared
but they did not target a specific market percentile in establishing the target bonuses
executive officers.

Following these approvals, the 2014 cash target bonus eligibility for Messrs. Ander
Luce and Hu and Ms. Lee were as follows:

Name and Principal Position

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

| | Old Target Bonus Percentage | New Target Bonus Percentage |
|---|---|---|
| Sigmund Anderman, Chief Executive Officer | 100% | 100% |
| Jonathan Corr, President and Chief Operating Officer | 100 | 100 |
| Edgar Luce, EVP & Chief Financial Officer | 60 | 60 |
| Limin Hu, EVP & Chief Technology Officer | 60 | 60 |
| Elisa Lee, EVP & General Counsel | 50 | 50 |

27

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

| Name and Principal Position | Old Target Bonus Amount ($) | New Target Bonus Amount ($) |
|---|---|---|
| Sigmund Anderman, Chief Executive Officer | $410,000 | $410,000 |
| Jonathan Corr, President and Chief Operating Officer | 310,000 | 310,000 |
| Edgar Luce, EVP & Chief Financial Officer | 168,000 | 168,000 |
| Limin Hu, EVP & Chief Technology Officer | 162,000 | 162,000 |
| Elisa Lee, EVP & General Counsel | 130,000 | 137,500 |

Under their bonus arrangements, Messrs. Anderman, Corr, Luce and Hu and Ms. Le
entitled to receive these amounts if bonus goals were achieved at target. The bonus
payable to the named executive officers were to be determined shortly after the end
calendar year. The compensation committee and, with respect to our chief executive
Board, retain complete discretion over whether any additional compensation is paid
executives if bonus goals are achieved at a level greater than target and the amount
compensation, which does not have to correlate to the amount of overachievement,
maximum bonus amount of 250% of target. The compensation committee and, with
chief executive officer, the Board, also retain complete discretion over whether any
under the bonus program will be paid to the executives in the event the bonus goals
achieved at target and the amount of any such compensation.

The goals for Messrs. Anderman, Corr, Luce and Hu and Ms. Lee were based on th
overall performance, measured in terms of achieving revenue and EBITDASC as a
revenue (EBITDASC defined as earnings before interest, taxes, depreciation, amort
stock compensation expense) in 2014 of at least $154 million and 20%, respectively
the Company's market share by adding at least 9,500 net new contracted SaaS Enco
and maintaining a customer satisfaction score of greater than 19, as well as individu
performance measures. The customer satisfaction score is derived from analysis per
independent third-party. The weighting of the corporate and individual performance
executive as follows:

| Name and Principal Position | Corporate Performance (% of total) |
|---|---|
| Sigmund Anderman, Chief Executive Officer | 80% |
| Jonathan Corr, President and Chief Operating Officer | 80 |
| Edgar Luce, EVP & Chief Financial Officer | 60 |
| Limin Hu, EVP & Chief Technology Officer | 50 |
| Elisa Lee, EVP & General Counsel | 50 |

Mr. Anderman's individual performance measures included setting overall corporat
direction and strategy, developing an annual business plan, managing executive staf
development, identifying an effective succession plan, assuring appropriate corpora
governance, defining and executing on the Company's acquisition strategy, commu
effectively with the Board, stockholders and investors and interacting with key cust
partners and mortgage industry participants. Mr. Corr's individual performance mea
selecting, effectively leading and developing direct reports, developing an annual bu
gaining Total Quality Loan adoption by lender clients, maintaining data center uptir

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

successfully executing on the Company's acquisition strategy, and interacting with
partners and mortgage industry participants. Mr. Luce's individual performance me
included producing effective and timely internal budgets and forecasts, delivering f
statements with clean audit results, preparing timely reports internally and to the SE
investors, coordinating and effectively participating in earnings and other investor c
and meetings, and assisting in acquisition due diligence and integration. Mr. Hu's in
performance measures included overseeing and managing product development, qu
assurance and program management organizations to deliver on key product initiati
continuing to build up the technical organization by hiring talent, coaching and pro
teamwork and a focus on quality, process and development velocity, overseeing tec
strategy, architecture, assisting in cross-functional efforts to deliver quality product
operations uptime for clients, managing technical due diligence for acquisitions and
Company's IP strategy and IP portfolio. Ms. Lee's individual performance measure
assuring appropriate corporate governance, managing and assisting with SEC filing
legal fees and outside counsel services, developing a legal team to scale with the bu
managing production of legal work for internal stakeholders and assistant in due dil
for acquisitions.

28

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

In early 2015, the compensation committee and the Board set the weighting of the v
corporate goals for fiscal year 2014 as follows: 25% for revenues, 25% for EBITDA
increased new contracted SaaS Encompass users and 25% for customer satisfaction
Further, the compensation committee determined the level of achievement for the c
based on the Company's revenue and EBITDASC for fiscal year 2014 as well as ha
approximately 126,400 contracted SaasS users and a customer satisfaction score of
the forgoing weighting and achievement against the applicable corporate goals, the
committee established the aggregate achievement percentage for the corporate goals
Per the terms of the bonus program, individual performance objectives were also ta
consideration by the compensation committee and, with respect to our chief executi
the Board. In addition, the compensation committee weighted more heavily the ach
corporate goals than personal goals for Messrs. Anderman and Corr at 80%, than M
and Hu and Ms. Lee at 60%, 50% and 50%, respectively, given the different focus o
executive's role at the Company. The compensation committee determined the follo
achievement percentages for the personal goals for fiscal year 2014: 95.6% for Mr.
87.4% for Mr. Corr, 90% for Mr. Luce and 84% for Mr. Hu.

In light of the achievement of corporate and individual performance objectives by e
executives, the compensation committee and, with respect to our chief executive of
Board decided to pay each of Messrs. Anderman, Corr, Luce and Hu their target bo
as follows:

| Name and Principal Position | Weighted Corporate Performance (1) | Weighted Individual Performance (2) |
|---|---|---|
| Sigmund Anderman, Chief Executive Officer | 85.7% | 19.1% |
| Jonathan Corr, President and Chief Operating Officer | 85.7 | 17.5 |
| Edgar Luce, EVP & Chief Financial Officer | 64.3 | 36.0 |
| Limin Hu, EVP & Chief Technology Officer | 53.6 | 42.0 |

(1) The Weighted Corporate Performance represents the aggregate corporate achiev percentage of 107.11% multiplied by the weighting for the executive for the corp performance goals provided above.

(2) The Weighted Individual Performance represents the individual achievement per executive stated above multiplied by the weighting for the executive for the indi performance goals.

Ms. Lee did not receive a bonus for fiscal year 2014 because she resigned her emplo
the Company effective September 2, 2014.

We have put in place similar bonus programs for our named executive officers for 2

Long-Term Equity Incentives

The goals of our long-term, equity-based incentive awards are designed to align the
our employees, including our named executive officers with the interests of our stoc
Because vesting is based on continued employment, our equity-based incentives als
the retention of our named executive officers through the vesting period of the awar

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

In determining the size of the long-term equity incentives to be awarded to our nam
officers, we take into account a number of internal factors, such as the relative job s
value of existing long-term incentive awards, individual performance history, prior
to us and the size of prior grants. In determining the size of our equity incentive aw
Board draws upon the experience of its members, the members of the compensation
and our chief executive officer and reviews market data. Based upon these factors,
executive officer, other than with respect to himself, determines the size of the long
incentives at levels he considers appropriate to create a meaningful opportunity for
predicated on the creation of long-term stockholder value and recommends grants t
compensation committee for approval. The compensation committee, based on the
its members together with the market data described above, recommends the level
our chief executive officer to the Board for approval.

To reward and retain our named executive officers in a manner that best aligns thei
stockholders' interests, we use stock options, restricted stock units and Performance
primary incentive vehicles for long-term compensation. We believe that stock optio
Performance Shares are effective tools for meeting our compensation goal of increa
long-term stockholder value by tying the potential value our named executive offic
to the value of our stock, as well as the additional financial performance criteria of
Performance Shares driving our business strategy. We use restricted stock units to i
retention hold on our key executives.

29

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

We typically make grants in connection with the commencement of employment, p
periodic "refresher" grants.
January 2014 Program and Stock Option and Restricted Stock Unit Grants
As part of the annual review of executive officer annual equity grant practices with
peer group of companies and our established compensation philosophy to link our e
officer annual equity grants with the performance of the Company, the compensatio
approved certain equity awards and the 2014 Senior Executive Performance Share I
"2014 Program") under the 2011 Equity Incentive Award Plan (the "2011 Plan") or
The compensation committee approved stock option and restricted stock unit grants
connection with the 2014 Program, Performance Shares to our executives on Febru
and, upon a recommendation by the compensation committee, the Board approved t
option and restricted stock unit grants and the Performance Shares to our Mr. Ande
February 5, 2014. The stock options were granted with an exercise price equal to ou
common stock price on the grant date and vest 25% of the total number of shares or
anniversary of the grant date, and an additional 1/48th of the total number of shares
anniversary of each month thereafter, until all shares are vested on the fourth annive
grant date. The restricted stock units vest in substantially equal annual installments
years on each anniversary of February 14, 2014.
Under the 2014 Program, each designated participant was eligible to receive from z
one-half shares of the Company's common stock per Performance Share, or from z
the target Performance Share level, upon determination of the achievement or non-a
of performance goals during a performance period established by the compensation
under the program. The following table sets forth the number of common stock und
Performance Share that each participant was eligible to receive at target:

Executive Officer

Sigmund Anderman, Chief Executive Officer
Jonathan Corr, President & Chief Operating Officer
Edgar Luce, EVP & Chief Financial Officer
Limin Hu, EVP & Chief Technology Officer
Elisa Lee, EVP & General Counsel

The number of common stock underlying the Performance Shares that were availab
and issuable pursuant to the 2014 Program was dependent on the Company's achiev
certain performance goals related to annual revenue growth and annual growth in th
contracted SaaS users for the performance period commencing on January 1, 2014 a
December 31, 2014. However, no shares of common stock underlying the Performa
were to be awarded if the Company's EBITDASC as a percentage of revenue was l
for the performance period. The common stock underlying the Performance Shares
the 2014 Program were issued in the second quarter of 2015 after the compensation
determined the achievement of the Company performance goals (the "2014 Perform
Determination Date") after the Company filed its annual report on Form 10-K for fi
December 31, 2014. The 2014 Program also contemplated that the compensation co
could establish the performance period over which attainment of the performance g

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

determined and the vesting period. In addition, the participant must have remained e
the Company following the performance period in order to be granted the common
underlying his or her Performance Shares. The performance goals may not have bee
a performance period once set except to reflect extraordinary events, and the compe
committee may not have used its discretion to increase the number of shares issuabl
participant for a performance period. Notwithstanding the foregoing, the compensat
committee had the right to terminate, modify or suspend the 2014 Program and rela
Performance Shares at any time prior to the completion of the performance period.
chart of the performance criteria and the potential number of common stock underly
Performance Shares that could be earned and awarded as a percent of the target Per
Share amount.

30

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

| | | Performance Period Revenue Growth Rate | | | |
|---|---|---|---|---|---|
| | | 10% | 15% | 20% | 25% |
| Number of Contracted SaaS Users | 104,000 to 108,999 | 50 | 75 | 100 | 150 |
| | 109,000 to 113,999 | 70 | 90 | 125 | 175 |
| | 114,000 or greater | 90 | 100 | 150 | 200 |

Notwithstanding the above chart, no shares of common stock underlying the Perfor
were issuable if the Company's EBITDASC as a percentage of revenue was less tha
performance period. All achievement percentages greater than 50% are pro-rated be
numbers appearing on the above chart. To the extent that the number of contracted
the end of the performance period was less than 104,000 (but in no event less than 9
is the threshold achievement to be eligible for any Performance Shares) then the app
achievement percentage otherwise achieved as a result of the revenue growth rate fo
performance period was to be multiplied by a fraction equal to the difference betwe
number of contracted SaaS users at the end of the performance period minus 95,000
8,999.

On March 6, 2015, the 2014 Performance Share Determination Date, the compensa
committee determined that the Company's level of achievement of the performance
190% with revenue growth rate of approximately 24% (after excluding revenue attr
AllRegs acquisition) and contracted SaaS users as of the end of the fiscal year of gr
114,000. Accordingly, Messrs. Anderman, Corr, Luce and Hu will be awarded and
24,700, 19,000 and 16,150 shares of our common stock, respectively, during the sec
of 2015, with 25% of the shares immediately vested and the remaining shares vestin
respect to 25% of the shares on each of the first three anniversaries of the 2014 Perf
Share Determination Date, subject to continuous employment of the participant thro
dates.

As Ms. Lee resigned from the Company effective September 2, 2014, she was not e
receive any shares of common stock underlying the Performance Shares granted to
The compensation committee approved a similar program for Performance Shares f

December 2014 Equity Grants

In December 2014, in connection with his transition out of the role of chief executiv
the role of Executive Chairman, Mr. Anderman was awarded stock options to purch
shares of our common stock, which equated to a grant date fair value of approximat
$1,500,000 and 37,203 restricted stock units, which had a grant date fair value of ap
$1,500,000, but in the case of the restricted stock units, subject to adjustment based
achievement of certain performance goals as discussed below. The stock options we
with an exercise price equal to the closing price for a share of our common stock on
and vest 25% of the total number of shares on the one year anniversary of the grant
additional 1/48th of the total number of shares on the anniversary of each month the
all shares are vested on the fourth anniversary of the grant date. The restricted stock
substantially equal annual installments over four years on each anniversary of Dece
2014. However, the total number of shares of common stock issuable on each vestin

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

restricted stock units is calculated by multiplying the percentage of achievement the
directors or compensation committee certifies for the fiscal year 2015 performance
applicable to the company-wide short term incentive program times the number of r
stock units vesting on such date (up to a maximum of 200%).

Employee Benefits

We provide standard employee benefits to our full-time employees in the United St
our named executive officers, including health, disability, life insurance and a 401(k
means of attracting and retaining our employees. Additionally, the Company provid
$1,000,000 ($2,000,000 for Mr. Anderman) term life insurance policy for each nam
officer. Premiums for the term life insurance policies are paid by the individual, but
by the Company and are intended to provide liquid funds to the executive's estate a
for the purposes of exercising stock options in the event of said executive's untimel
the tax rules, our named executive officers are subject to ordinary income with resp
reimbursement of the term life insurance premiums. We do not think these addition
a significant element of our compensation structure.

Termination Based Compensation

As noted under the caption "Offer Letters and Employment Agreements" on page 3
Statement, our compensation committee approved our entering into employment or
control severance agreements, as applicable,

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

with each of our named executive officers. These agreements include certain protec provisions, which our compensation committee has deemed necessary to attract or r executive officer.

On January 5, 2015, we entered into an amended and restated employment agreeme Anderman pursuant to which we must generally provide a severance payment equal of either 36 months of his base salary plus target bonus, at the rate in effect immedi his termination of employment, or the aggregate amount of base salary and target bo would have been eligible through the termination date of his employment agreemen 31, 2019 (the "Termination Date"), had he continued to be employed through the Te plus continued payments for health coverage under the Consolidated Omnibus Budg Reconciliation Act of 1985, as amended, or COBRA, for no more than the lesser of the period until the Termination Date, if he is terminated without cause or experienc constructive termination. Termination for cause means (i) an act of dishonesty in co his responsibilities as an employee, (ii) the conviction of, or plea of nolo contendere (iii) gross misconduct or (iv) continued substantial violations of employment duties of a written demand for performance from the Board which specifically sets forth th basis for the Company's belief that he has not substantially performed his duties. Co termination means Mr. Anderman's resignation from employment with the Compan occurrence, without Mr. Anderman's written consent, of any of the following: (a) a reduction by the Company in his base salary as in effect immediately prior to such r (except as expressly contemplated by his employment agreement); (b) a material br Company of the employment agreement between him and the Company; (c) the ma relocation of his principal place of employment to a facility or a location more than his then present principal place of employment; or (d) a material reduction of his du or responsibilities with respect to the business of the Company. Mr. Anderman's rig severance payments is conditioned upon (i) him providing us a general release of cl 60 days following such termination and (ii) his compliance with his confidentiality non-solicitation obligations to the Company and any breach of such obligations may recovery by us of any severance payments made to Mr. Anderman. In addition, if M is terminated without cause or experiences a constructive termination, the vesting o award held by Mr. Anderman will be fully accelerated and, to the extent applicable, award will be exercisable for the duration of its original term.

On January 5, 2015, we entered into an employment agreement with Mr. Corr pursu if Mr. Corr is terminated without cause or experiences a constructive termination an a general release of claims within 60 days following such termination, we must prov severance payment equal 24 months of his base salary at the rate in effect immediat his termination of employment, plus continued payments for health coverage under no more than 24 months, plus, if the termination occurs on or prior to the second an change in control of the Company, then the vesting of each equity award held by M fully accelerated and, to the extent applicable, such equity award will be exercisable duration of its original term. Termination for cause means (i) an act of dishonesty in with his responsibilities as an employee, (ii) the conviction of, or plea of nolo conte felony, (iii) gross misconduct or (iv) continued substantial violations of employmen receipt of a written demand for performance from the Board which specifically sets

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

factual basis for the Company's belief that he has not substantially performed his du
Constructive termination means Mr. Corr's resignation from employment with the C
the occurrence, without Mr. Corr's written consent, of any of the following: (a) a m
reduction by the Company in his base salary or annual target bonus eligibility as in
immediately prior to such reduction; (b) a material breach by the Company of the e
agreement between him and the Company; (c) the relocation of his principal place o
that increases his one-way commute by more than 50 miles from his then present pr
of employment; or (d) a material reduction of his duties, authority or responsibilitie
he ceases to serve as the chief executive officer of the ultimate parent entity of a pu
company. Mr. Corr's right to severance payments is conditioned upon his complian
confidentiality and non-solicitation obligations to the Company and any breach of s
obligations may result in the recovery by us of any severance payments made to Mr
In connection with our initial public offering, the compensation committee determi
more appropriate to adopt comprehensive change in control severance arrangement
named executive officers, other than Mr. Anderman, in order to encourage the focu
dedication of our named executive officers in the event a strategic transaction beca
alternative for the Company. Accordingly, we have entered into change in control s
agreements with each of our named executive officers other than Mr. Anderman. H
Mr. Corr's employment agreement entered into in January 2015 replaces and supers
change in control severance agreement previously entered into with him. Under the
change in control severance agreements, each named executive officer, other than M
and Mr. Corr (who are entitled to severance payments pursuant to their employmen
as discussed above), will be entitled to receive severance benefits, accelerated vesti
extended exercisability if his employment is terminated (i) other than for cause or (i
of a constructive termination within 60 days prior to or 12 months following a chan
in each case, within the meaning of the change in control severance agreements, an
executive officer provides us a general release of claims within 60 days following s
termination. The severance benefits consist of a lump sum cash payment equal to 1
salary, as well as continued payment of group health continuation coverage premiu
executive officer and his or her eligible dependents under Title X of the COBRA be
the date of termination and ending on the earlier of: (i) 12

32

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

months after the date when the employment termination is effective and (ii) the date
the executive officer or his or her eligible dependents become eligible for coverage
plan. In addition, the vesting of each equity award held by the named executive offi
fully accelerated and, to the extent applicable, such equity award will be exercisable
duration of its original term.

Under the 2014 Program as well as performance share programs implemented in Au
and January 2013 for which shares of our common stock were awarded in fiscal yea
2014, if a named executive officers' employment is terminated by the Company oth
cause, by reason of death or disability or by such named executive officer for good
as defined in the respective officer's employment or change in control agreement) a
Determination Date for a performance period but prior to settlement, the Performan
earned by and granted to the named executive officer which have not yet been settle
issued to such named executive officer on the thirtieth (30th) day following the term
employment. In the event of a change in control that occurs during a performance p
performance period will be shortened to end on the last business day of the last com
quarter preceding the date of the change in control and each named executive office
by the Company immediately prior to the change in control will be entitled to a pay
the Program based on achievement over the shortened performance period.

The severance payments and benefits that are payable under Mr. Anderman's and M
employment agreements and each of our other named executive officer's change in
severance agreement are further described below in the section captioned "Potential
Upon Change in Control, Upon Termination Apart From a Change in Control and U
Termination Following Change in Control."

In June 2014, we entered into a separation and release agreement with Elisa Lee, ou
executive vice president and general counsel, pursuant to which we agreed that on t
date of her separation, September 2, 2014, Ms. Lee would be entitled to severance e
months of wages at her base salary, equal to $137,500. The separation and release a
further provided that we would provide for COBRA benefits for the lesser of six mo
Ms. Lee was no longer eligible for COBRA benefits.

Stockholder Advisory Vote to Approve Executive Compensation

At our 2013 Annual Meeting of Stockholders our stockholders voted, in a non-bind
vote to approve the compensation of our named executive officers. The compensatio
reviewed the result of the stockholders' advisory vote on executive compensation. I
approval by a substantial majority of our stockholders of the compensation program
our 2012 proxy statement (with approval of approximately 90% of the shares repres
person or by proxy at the meeting and entitled to vote), the compensation committe
implement changes to our executive compensation programs as a result of the stock
advisory vote. The compensation for each of the Company's named executive offic
year 2014 reflects the continued improvements in each individual's performance an
regarding Company's financial and operating performance. Consistent with the stat
of a majority of our stockholders (with approval of over 95% of the shares represen
or by proxy at the meeting and entitled to vote) at our 2011 Annual Meeting of Stoc
compensation committee determined that we will hold a "say-on-pay" vote every ye
"say-on-pay" advisory vote will be held at the 2015 annual meeting of stockholders

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

Tax Considerations

The Board has considered the potential future effects of Section 162(m) of the Inter
Code (“Section 162(m)”) on the compensation paid to our named executive officers
162(m) disallows a tax deduction for any publicly held corporation for individual co
exceeding $1.0 million in any taxable year for our chief executive officer and each o
named executive officers (other than our chief financial officer), unless compensatio
performance-based and the terms of the performance plan have been timely approve
stockholders. In approving the amount and form of compensation for our named exe
officers, the Board and compensation committee considers all elements of the cost t
Company of providing such compensation, including the potential impact of Sectior
However, the Board, or committee thereof, may, in its judgment, authorize compens
payments that do not comply with the exemptions in Section 162(m) when it believ
payments are appropriate to attract and retain executive talent.

2014 Summary Compensation Table

The following table provides information regarding the compensation of our named
officers during the fiscal years ended December 31, 2014, 2013 and 2012.

33

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

| Name and Principal Position | Year | Salary ($) | Bonus ($)(1) | Stock Awards ($)(2) | Option Awards ($)(2) | Non-Equity Incentive Plan Compen-sation ($)(3) | All Other Compe ($)(4) |
|---|---|---|---|---|---|---|---|
| Sigmund Anderman, Chief | 2014 | $410,000 | $21,000 | $2,746,525 | $2,141,751 | $410,000 | $34,28 |
| Executive Officer | 2013 | 410,000 | 30,504 | 980,000 | 494,255 | 410,000 | 34,138 |
| | 2012 | 365,000 | 450,000 | 5,678,200 | — | 450,000 | 33,988 |
| Edgar Luce, Executive | 2014 | 280,000 | 1,000 | 498,600 | 256,804 | 168,000 | 10,000 |
| Vice President and | 2013 | 280,000 | 2,822 | 343,000 | 172,989 | 168,000 | 9,850 |
| Chief Financial Officer | 2012 | 260,000 | 165,000 | 2,268,640 | — | 165,000 | 9,700 |
| Jonathan Corr, | 2014 | 310,000 | 11,000 | 648,180 | 333,845 | 310,000 | 8,220 |
| President and | 2013 | 310,000 | 33,356 | 490,000 | 247,128 | 310,000 | 8,070 |
| Chief Operating Officer | 2012 | 260,000 | 275,000 | 2,887,360 | — | 275,000 | 7,920 |
| Limin Hu, Executive | 2014 | 270,000 | 1,000 | 423,810 | 218,283 | 162,000 | 8,860 |
| Vice President and | 2013 | 270,000 | 9,850 | 245,000 | 123,564 | 162,000 | 8,710 |
| Chief Technology Officer | 2012 | 260,000 | 165,000 | 2,268,640 | — | 165,000 | 8,560 |
| Elisa Lee, Executive | 2014 | 93,782 | — | 299,160 | 154,082 | 137,500 | 169,46 |
| Vice President, General | 2013 | 260,000 | 10,920 | 156,800 | 79,081 | 130,000 | 7,935 |
| Counsel and Secretary | 2012 | 250,000 | 130,000 | 2,062,400 | — | 130,000 | 7,785 |

(1) Our management bonus program for 2014 provided for payments of up to 250% executive officers' target bonus amounts based upon performance. Amounts rep bonus column represent the amount of each bonus paid to our named executive

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

was discretionarily awarded above target under the management bonus program.

(2) The amounts included in the "Stock Awards" and "Option Awards" columns rep date fair value of awards granted, calculated in accordance with ASC Topic 718. discussion of the assumptions made in the valuations reflected in this column, se 10 of the Consolidated Financial Statements included in our Annual Report on F the year ended December 31, 2014.

- For the Performance Shares awarded under the 2014 Program, the amount reported grant date fair value of the Performance Shares at 100% achievement of performan
- The table below sets forth the grant date fair value determined in accordance with A Topic 718 principles established each year for the performance-related component awards based upon the probable outcome and the maximum possible outcome of th performance-related component as of the grant date. See "Compensation Discussio Analysis—Long-Term Equity Incentives" for a more complete description of the P Shares.

| Name | Year | Probable Outcome of Performance Conditions Grant Date Fair Value ($) | Maximu of Perfo Conditi Date Fa |
|---|---|---|---|
| Sigmund Anderman | 2014 | $623,250 | $1,558, |
| Edgar Luce | 2014 | 249,300 | 623,250 |
| Jonathan Corr | 2014 | 324,090 | 810,255 |
| Limin Hu | 2014 | 211,905 | 529,763 |
| Elisa Lee | 2014 | 149,580 | 373,950 |

(3) Represents amounts paid under our management bonus program to which each n executive officer was entitled based upon performance.

(4) Represents: (i) $7,800 in 401(k) matching contributions made to each of Messrs. Luce, Corr and Hu and $3,299 in 401(k) matching contributions made to Ms. Le $26,488, $2,200, $420, $1,060 and $285 for

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

Messrs. Anderman, Luce, Corr and Hu and Ms. Lee, respectively, for the purchase
insurance; and (iii) $165,881 for Ms. Lee in connection with her separation.

(5) Ms. Lee’s employment with us terminated on September 2, 2014.

Grants of Plan-Based Awards in 2014 Table

The following table provides information regarding equity-grant awards and plan-b
bonus awards to each of our named executive officers during the fiscal year ended
2014.

| Name | Award | Grant Date | Estimated Future Payouts Under Non-Equity Incentive Plan Awards Target ($)(1) | Estimated Future Payouts Under Equity Incentive Plan Awards (#)(2) Target | Maximum | All Other Option Awards: Number of Securities Underlying Options (#)(3) |
|---|---|---|---|---|---|---|
| Sigmund Anderman | Option Award | 2/5/2014 | $— | — | — | 50,000 |
| | Option Award | 12/31/2014 | — | — | — | 76,648 |
| | Restricted Stock Unit | 2/5/2014 | — | — | — | 25,000 |
| | Performance Share Program | 2/5/2014 | — | 25,000 | 62,500 | — |
| | Performance Share Program | 12/31/2014 | — | 37,203 | 74,406(5) | — |
| | Bonus | | 410,000 | — | — | — |
| Edgar Luce | Option Award | 2/5/2014 | — | — | — | 20,000 |
| | Restricted Stock Unit | 2/5/2014 | — | — | — | 10,000 |
| | Performance Share Program | 2/5/2014 | — | 10,000 | 25,000 | — |
| | Bonus | | 168,000 | — | — | — |
| Jonathan Corr | Option Award | 2/5/2014 | — | — | — | 26,000 |
| | Restricted Stock Unit | 2/5/2014 | — | — | — | 13,000 |

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Performance Share Program | 2/5/2014 | — | 13,000 | 32,500 | — | - |
| | Bonus | | 310,000 | — | — | — | - |
| Limin Hu | Option Award | 2/5/2014 | — | — | — | 17,000 | 2 |
| | Restricted Stock Unit | 2/5/2014 | — | — | — | 8,500 | - |
| | Performance Share Program | 2/5/2014 | — | 8,500 | 21,250 | — | - |
| | Bonus | | 162,000 | — | — | — | - |
| Elisa Lee | Option Award | 2/5/2014 | — | — | — | 12,000 | 2 |
| | Restricted Stock Unit | 2/5/2014 | — | — | — | 6,000 | - |
| | Performance Share Program | 2/5/2014 | — | 6,000 | 15,000 | — | - |
| | Bonus | | 137,500 | — | — | — | - |

(1) Represents the target management bonus amounts for 2014 for Messrs. Anderma and Hu and Ms. Lee pursuant to their respective 2014 executive compensation p amounts paid to our named executive officers are set forth in the section titled "2 Compensation Table." There is no minimum or maximum threshold for manage

35

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

(2) The stock award table above reports the Performance Shares granted to our name officers for fiscal 2014. Under the Program the number of Performance Shares t granted and issuable pursuant to the Program will range from zero to the maximu disclosed based on the Company's achievement of certain financial goals during from January 1, 2014 to December 31, 2014 related to both year-over-year reven well as maintaining certain profit margins during this period.

(3) The vesting of each stock award and option granted in 2014 is set forth in the Ou Equity Awards at 2014 Fiscal Year-End Table below.

(4) Amounts represent the grant date fair value of stock options and stock awards gr calculated in accordance with ASC Topic 718. For a discussion of the assumptio the valuations reflected in this column, see Notes 2 and 10 of the Consolidated F Statements included in our Annual Report on Form 10-K for the year ended Dec 2014.

(5) Mr. Anderman was awarded stock options and restricted stock units on Decembe The number of shares of common stock issuable upon vesting of the restricted st calculated by multiplying the percentage of achievement the Board or compensa committee certifies for the fiscal year 2015 performance goals applicable to the short term incentive program times the number of restricted stock units vesting o

Outstanding Equity Awards at 2014 Fiscal Year-End Table

The following table presents certain information concerning outstanding equity awa each of our named executive officers on December 31, 2014, the last day of our fisc

| | Option Awards | | | | | Stock Awards | | |
|---|---|---|---|---|---|---|---|---|
| Name | Vesting Commence-ment Date | Number of Securities Underlying Unex-ercised Options (#) Exer-cisable | Number of Securities Underlying Unex-ercised Options (#) Unex-ercisable (1) | Option Exercise Price ($) | Option Expiration Date | Number of Shares, Units or Other Rights That Have Not Vested (#)(2) | Market Value of Shares, Units or Other Rights That Have Not Vested ($)(4) | Eq Inc Pla Aw Nu of Un Sha Un or Oth Rig Th Ha No Ve (#) |
| Sigmund Anderman | 8/26/2010 | 230 | — | 8.85 | 8/26/2020 | | | |
| | 9/16/2010 | 2,605 | — | 8.85 | 9/16/2020 | | | |
| | 8/17/2011 | 18,001 | 20,000 | 5.02 | 8/17/2021 | | | |

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| 2/4/2013 | 22,916 | 27,084 | 19.60 | 2/4/2023 | | |
| 2/5/2014 | — | 50,000 | 24.93 | 2/5/2024 | | |
| 12/31/2014 | — | 76,648 | 40.32 | 12/31/2024 | | |
| 2/5/2014 | | | | | 25,000 | 1,008,000 |
| 8/14/2012 | | | | | 110,000 | 4,435,200 |
| 2/4/2013 | | | | | 41,250 | 1,663,200 |
| 2/5/2014 | | | | | | 47, |
| 12/31/2014 | | | | | | 37, |

36

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

| | Option Awards | | | | | Stock Awards | | |
|---|---|---|---|---|---|---|---|---|
| Name | Vesting Commence-ment Date | Number of Securities Underlying Unex-ercised Options (#) Exer-cisable | Number of Securities Underlying Unex-ercised Options (#) Unex-ercisable (1) | Option Exercise Price ($) | Option Expiration Date | Number of Shares, Units or Other Rights That Have Not Vested (#)(2) | Market Value of Shares, Units or Other Rights That Have Not Vested ($)(4) | Eq Inc Pla Av Nu of Un Sh Un Ot Ri Th Ha No Ve (#) |
| Edgar Luce | 2/26/2009 | 10,417 | — | 1.38 | 2/22/2015 | | | |
| | 2/26/2009 | 14,226 | — | 1.38 | 2/22/2017 | | | |
| | 2/26/2009 | 5,555 | — | 1.38 | 8/23/2017 | | | |
| | 8/26/2010 | 29,798 | — | 8.85 | 8/26/2020 | | | |
| | 8/17/2011 | 41,666 | 8,334 | 5.02 | 8/17/2021 | | | |
| | 2/4/2013 | 8,020 | 9,480 | 19.60 | 2/4/2023 | | | |
| | 2/5/2014 | — | 20,000 | 24.93 | 2/5/2024 | | | |
| | 2/5/2014 | | | | | 10,000 | 403,200 | |
| | 8/9/2012 | | | | | 44,000 | 1,774,080 | |
| | 2/4/2013 | | | | | 14,437 | 582,100 | |
| | 2/5/2014 | | | | | | | 19 |
| Jonathan Corr | 8/26/2010 | 48,915 | — | 8.85 | 8/26/2020 | | | |
| | 8/17/2011 | — | 8,334 | 5.02 | 8/17/2021 | | | |
| | 12/19/2011 | 416 | 43,750 | 5.45 | 12/19/2021 | | | |
| | 2/4/2013 | 11,458 | 13,542 | 19.60 | 2/4/2023 | | | |
| | 2/5/2014 | — | 26,000 | 24.93 | 2/5/2024 | | | |
| | 2/5/2014 | | | | | 13,000 | 524,160 | |
| | 8/9/2012 | | | | | 56,000 | 2,257,920 | |
| | 2/4/2013 | | | | | 20,625 | 831,600 | |
| | 2/5/2014 | | | | | | | 24 |
| Limin Hu | 2/26/2009 | 27,777 | — | 1.38 | 8/23/2017 | | | |
| | 4/23/2009 | 13,333 | — | 1.38 | 4/23/2019 | | | |

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

| | | | | | | |
|---|---|---|---|---|---|---|
| 8/26/2010 | 46,745 | — | 8.85 | 8/26/2020 | | |
| 8/17/2011 | 18,750 | 8,334 | 5.02 | 8/17/2021 | | |
| 2/4/2013 | 5,729 | 6,771 | 19.60 | 2/4/2023 | | |
| 2/5/2014 | — | 17,000 | 24.93 | 2/5/2024 | | |
| 2/5/2014 | | | | | 8,500 | 342,720 |
| 8/9/2012 | | | | | 44,000 | 1,774,080 |
| 2/4/2013 | | | | | 10,312 | 415,780 |
| 2/5/2014 | | | | | | 16 |

(1) These stock options were granted with a standard four year vest schedule; 25% o number of shares will be vested on the one year anniversary of the grant date, an additional 1/48th of the total number of shares shall be vested on the anniversary month thereafter, until all shares are vested on the fourth anniversary of the gran

(2) This column represents the 2012 Performance Shares, 2013 Performance Shares December 31, 2014 Restricted Stock Unit award to Mr. Anderman. With respect Performance Shares, the named executive officers satisfied the performance crite period from July 1, 2012 to June 30, 2013, with 25% of the shares immediately v

37

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

upon award in August 2013, and the remaining 75% vesting with respect to 25% of
each of the first three anniversaries of the Determination Date, subject to continuou
of the participant through such dates. With respect to the 2013 Performance Shares,
executive officers satisfied the performance criteria for calendar year 2013 with 25
immediately vested upon award in April 2014 and the remaining 75% vesting in eq
installments on each of the first three anniversaries of the Determination Date, subj
continuous employment of the participant through such date.

(3) This column represents the 2014 Performance Shares based on actual performan named executive officers satisfied the performance criteria for calendar year 201 level with 25% of the shares immediately vested on April 6, 2015 and the remai vesting in equal installments on each of the first three anniversaries of the Deter March 6, 2016, subject to continuous employment of the participant through suc "Compensation Discussion and Analysis—Long-Term Equity Incentives" in thi for a more complete description of these Performance Shares and the Program.

(4) The dollar amounts shown are determined by multiplying the number of unveste shares or units by $40.32 (the closing price of our common stock on the last trad fiscal 2014).

Option Exercises and Stock Vested in 2014 Table

The following table presents certain information regarding the vesting of stock awa granted and stock options exercised by our named executive officers during the yea December 31, 2014.

| | Option Awards | | Stock Awards | |
|---|---|---|---|---|
| Name | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise ($)(1) | Number of Shares Acquired on Vesting (#) | |
| Sigmund Anderman | 249,996 (2) | $ 6,145,672 (2) | 68,750 | $ |
| Edgar Luce | 60,000 | 1,507,898 | 26,813 | |
| Jonathan Corr | 126,242 (3) | 3,505,085 (3) | 34,875 | |
| Limin Hu | 68,062 | 2,254,626 | 25,438 | |

(1) Amounts reported represent the difference between the exercise price of th the closing trading price of our common stock on the date of exercise.

(2) On, June 3, 2014 and October 2, 2014, Sigmund Anderman exercised 19,094 an shares. The value realized on exercise represented in this table for such shares is difference between the closing fair market value of our common stock on the res exercise date and the option exercise price paid, even though Mr. Anderman had underlying shares as of December 31, 2014.

(3) On November 18, 2014, Jonathan Corr exercised 12,242 ISO shares. The value r exercise represented in this table for such shares is based on the difference betw fair market value of our common stock on November 18, 2014 and the option ex paid even though Mr. Corr had not sold the underlying shares as of December 31

Pension Benefits

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

We do not maintain any defined benefit pension plans.
Nonqualified Deferred Compensation
We do not maintain any nonqualified deferred compensation plans.
Offer Letters and Employment Agreements
On January 5, 2015, we entered into an amended and restated employment agreeme
Anderman, which replaces in its entirety Mr. Anderman's previous employment ag
March 27, 2012, and sets forth the terms and conditions of his employment as our E
Chairman of the Board. The agreement provides that Mr. Anderman will serve as th
Chairman of the board for a term commencing February 1, 2015 and ending Decem
Under the agreement, Mr. Anderman will receive an annual base salary of $410,00
is automatically reduced each year by approximately 10% until it reaches $247,000
addition, Mr. Anderman will be entitled to a target bonus equal to

38

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

100% of his base salary, which will be entirely based upon the corporate goals estal
other senior executives of the Company. The agreement also provides that Mr. And
granted an option to purchase shares of common stock and performance-vesting res
units, each having a grant date fair value of approximately $1,400,000, which were
January 5, 2015, and that Mr. Anderman will be granted options and restricted stock
having grant values of $400,000, $300,000, $200,000 and $160,000 in 2016, 2017,
2019, respectively. Each of the options will have a four-year, employment-based ve
schedule, and the restricted stock unit awards will vest based upon the achievement
corporate goals used for the senior executive bonus program and continued employ
number of shares issuable under the restricted stock unit awards will increase or dec
on overachievement or underachievement, respectively, of the corporate performanc
Under the agreement, Mr. Anderman is also entitled to participate in the same bene
other senior executive officers of the Company, and the Company will continue to r
$2,000,000 life insurance policy for the benefit of Mr. Anderman as well as continu
premium payments for any other life insurance policies maintained by the Company
benefit of Mr. Anderman. In addition, the Company will reimburse Mr. Anderman f
travel, entertainment and other expenses incurred by Mr. Anderman in furtherance o
the Company. Mr. Anderman is also entitled to a severance payment equal to the le
36 months of his base salary plus target bonus, at the rate in effect immediately pric
termination of employment, or the aggregate amount of base salary and target bonu
have been eligible through the termination date of his employment agreement, Dece
2019 (the "Termination Date"), had he continued to be employed through the Term
plus continued payments for health coverage under COBRA for no more than the le
months or the period until the Termination Date, if he is terminated without cause o
a constructive termination, as those terms are defined in his employment agreement
Anderman's severance is conditioned upon (i) him providing us a general release of
60 days of such termination and (ii) his compliance with his confidentiality and non
obligations to the Company. Any breach of such obligations may result in the recov
any severance payments made to Mr. Anderman. In addition, if Mr. Anderman is te
without cause or experiences a constructive termination, the vesting of each equity a
Mr. Anderman will be fully accelerated and, to the extent applicable, such equity av
exercisable for the duration of its original term. If Mr. Anderman dies, becomes pe
disabled or continues to serve as Executive Chairman through the Termination Date
vesting of each stock option and other equity award will fully accelerate and each st
will remain exercisable for its full term.

On January 5, 2015, we also entered into an employment agreement with Mr. Corr t
the terms and conditions of his employment as our President and Chief Executive C
employment agreement provides for Mr. Corr to be paid a base salary of $375,000 a
granted equity awards having a grant value of $1,800,000 during 2015. The employ
agreement also provides for Mr. Corr to be eligible for a target bonus and to particip
same benefit plans as other senior executive officers of the Company. In addition, th
will reimburse Mr. Corr for reasonable travel, entertainment and other expenses inc
Corr in furtherance of his duties to the Company, and the Company will continue to
$1,000,000 life insurance policy for the benefit of Mr. Corr as well as continue to p

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

premium payments for any other life insurance policies maintained by the Company
benefit of Mr. Corr. Under the employment agreement, if Mr. Corr is terminated wi
experiences a constructive termination, as those terms are defined in the employmen
and provides us a general release of claims within 60 days following such terminati
provide a severance payment equal 24 months of his base salary at the rate in effect
prior to his termination of employment, plus continued payments for health coverag
COBRA for no more than 24 months, plus, if the termination occurs on or prior to t
anniversary of a change in control of the Company, then the vesting of each equity
Mr. Corr will be fully accelerated and, to the extent applicable, such equity award w
exercisable for the duration of its original term. Mr. Corr's right to severance paym
conditioned upon his compliance with his confidentiality and non-solicitation oblig
Company and any breach of such obligations may result in the recovery by us of an
payments made to Mr. Corr. If Mr. Corr dies or becomes permanently disabled, the
of each stock option and other equity award will fully accelerate.

We have also entered into offer letter agreements with Messrs. Luce in connection
commencement of employment with us. This offer letter agreements include Mr. Lu
base salary, stock option grant and bonus arrangement for the fiscal year in which h
employment. We no longer have any executory obligations under this agreement.

In October 2014, we entered into change in control severance agreements with each
executive officers, other than Mr. Anderman, which replaced change in control seve
agreements entered into with these executive officers in September 2010. However,
January 2015 employment agreement replaces and supersedes the change in control
agreement entered into with him. Under the terms of the change in control severanc
each named executive officer, other than Mr. Anderman and Mr. Corr, will be entit
severance benefits and accelerated vesting if his or her employment is terminated o
cause or as the result of a constructive termination within 60 days prior to or 12 mo
a change in control, in each case, within the meaning of the change in control sever
agreements, and such executive officer provides us a general release of claims with
following such termination. The severance

39

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

benefits consist of a lump sum cash payment equal to 12 months' base salary, as we
payment of group health continuation coverage premiums for the executive officer
eligible dependents under Title X of the COBRA beginning on the date of terminati
on the earlier of (i) 12 months after the date when the employment termination is ef
(ii) the date upon which the executive officer or his or her eligible dependents beco
coverage under another plan. In addition, the vesting of each equity award held by t
executive officer will be fully accelerated and, to the extent applicable, such equity
exercisable for the duration of its original term. The initial term of change in contro
agreements is three years, and thereafter the agreements automatically renew for su
year terms unless the Company provides written notice of non-renewal to the office
days prior to the expiration of the then-current term.

Potential Payments Upon Change in Control, Upon Termination Apart From a Char
and Upon Termination Following Change in Control

Potential Payments Upon a Change in Control

The following table shows the amount each of our named executive officers would
were terminated following a change in control, assuming the termination took place
31, 2014. Amounts below reflect potential payments pursuant to stock options and
Shares granted under our Amended and Restated 1999 Stock Option and Incentive
Plan"), our 2009 Stock Option and Incentive Plan (the "2009 Plan") and our 2011 P
change in control in which our outstanding options are not assumed or substituted.
the event of a change in control that occurs during a performance period, the perfor
will be shortened to the last business day of the last completed fiscal quarter preced
the change in control and each named executive officer employed by the Company
prior to such change in control is entitled to a payment based on the shortened perfo
period.

| Name of Executive Officer | Value of Accelerated Options if Not Assumed or Substituted ($)(1) | Value of Stock Av Assumed or Substi |
|---|---|---|
| Sigmund Anderman | $ 2,036,680 | $ 10,521,6 |
| Edgar Luce | 798,416 | 3,525,62 |
| Jonathan Corr | 2,500,483 | 4,609,58 |
| Limin Hu | 696,115 | 3,183,74 |

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(1) Amounts calculated based on the aggregate amount by which the fair value of th
stock subject to unvested equity awards exceeded the aggregate exercise price o
of December 31, 2014, using $40.32 per share, the closing trading price of our c
as of that date.

(2) Includes restricted stock units and Performance Shares, using $40.32 per share, t
trading price of our common stock as of that date. For the Performance Shares,
assumed to be accelerated based on the actual performance through the last busi
immediately prior to a change in control, which would be December 31, 2014 as

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

change in control occurred on December 31, 2014. For these purposes, the 2012
Shares are calculated at the 400% achievement level, the 2013 Performance Sha
calculated at the 110% achievement level, and the 2014 Performance Shares are
the 190% achievement level. The amounts calculated are based on the aggregate
shares of common stock to vest multiplied by $40.32 per share, the closing tradi
common stock as of December 31, 2014.

Potential Payments Upon Termination Apart From a Change in Control

The following table sets forth quantitative estimates of the benefits that would have
Mr. Anderman if his employment had been involuntarily terminated by us without c
he experienced a constructive termination on December 31, 2014, in the event such
occurred prior to, or more than 24 months following, a change in control of the Co
pursuant to Mr. Anderman's previous employment. Payments pursuant to Mr. Ande
employment agreement for certain terminations within 24 months after a change in
addressed below under the section titled "Potential Payments upon Termination Fol
Change in Control." No other named executive officer was eligible for benefits in t
termination of employment during 2014. Under the Performance Share Program, in
named executive officers termination of employment by the Company for other tha
reason of death or disability or by such named executive officer for good reason (ea
in the Program) after the Determination Date for a performance period but prior to s
Performance Shares earned by the named executive officer which have not yet been

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

will be issued to such named executive officer on the thirtieth (30th) day following termination of employment. Since the Determination Date of the Performance Shar occurred, no amount would be payable.

| Name of Executive Officer | Salary Continuation ($) | Value of Continued Health Ca Coverage Premiums ($)(1) |
|---|---|---|
| Sigmund Anderman | $ 820,000 | $ 29,815 |

(1) If Mr. Anderman elects to receive continued healthcare coverage pursuant to the COBRA, he will be eligible for reimbursement or direct payment of COBRA co premiums for the executive and any dependents for up to a maximum of 24 mon Mr. Anderman and/or his dependents become eligible for healthcare coverage u subsequent employer's plans, payment of health care coverage premiums will ce

Potential Payments Upon Termination Following a Change in Control

The following table sets forth quantitative estimates of the benefits that would have Mr. Anderman pursuant to Mr. Anderman's previous employment agreement and t control severance agreement entered into with each of our other named executive o described above under "—Offer Letters and Employment Agreements," if their emp terminated by us other than for cause or as a result of a constructive termination wi following a change in control consummating on December 31, 2014 for Mr. Ander within 60 days prior to or 12 months following a change in control consummating o 31, 2014 for all other named executive officers.

| Name of Executive Officer | Salary Continuation ($) | Value of Accelerated Equity Awards ($)(1) | Value of Continued Health Care Coverage Premiums ($) | |
|---|---|---|---|---|
| Sigmund Anderman | $ 820,000 | $ 3,044,680 | $ 29,815 | (2 |
| Jonathan Corr | 310,000 | 3,024,642 | 21,928 | (3 |
| Edgar Luce | 280,000 | 1,201,616 | 16,185 | (3 |
| Limin Hu | 270,000 | 1,038,835 | 21,294 | (3 |

(1) Amounts calculated based on (i) with respect to stock options, the aggregate am the fair market value of the common stock subject to unvested stock options exc aggregate exercise price of the stock options, and (ii) with respect to restricted s aggregate fair market value of the common stock subject to restrict stock units, i of December 31, 2014, using $40.32 per share, the closing trading price of our c as of that date. This value does not include the Performance Shares which accele automatically upon a change in control, for the value of the Performance Shares,

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

table above under "—Potential Payments Upon a Change in Control."

(2) If Mr. Anderman elects to receive continued healthcare coverage pursuant to the COBRA, he will be eligible for reimbursement or direct payment of COBRA co premiums for himself and any dependents for 24 months. If Mr. Anderman and/ dependents become eligible for healthcare coverage under a subsequent employe payment of health care coverage premiums will cease.

(3) If Messrs. Luce, Corr, Hu and Ms. Lee elect to receive COBRA pursuant to prov change of control severance agreements, each will be eligible for reimbursement payment of COBRA premiums for himself or herself and dependents, for up to a 12 months. The value of continued healthcare is based on benefit premiums for 2

Proprietary Information and Inventions Agreements

Each of our named executive officers has entered into a standard form agreement w proprietary information and inventions. Among other things, this agreement obligat executive officer to refrain from

41

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

disclosing any of our proprietary information received during the course of employ
some exceptions, to assign to us any inventions conceived or developed during the
employment.

42

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

EQUITY COMPENSATION PLAN INFORMATION

The following table summarizes the number of outstanding options and restricted st granted to our employees and directors, as well as the number of shares of common remaining available for future issuance, under our equity compensation plans as of 2014.

| Plan Category | Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a) | Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (1) (b) | Number of Sec Remaining Av Future Issuance Unde Equity Compe (Excluding Sec Reflected in Column (a)) |
|---|---|---|---|
| Equity Compensation Plans Approved by Stockholders | 4,157,489 (4) | $17.41 | 3,248,588 (5) |
| Equity Compensation Plans not Approved by Stockholders | — | — | — |
| Total | 4,157,489 | $17.41 | 3,248,588 |

(1) The weighted average exercise price does not take into account shares issuable u outstanding stock awards which have no exercise price.

(2) The 2011 Plan incorporates an “evergreen” provision, pursuant to which the num common stock reserved for issuance or transfer pursuant to awards under the 20 be increased on the first day of each year beginning in 2012 and ending in 2021, least of (A) 1,666,666 shares and (B) five percent (5%) of the shares of our com outstanding (on an as converted basis) on the last day of the immediately preced and (C) such smaller number of shares of common stock as determined by the B provided, however, no more than 23,333,333 shares of common stock may be is exercise of incentive stock options.

(3) The 2011 ESPP Plan incorporates an “evergreen” provision, pursuant to which t shares of common stock reserved for issuance or transfer pursuant to awards und ESPP shall be increased on the first day of each year, equal to the least of (i) five (5,000,000) shares of Stock, (ii) one percent (1%) of the shares of Stock outstand converted basis) on the last day of the immediately preceding fiscal year and (iii number of shares of Stock as determined by the Board, which may be either auth unissued Stock or reacquired Stock, including shares of Stock purchased on the

(4) Includes (i) 3,050,301 shares issuable upon the exercise of outstanding stock opt 2011 Plan, (ii) 652,614 shares issuable pursuant to RSUs under the 2011 plan, an 454,574 shares issuable pursuant to Performance Shares under the 2011 Plan.

(5) Represents the total stock awards available for grant under the 2011 Plan and the remaining under the Employee Stock Purchase Plan.

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

43

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

REPORT OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRE
EXECUTIVE COMPENSATION

The material in this report is not "soliciting material," is not deemed "filed" with th
to be incorporated by reference into any filing of Ellie Mae under the Securities Act
amended, or the Securities Exchange Act of 1934, as amended.

The compensation committee has reviewed and discussed the Compensation Discus
Analysis required by Item 402(b) of Regulation S-K with management and, based o
and discussions, the compensation committee recommended to the Board that the C
Discussion and Analysis be included in this Proxy Statement.

Compensation Committee
Bernard M. Notas, Chairman
A. Barr Dolan
Craig Davis

44

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The material in this report is not "soliciting material," is not deemed "filed" with th to be incorporated by reference into any filing of Ellie Mae under the Securities Act amended, or the Securities Exchange Act of 1934, as amended.

The primary purpose of the audit committee is to oversee our financial reporting pro behalf of the Board. The audit committee's functions are more fully described in its is available on our website at http://www.elliemae.com/investor-relations/corporate-profile/corporate-governance

Management has the primary responsibility for our financial statements and reportin including our systems of internal controls. In fulfilling its oversight responsibilities, committee reviewed and discussed with management our audited consolidated finan statements as of and for the year ended December 31, 2014.

The audit committee has discussed with Grant Thornton LLP, the Company's indep registered public accounting firm, the matters required to be discussed under Auditi No. 16 adopted by the Public Company Accounting Oversight Board ("PCAOB") r "Communications with Audit Committees." In addition, the audit committee discus Thornton LLP their independence, and received from Grant Thornton LLP the writt and the letter required by Ethics and Independence Rule 3526 of the PCAOB. Final committee discussed with Grant Thornton LLP, with and without management pres and results of Grant Thornton LLP's audit of such financial statements.

Based on these reviews and discussions, the audit committee has recommended to t such audited financial statements be included in our Annual Report on Form 10-K f ended December 31, 2014 for filing with the SEC. The audit committee also has en Thornton LLP as our independent registered public accounting firm for the fiscal ye December 31, 2015 and is seeking ratification of such selection by the stockholders

Audit Committee
Robert J. Levin, Chairman
Bernard M. Notas,
Alan S. Henricks
Marina Levinson

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We describe below transactions and series of similar transactions, during our last fis currently proposed, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers, holders of more than 5% of our common st member of their immediate family had or will have a direct or indirect material inte

We entered into change of control agreements with certain of our executive officers other things, provide for certain severance and change of control benefits. For a des these agreements, see "Compensation Discussion and Analysis—Termination-Base

We have entered into indemnification agreements with each of our current directors These agreements provide for the indemnification of our directors and officers for c expenses and liabilities incurred in connection with any action, suit, proceeding or a dispute resolution mechanism, or hearing, inquiry or investigation that may lead to t to which they are a party, or are threatened to be made a party, by reason of the fact or were a director, officer, employee, agent or fiduciary of the Company, or any of o subsidiaries, by reason of any action or inaction by them while serving as an officer agent or fiduciary, or by reason of the fact that they were serving at our request as a officer, employee, agent or fiduciary of another entity. Under the indemnification ag indemnification will only be provided in situations where the indemnified parties ac faith and in a manner they reasonably believed to be in or not opposed to our best in with respect to any criminal action or proceeding, to situations where they had no re cause to believe the conduct was unlawful. In the case of an action or proceeding by right of the Company or any of our subsidiaries, no indemnification will be provide claim where a court determines that the indemnified party is prohibited from receivi indemnification.

Other than as described above under this section "Certain Relationships and Related since the beginning of last year, we have not entered into any transactions, nor are t currently proposed transactions, between us and a related party where the amount in exceeds, or would exceed, $120,000, and in which any related person had or will ha indirect material interest. We believe the terms of the transactions described above v comparable to terms we could have obtained in arm's length dealings with unrelated

Policies and Procedures for Related Party Transactions

The Board has adopted a written policy to set forth the policies and procedures for t approval or ratification of related party transactions. This policy covers any transact arrangement or relationship, or any series of similar transactions, arrangements or re which we are to be a participant, the amount involved exceeds $120,000 and a relate or will have a direct or indirect material interest, including purchases of goods or se from the related person or entities in which the related person has a material interest indebtedness, guarantees of indebtedness and employment by us of a related person committee is responsible for reviewing and either approving or rejecting such propo transactions, agreements or relationships and, in doing so, will consider the relevant circumstances available and deemed relevant to them, including, but not limited to, costs and benefits to us, the terms of the agreement, the availability of other sources comparable services or products, and, if applicable, the impact on a director's indep

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

director may participate in the approval of a related party transaction for which he i party. We adopted a written Code of Business Conduct and Ethics which requires th officers and employees make appropriate disclosure of potential conflicts of interest their supervisor or our general counsel, as appropriate.

A copy of the Code of Business Conduct and Ethics is available to security holders Company's website at http://www.elliemae.com/investor-relations/corporate-profile/corporate-governance

46

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

OTHER MATTERS

The Board knows of no other matters that will be presented for consideration at the
Meeting. If any other matters are properly brought before the Annual Meeting, it is
of the persons named in the accompanying proxy to vote on such matters in accorda
best judgment.

ANNUAL REPORTS

The 2014 Annual Report to Stockholders, including our 2014 Annual Report on For
(which is not a part of our proxy soliciting materials), is being mailed with this Prox
to those stockholders that request and receive a copy of the proxy materials in the m
Stockholders that received the Notice of Internet Availability of Proxy Materials ca
Proxy Statement and our 2014 Annual Report to Stockholders at www.proxyvote.co
does not have "cookies" that identify visitors to the site. Requests for copies of our
Report to Stockholders may also be directed to the Secretary at Ellie Mae, Inc., 442
Drive, Suite 500, Pleasanton, California 94588.

We have filed our Annual Report on Form 10-K for the fiscal year ended December
with the SEC. It is available free of charge at the SEC's web site at www.sec.gov. U
request by an Ellie Mae stockholder, we will mail without charge a copy of our Ann
Form 10-K, including the financial statements and financial statement schedules, bu
exhibits to the Annual Report on Form 10-K. Exhibits to the Annual Report on Forn
available upon payment of a reasonable fee, which is limited to our expenses in furn
requested exhibit. All requests should be directed to Secretary, Ellie Mae, Inc., 4420
Drive, Suite 500, Pleasanton, California 94588.

By Order of the Board of Directors
Brian Brown
Vice President of Legal Affairs and Secretary
April 23, 2015

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
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APPENDIX A
SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
MAE, INC.
Ellie Mae, Inc., a corporation organized and existing under the laws of the State of
"Corporation"), hereby certifies that:
ONE: The name of the Corporation is Ellie Mae, Inc. and the Corporation was inco
October 14, 2009 pursuant to the General Corporation Law of the State of Delaware
"Delaware General Corporation Law").
TWO: This Amended and Restated Certificate of Incorporation shall be effective as
Easter Time, on April 20, 2011. THREE: This Second Amended and Restated Certi
Incorporation has been duly adopted in accordance with the provisions of Sections
228 of the Delaware General Corporation Law, and prompt written notice will be d
pursuant to Section 228 of the Delaware General Corporation Law.
FOURTHREE: This Second Amended and Restated Certificate of Incorporation am
restates the Amended and Restated Certificate of Incorporation to read as follows:
ARTICLE I
NAME
The name of the Corporation is Ellie Mae, Inc.
ARTICLE II
ADDRESS
The address of the Corporation's registered office in the State of Delaware is 1209
City of Wilmington, county of New Castle. The name of its registered agent at such
The Corporation Trust Company.
ARTICLE III
PURPOSE AND EXISTENCE
The purpose of the Corporation is to engage in any lawful act or activity for which
may be organized under the Delaware General Corporation Law.
ARTICLE IV
CAPITAL STOCK
A.This Corporation is authorized to issue two classes of stock to be designated, resp
"Common Stock" and "Preferred Stock." The total number of shares that the Corpo
authorized to issue is ONE HUNDRED FIFTY MILLION (150,000,000) shares, O
HUNDRED FORTY MILLION (140,000,000) shares of which shall be Common S
MILLION (10,000,000) shares of which shall be Preferred Stock. The Common Sto
a par value of $0.0001 per share and the Preferred Stock shall have a par value of $
share.
B.Preferred Stock. Shares of Preferred Stock may be issued in one or more series, f
time, with each such series to consist of such number of shares and to have such vo
full or limited, or no voting powers, and such designations, preferences and relative
optional or other special rights, and the qualifications, limitations or restrictions the
be stated in the resolution or resolutions providing for the issuance of such series ad
Board of Directors of the corporation, and the Board of Directors is hereby express
the authority, to the full extent now or hereafter provided by law, to adopt any such
resolutions. The authority of the Board of Directors with respect to each series of P

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|---|---|---|---|---|

shall include, but not be limited to, determination of the following:

(1)the number of shares constituting that series and the distinctive designation of th

(2)the dividend rate or rates on the shares of that series, the terms and conditions up the periods in respect of which dividends shall be payable, whether dividends shall cumulative, and, if so, from which date or dates, and the relative rights of priority, i payment of dividends on shares of that series;

(3)whether that series shall have voting rights, in addition to the voting rights provi and, if so, the terms of such voting rights;

(4)whether that series shall have conversion privileges, and, if so, the terms and con such conversion, including provision for adjustment of the conversion rate in such e Board of Directors shall determine;

(5)whether or not the shares of that series shall be redeemable, and, if so, the terms conditions of such redemption, including the date or dates upon or after which they redeemable, and the amount per share payable in the event of redemption, which an vary under different conditions and at different redemption dates;

A-1

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

(6)whether that series shall have a sinking fund for the redemption or purchase of sl
series, and, if so, the terms and amount of such sinking fund;
(7)the rights of the shares of that series in the event of voluntary or involuntary liqu
distribution of assets, dissolution or winding up of the corporation, and the relative
priority, if any, of payment of shares of that series; and
(8)any other relative rights, powers and preferences and the qualifications, limitatio
restrictions thereof, of that series.
C.Common Stock. The Common Stock shall have the rights, powers, qualifications
limitations, as hereinafter set forth in this Article IV.
(1)Subject to the preferences applicable to any series of Preferred Stock outstanding
the holders of shares of Common Stock shall be entitled to receive such dividends a
distributions in cash, property or shares of stock of the Corporation as may be decla
the Board of Directors from time to time out of assets or funds of the Corporation le
available therefor.
(2)Upon the dissolution, liquidation or winding up of the Corporation, subject to the
of the holders of any outstanding series of Preferred Stock, the holders of shares of
Stock shall be entitled to receive the assets of the Corporation available for distribut
stockholders ratably in proportion to the number of shares held by them.
(3)Except as required by law, each holder of Common Stock shall be entitled, with
each share of Common Stock held by such holder on the applicable record date, to c
person or by proxy on all matters submitted to a vote of the holders of Common Sto
without limitation, in connection with the election of directors to the Board of Direc
understood that in respect of the election of directors, no stockholder shall be entitle
votes on behalf of any candidate), whether voting separately as a class or otherwise
Notwithstanding the foregoing, and except as otherwise required by law, holders of
Stock, as such, shall not be entitled to vote on any amendment to this Second Amen
Restated Certificate of Incorporation (including any Certificate of Designation relat
series of Preferred Stock) that relates solely to the terms of one or more outstanding
Preferred Stock if the holders of such affected series of Preferred Stock are entitled,
separately or together with the holders of one or more other such series of Preferred
vote thereon pursuant to this Second Amended and Restated Certificate of Incorpor
(including any Certificate of Designation relating to any series of Preferred Stock) o
the Delaware General Corporation Law.

ARTICLE V

DIRECTORS AND POWERS

For the management of the business and for the conduct of the affairs of the Corpor
further definition, limitation and regulation of the powers of the Corporation, of its
of its stockholders or any class thereof, as the case may be, it is further provided tha
A.(1) The management of the business and the conduct of the affairs of the Corpo
vested in the Board of Directors. In addition to the powers and authority expressly c
them by statute or by this Second Amended and Restated Certificate of Incorporatio
Bylaws of the Corporation, the directors are hereby empowered to exercise all such
do all such acts and things as may be exercised or done by the Corporation. Subject
of any series of Preferred Stock then outstanding to elect additional directors under

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

circumstances, the number of directors which shall constitute the whole Board of D
initially shall be seven, and, thereafter shall be fixed exclusively by one or more res
adopted from time to time by a majority of the Board of Directors.

(2)Subject to the rights of any series of Preferred Stock then outstanding to elect ad
directors under specified circumstances, the directors shall be divided into three cla
designated as Class I, Class II and Class III, as nearly equal in number as possible.
Director is authorized to assign members of the Board of Directors already in office
Class II or Class III. At the first annual meeting of stockholders following the effect
this Second Amended and Restated Certificate of Incorporation (the "Qualifying Re
term of office of the Class I directors shall expire and Class I directors shall be elec
term of three years. At the second annual meeting of stockholders following the Qu
Record Date, the term of office of the Class II directors shall expire and Class II dir
elected for a full term of three years. At the third annual meeting of stockholders fo
Qualifying Record Date, the term of office of the Class III directors shall expire and
directors shall be elected for a full term of three years. At each succeeding annual m
stockholders, directors shall be elected for a full term of three years to succeed the
class whose terms expire at such annual meeting.

Notwithstanding the foregoing provisions of this Article V(A), each director shall s
or her successor is duly elected and qualified or until his or her death, resignation o
decrease in the number of directors constituting the Board of Directors shall shorte
any incumbent director.

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

(3)Subject to the rights of the holders of any series of Preferred Stock then outstand
of Directors or any individual director may be removed from office at any time for
affirmative vote of the holders of a majority of the voting power of all the then outs
of voting stock of the Corporation entitled to vote at an election of directors (the "V
For purposes of this Article V, "cause" shall mean: (i) the director's conviction (tre
contendere plea as a conviction) of a felony involving (a) moral turpitude or (b) a v
federal or state securities laws, but specifically excluding any conviction based enti
vicarious liability; (ii) the director's commission of any material act of dishonesty r
intended to result in material personal gain or enrichment of such director at the exp
Corporation or any of its subsidiaries; (iii) the director's fraud or intentional misrep
including falsifying use of funds and intentional misstatements made in financial st
books, records or reports to stockholders or governmental agencies; (iv) the director
violation of any agreement between the director and the Corporation; (v) the directo
causing the Corporation to commit violations of applicable law (including by failur
(vi) the director being adjudged legally incompetent by a court of competent jurisdi
(4)Subject to the rights of the holders of any series of Preferred Stock then outstand
vacancies on the Board of Directors resulting from death, resignation, disqualificati
other causes and any newly created directorships resulting from any increase in the
directors shall, unless the Board of Directors determines by resolution that any such
newly created directorships shall be filled by a vote of the stockholders, except as o
provided by law, be filled only by the affirmative vote of a majority of the directors
office, even though less than a quorum of the Board of Directors, and not by the sto
Any director elected in accordance with the preceding sentence shall hold office for
of the full term of the director for which the vacancy was created or occurred and u
director's successor shall have been elected and qualified.
(5)During any period when the holders of any series of Preferred Stock have the rig
additional directors as provided for or fixed pursuant to the provisions of Article IV
upon commencement and for the duration of the period during which such right con
then otherwise total authorized number of directors of the Corporation shall automa
increased by such specified number of directors, and the holders of such Preferred S
entitled to elect the additional directors so provided for or fixed pursuant to said pro
(ii) each such additional director shall serve until such director's successor shall hav
elected and qualified, or until such director's right to hold such office terminates pu
provisions, whichever occurs earlier, subject to his earlier death, disqualification, re
removal. Except as otherwise provided by the Board of Directors in the resolution c
establishing such series, whenever the holders of any series of Preferred Stock havi
to elect additional directors are divested of such right pursuant to the provisions of s
terms of office of all such additional directors elected by the holders of such stock,
fill any vacancies resulting from the death, resignation, disqualification or removal
additional directors, shall forthwith terminate and the total authorized number of di
Corporation shall be reduced accordingly.
B.(1) In furtherance and not in limitation of the powers conferred by statute, the B
Directors is expressly authorized to make, alter or repeal the Bylaws of the Corpora
affirmative vote of a majority of the directors present at any regular or special meet

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

Board of Directors at which a quorum is present. Notwithstanding the foregoing, bu
to any affirmative vote of the holders of any particular class or series of the Voting
by law, this Second Amended and Restated Certificate of Incorporation or any Cert
Designation, the Bylaws of the Corporation may be rescinded, altered, amended or
any respect by the affirmative vote of the holders of at least a majority sixty-six and
percent (66 2/3%) of the voting power of all the then outstanding shares of the Voti
(2)The directors of the Corporation need not be elected by written ballot unless the
provide.
(3)Subject to the rights of the holders of any series of Preferred Stock then outstand
action required or permitted to be taken by the stockholders of the Corporation mus
at a duly called annual or special meeting of the stockholders of the Corporation, an
of any action by written consent of the stockholders is specifically denied.
(4)Subject to the rights of the holders of any series of Preferred Stock then outstand
meetings of the stockholders of the Corporation may be called, for any purpose or p
the Board of Directors, chairperson of the Board of Directors, chief executive office
(in the absence of a chief executive officer), but such special meetings may not be c
other person or persons.
(5)Subject to the rights of the holders of any series of Preferred Stock then outstand
notice of stockholder nominations for the election of directors and of business to be
stockholders before any meeting of the stockholders of the Corporation shall be giv
manner provided in the Bylaws of the Corporation.

ARTICLE VI

MEETINGS OF STOCKHOLDERS; BOOKS AND RECORDS

Meetings of the stockholders of the Corporation may be held within or outside the S
Delaware, as the Bylaws of the Corporation may provide. The books and records of
Corporation may be kept outside the State of Delaware at such place or places as m
designated from time to time by the Board of Directors or in the Bylaws of the Corp

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

ARTICLE VII
LIMITATION OF LIABILITY AND INDEMNIFICATION

A.To the maximum extent permitted by the Delaware General Corporation Law or a
of the State of Delaware, as the same exists or as may hereafter be amended, a direc
Corporation shall not be personally liable to the Corporation or its stockholders for
damages for breach of fiduciary duty as a director. If the Delaware General Corpora
amended after approval by the stockholders of this Article VI to authorize corporate
further eliminating or limiting the personal liability of directors, then the liability of
the Corporation shall be eliminated or limited to the fullest extent permitted by the
General Corporation Law as so amended.

B.To the fullest extent permitted by law, the Corporation may indemnify and advan
any person made or threatened to be made a party to an action or proceeding, wheth
civil, administrative or investigative, by reason of the fact that the person, the perso
intestate is or was a director, officer, employee or agent of the Corporation or any p
the Corporation, or serves or served at any other enterprise as a director, officer, em
agent at the request of the Corporation or any predecessor to the Corporation.

C.Neither any amendment nor repeal of this Article VII, nor the adoption of any pro
Corporation's Certificate of Incorporation inconsistent with this Article VII, shall e
reduce the effect of this Article VII in respect of any matter occurring, or any action
proceeding accruing or arising or that, but for this Article VII, would accrue or arise
amendment, repeal or adoption of an inconsistent provision.

ARTICLE VIII
AMENDMENTS TO CERTIFICATE OF INCORPORATION

The Corporation reserves the right to amend, alter, change or repeal any provision o
this Second Amended and Restated Certificate of Incorporation in the manner presc
and by the laws of the State of Delaware and all rights conferred upon stockholders
subject to this reservation; provided, however, that notwithstanding any other provi
Second Amended and Restated Certificate of Incorporation or any provision of law
otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of t
any particular class or series of the Voting Stock required by law, this Second Amen
Restated Certificate of Incorporation or any Certificate of Designation, the affirmat
holders of at least a majority sixty-six and two-thirds percent (66 2/3%) of the votin
of the then-outstanding shares of the Voting Stock, voting together as a single class
required to alter, amend or repeal any or all of Section B of Article IV, Article V, A
this Article VIII.

* * * *

IN WITNESS WHEREOF, Ellie Mae, Inc., has caused this Second Amended and R
Certificate of Incorporation to be executed by its duly authorized officer on this 20t
April [__], 2011 2015.

ELLIE MAE, INC.

By:

Sigmund Anderman
Jonathan Corr

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

President & Chief Executive Officer

A-4

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
|---|---|---|---|---|

| Classification | Balance at Beginning of Year | Additions Charged to Costs and Expense | Deductions, Payments and Write-offs | Reclassifications and Other |
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